netcompany

Elevating technology for the future

Digitalisation is changing the game

Annual Report 2021

Content

Welcome to the Netcompany 2021 Annual Report – an exciting year with outstanding results.

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Bo Rygaard comments on 2021 from a strategic point of view

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Message from the CFO

Thomas Johansen comments on the financial performance of 2021

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Other statutory reports

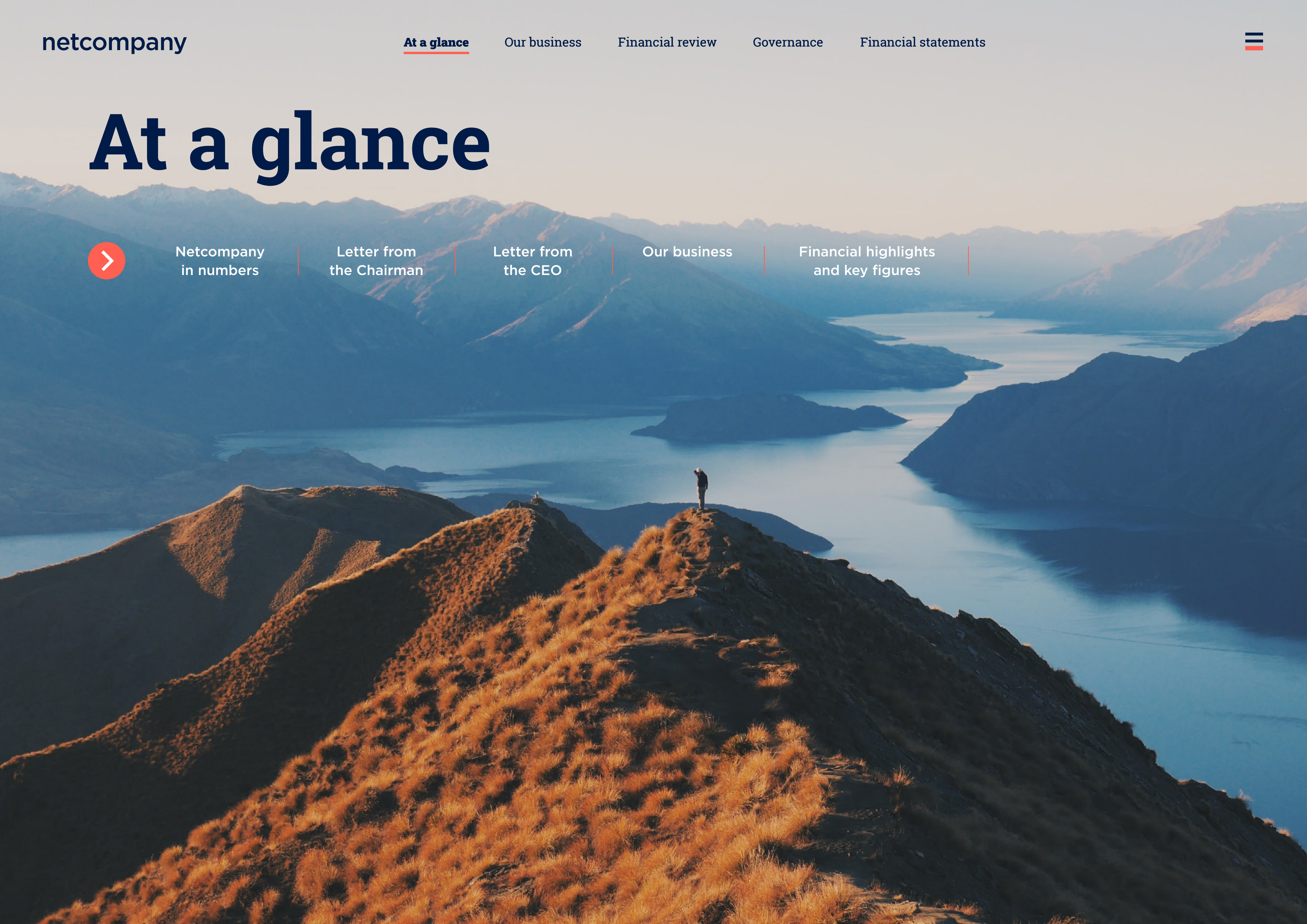
Netcompany has also published the ESG Report and Remuneration Report

ESG report 2021

Remuneration report 2021

By building flexible, scalable and secure **digital platforms**, Netcompany is positioned to help Europe thrive through a decade of **massive digitalisation**

At a glance



Financial highlights

Netcompany in numbers

Netcompany has in 2021 continued to grow in revenue, adjusted EBITA and employee numbers. Revenue grew 27.9%, while delivering an adjusted EBITA margin of 21.8% and a normalised cash conversion of 94.3%. Employees grew by 3,371, of which 2,864 was due to the acquisition of Intrasoft

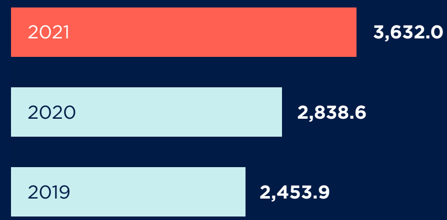
21.8%

Adjusted EBITA margin

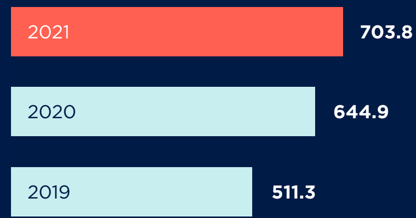
94.3%

Normalised cash conversion

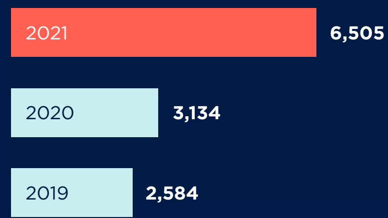
Revenue (DKKm)



EBIT (DKKm)



Employees at year end (headcount)



Non-financial highlights

Netcompany in numbers

Netcompany is helping customers implement new technologies that are significantly more energy efficient, while continuing to focus on building a diverse and inclusive workplace to attract and retain employees and maintain competitiveness in the market ▸▸

83%

Renewable Energy Share

We pave the way for a sustainable future

34

Employee satisfaction (eNPS)

We develop societies and people

40/60%

Gender diversity (f/m at BoD)

We act responsibly

Letter from the Chairman

Increased presence in Europe

In 2021, Netcompany continued to develop presence in Denmark and in the market units outside of Denmark. In addition, our European presence was significantly increased with the acquisition of Intrasoft International S.A., which has elevated Netcompany into an even stronger Group that will lead the digitalisation of Europe in the coming decade

We entered 2021 on the back of a strong 2020 where many normal business operations were significantly different than in a normal setting. In many aspects 2021 also turned into a year out of the ordinary, however for other reasons than purely COVID-19.

We have continued to invest in our operations in Norway, UK and the Netherlands, despite the short term dilutive impact on margins in both the individual markets performance but also in the Danish operation´s performance. This type of decision is a typical example of the Netcompany DNA that I am proud and humble to front. What it means is that we will always look at the long term objective over short term margin plays, simply because that is what ensures the continued and sustainable growth and presence of Netcompany.

Toward the end of the year, we have acquired Luxembourg based Intrasoft International S.A.(Intrasoft), which has almost doubled our headcount to more than 6,500 employees at the end of 2021. More importantly though, we have gained access to parts of the European markets where we did not already have a presence and we have enhanced our offerings to the market significantly by adding the platforms that Intrasoft has been developing over the last twenty years.

We will always look at the long term objective over short term margin plays, to **ensure the continued and sustainable growth** of Netcompany

Our ambition to establish Netcompany in Sweden via a greenfield establishment is intact and we expect to do so during the next year.

We have had a busy year at Netcompany in 2021 with the continued effects of COVID-19 affecting how we worked together, a change of management in both the UK and the Netherlands and the acquisition of Intrasoft. Therefore, it makes me even prouder that we have been able to maintain our focus on our core business and realised organic revenue growth of 18% and an organic EBITA margin of 23%. When adding the impact of the acquisition of Intrasoft, our revenue grew 28% for the year.

For 2022, we expect to grow the organic part of Netcompany by 14-19% with an EBITA margin above 23%. Including the acquisition of Intrasoft, we expect to grow revenue by 48-56% with an EBITDA margin above 20%.

Our communication with stakeholders

We pride ourselves on being open, direct and transparent in all we do – both in relation to customers, employees, shareholders and other stakeholders. We are generally available for discussions with our shareholders and with participants in the equity capital market. We continue to see strong interest in - and support for - Netcompany amongst existing and new shareholders.

We entered the C25 index on the OMX Nordic exchange in December 2020 and have remained a member hereof throughout 2021. The turnover in our shares increased by 23% during the year and we added another 13% to the market capitalisation of Netcompany in 2021.

Our work as Board of Directors

During the year, we have engaged in discussions and prioritisations of the strategic direction and the financial performance, risk management and general governance with Executive Management. For example, those discussions led us to the decision to acquire Intrasoft to further accelerate growth in Europe for the Group.

The Board commissioned a board evaluation during the year. The remit of the external evaluation was to assess the work conducted by the Board, the Board members' combined competencies, the work done in Board committees and the general level of cooperation between the Board and Executive Management.

The Board evaluation concluded that we have adequate competencies to ensure the proper oversight of Netcompany. It also concluded that the level of engagement with Executive Management was highly satisfactory.

Based on the external Board evaluation, and our engagement with Executive Management on an ongoing basis it is our conclusion that we as a Board fulfil our fiduciary duties.

Capital Structure

During the year, we paid out DKK 50m in dividends and executed share buyback programmes to a total value of DKK 100m. Our strong cash flow generation made this possible. While we expect cash flow to be equally strong in 2022, we have also increased our debt level with the acquisition of Intrasoft to maintain a satisfactory debt level ratio we thus propose not to pay out dividends for the year 2021 and to set the level of share buyback programmes to DKK 100m in 2022.

Bo Rygaard
Chairman of the Board of Directors

Letter from the CEO

Expanding the Netcompany model and accelerating European growth

In 2021, we have continued to deliver outstanding results of great value to our customers, as well as society, despite another challenging year for all of us with the spread of the COVID-19 virus where standard ways of operating have been challenged. It humbles me deeply to see how we as a business have embraced a changed working environment and I am amazed by the performance delivered together with our customers.

Several bold decisions have been taken in 2021 to support sustainable long term growth of Netcompany. In addition to our continued focus on delivering complex, business critical solutions to large public and private institutions, we have heavily accelerated investments in our entities outside of Denmark to support our international growth journey.

In support of all our promising efforts of becoming a European market leader, we successfully have completed the acquisition of Intrasoft.

The time is now – the societies and businesses that seize the new digital opportunities will prosper in the future

The acquisition of Intrasoft was an important milestone for the Group constituting the biggest acquisition to date and giving rise to a new leading European player with expertise across the EU Institutions, the public sector and large private enterprise markets. Our total employee count will now be more than 6,500 talented employees delivering on a very broad and proven portfolio of technical platforms and digital services.

We have enhanced and strengthened our Govtech Framework and flexible platform engineering approach. I am fully convinced that our innovative and unique platform offerings will be a strategic advantage and key drivers in helping Governments and businesses across markets pave the way for a successful and sustainable business model in the future.

On top of our wide range of encouraging development activities, we have succeeded in growing the organic part of the business by 18% delivering 23% adjusted EBITA margin. Hereto, we have added non-organic revenue of another 10% from the recent acquisition of Intrasoft with 2 months of activity.

Accelerating successful digital transformation

During the year, we have proudly worked with DSV. The world leading supplier of transport and logistics has embarked on an ambitious digital modernisation journey with the goal of preparing infrastructure, application landscape, and a data platform for future growth and acquisitions.

The solutions will allow DSV to reduce IT costs while at the same time increase flexibility and effectiveness in global operations.

In Norway, we have helped the Directorate of Immigration and Diversity to build and implement a new platform for securing payments of grants related to immigration. The solution is based on components and accelerators from our Govtech Framework and incorporates the best practices from similar solutions in Denmark.

Thanks to the modular nature of our Govtech Framework, solutions are fast to implement and flexible enough to scale and adapt as things change rapidly. As an example, we have helped Governments in Norway, Scotland and England to monitor and control the ongoing COVID-19 pandemic by developing solutions based on Netcompany's digital Corona certificate solution used in Denmark

We have significantly and successfully increased our footprint both in the UK and the Norwegian market and delivered strong growth in both entities. Now more than ever, we are recognised and positioned as a highly valued partner in delivering complex technology transformation to support both private and public businesses.

In the Netherlands, despite challenging market conditions, we delivered a new and modern platform to the Dutch Ministry of Finance that will be handling all treasury banking tasks between ministries and various agencies in the central Government for payments and transfers of funding, while providing clear insight into the relevant mandates and laws passed to release the funding.

A tipping point for digitalisation – the time is now

COVID-19 has pushed companies and Governments over the digitalisation tipping point and is transforming the way we think and do business. We are facing an unprecedented time in Europe where societies are accelerating and understanding the value of digital transformation. Digitalisation is now more than ever recognised as a crucial determinant for our society to function safely and efficiently in the future. There is no doubt - the societies and businesses that seize the new digital opportunities will prosper in the future.

IT people leading IT people – the core of our success. It humbles me that so many great people share our vision and pursue a career in Netcompany

By digitising Europe responsibly, we fundamentally change societies, businesses, and the way we live our lives for the better. If we do it now, and do it right, we will hand over a society to our coming generations that both we and they can be proud of. A society where innovation, growth, welfare, sustainability, and political stability can go hand in hand.

Serving as an integral part of several of the societies we operate in, by building flexible, scalable, and secure digital platforms, I truly believe Netcompany is better positioned than ever to help Europe thrive through a decade of massive digitalisation.

Intrasoft now being part of Netcompany, means we become even better positioned and strengthened to play a vital role in helping European Governments, businesses, and institutions in their efforts to take full advantage of digitalisation. Furthermore, it will support the platform approach Netcompany has embarked on by adding supplementary innovative platforms, skilled competencies, and a wider presence throughout Europe. It will also expand the reach and offerings in Netcompany's private sector verticals, based on additional references and competencies added from Intrasoft in Telco, Banking & Finance, and Energy & Utilities.

In order to continue to focus and develop our core offerings, we have decided to stop two of our service offerings – one in Denmark and one in the UK. This will have a dilutive impact on our growth in 2022, but it will keep us focused on executing on our core strategic priorities, which is better for us as a company in the longer term.

The competences brought together with the Intrasoft acquisition and the geographical reach of the combined Group places us in a favourable position – both from a capability and platform offering perspective - to expand our presence to all of Europe.

IT people leading IT people – the core of our success

IT people leading IT people is a guiding principle in Netcompany and constitutes a unique differentiator creating high value for our customers. Our skilled and dedicated IT professionals are a vital factor for our continuous ability to deliver high quality solutions on time and on budget in the markets we operate in.

I am therefore pleased to have welcomed more than 1,400 new employees to Netcompany during the year. Our reputation as a leading IT company with exceptional career opportunities for IT professionals supports our high demand for new recruits. Also, a warm welcome to our 2,800 new and talented colleagues from Intrasoft now joining our large and growing family.

It humbles me that so many great people share our vision and pursue a career in Netcompany. In times of increased pressure in the labour markets for talented people with outstanding IT competencies this is not a given. We will continue to invest significantly in our people, our training activities, and in company social events to always stay among the best places to work for IT professionals.

I am enthusiastically looking into the future and I am confident that we will achieve our vision of becoming a digital market leader in Europe.

André Rogaczewski
CEO and Co-Founder

At a glance

Strategy

Netcompany's ambition is to become a market leader within IT services in Europe. To realise this ambition we have defined a strategy based on three main pillars:

Land and expand in Europe

Utilise platforms

Export and implement our business model

Go to 'Strategy and business model'

At a glance

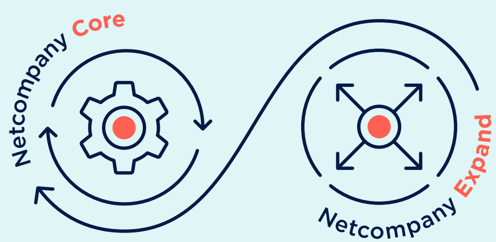
Equity story

Netcompany is a leading **pure play** **next generation** native IT provider

This means that in the solutions and platforms we develop, maintain and operate, we:

- Use new technologies to develop solutions and platforms
- Are technology agnostic
- Focus on mission critical and complex solutions with our clients
- Have no legacy systems in our portfolio
- Will grow organically and non-organically

Netcompany consists of two operating models:



Go to 'Equity story'

At a glance

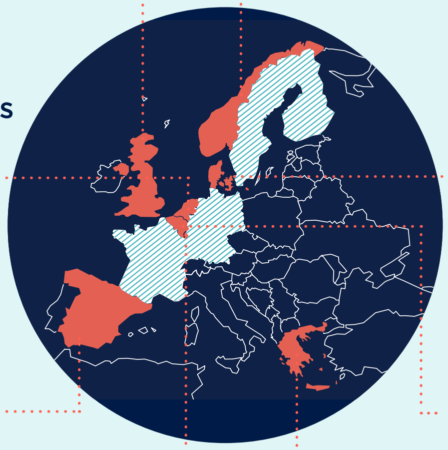
Our markets

United Kingdom

0.2%
Addressable market share

Norway

1.7%
Addressable market share



Netherlands

0.2%
Addressable market share

Denmark

12.0%
Addressable market share

Spain

0.1%
Addressable market share

Belgium

4.6%
Addressable market percentage

Luxembourg

4.8%
Addressable market share

Greece

21.2%
Addressable market share

Go to 'Our markets'

Potential markets

At a glance

Netcompany-Intrasoft

Business segments

Public sector

EU institutions

Private enterprises

Strong foothold for digitalisation to accelerate **in Europe**

Product suite

Customs

Compliance

Taxation

Banking

Social security

Go to 'Netcompany-Intrasoft'

Financial highlights and key figures

DKK million	2021	2020	2019	2018	2017
Income statement					
Public revenue	2,210.4	1,777.7	1,455.5	1,152.1	730.2
Private revenue	1,421.6	1,060.9	998.3	901.1	685.9
Revenue by segments, total	**3,632.0**	**2,838.6**	**2,453.9**	**2,053.2**	**1,416.1**
Development revenue	2,302.4	1,517.0	1,257.7	1,005.4	646.9
Maintenance revenue	1,328.0	1,321.6	1,196.1	1,047.8	769.2
License revenue	1.5	0	0	0	0
Revenue by type, total	**3,632.0**	**2,838.6**	**2,453.9**	**2,053.2**	**1,416.1**
Organic revenue	3,346.4	2,812.4	2,416.5	1,777.5	1,232.0
Non-organic revenue	285.6	26.2	37.4	275.7	184.0
Revenue by growth, total	**3,632.0**	**2,838.6**	**2,453.9**	**2,053.2**	**1,416.1**
Special items	-37.7	0.0	-4.4	-34.5	-32.9
Adjusted EBITDA	881.1	809.4	673.6	554.6	435.3
EBITDA	843.2	809.4	669.2	520.1	402.4
Adjusted EBITA	793.2	744.4	617.4	514.2	402.0
EBITA	755.3	744.4	613.0	479.7	369.0
Operating profit (EBIT)	703.8	644.9	511.3	364.3	273.2
Net financials	-33.4	-47.0	-14.0	-108.7	-72.1
Net profit	574.3	321.9	388.5	181.2	141.6
Financial position					
Investments in tangible assets	46.2	23.9	24.6	22.9	16.7
Investments in intangible assets	11.3	0	0	0	11.1
Total assets	7,021.1	4,039.4	3,727.6	3,485.4	3,469.5
Equity	3,037.9	2,428.6	2,071.7	1,806.3	1,643.9
Dividends paid	49.1	0	0	0	0
Net increase in cash and cash equivalents	93.5	233.6	23.6	-85.3	163.3

Above figures have been calculated in accordance with fomulas on page 146.

DKK million	2021	2020	2019	2018	2017
Cash flow figures					
Cash flow from operating activities	465.6	580.9	460.3	186.4	195.3
Cash flow from investing activities	-1,254.5	-101.6	-73.3	-27.2	-124.2
Cash flow from financing activities	882.4	-245.7	-363.4	-244.6	92.2
Free cash flow	408.0	557.0	435.8	163.6	167.5
Net increase in cash and cash equivalents	93.5	233.6	23.6	-85.3	163.3
Earnings per share					
Earnings per share (DKK)	11.74	6.56	7.91	3.65	N/A
Diluted Earnings per share (DKK)	11.60	6.53	7.89	3.65	N/A
Employees					
Average number of full-time employees	3,787	2,768	2,293	1,861	1,256
Financial ratios					
Revenue growth	27.9%	15.7%	19.5%	45.0%	57.4%
Gross profit margin	36.7%	40.7%	40.6%	39.8%	43.3%
Adjusted EBITDA margin	24.3%	28.5%	27.5%	27.0%	30.7%
EBITDA margin	23.2%	28.5%	27.3%	25.3%	28.4%
Adjusted EBITA margin	21.8%	26.2%	25.2%	25.0%	28.4%
EBITA margin	20.8%	26.2%	25.0%	23.4%	26.1%
Operating profit margin	19.4%	22.7%	20.8%	17.7%	19.3%
Effective tax rate	21.1%	28.7%	21.9%	29.1%	29.6%
Return on equity	21.0%	14.3%	20.0%	10.5%	9.8%
Solvency ratio	43.3%	60.1%	55.6%	51.8%	47.4%
ROIC	14.8%	11.2%	13.6%	6.6%	5.5%
ROIC (Adjusted for Goodwill)	54.1%	53.7%	58.4%	27.9%	9.4%
Cash conversion ratio	66.4%	139.4%	93.2%	60.3%	77.4%

Our business

Our ambition and strategy

Our ambition in Netcompany is to become a market leader within IT services in Europe by 2030. The acquisition of Intrasoft has strengthened our foundation to achieve that ambition. To fully realise this ambition, we have defined a strategy based on three main pillars ▶▶

Land and expand in Europe

Currently we are present in 8 countries in Europe and a number of representations outside of Europe too.

We will focus on expanding our market share and enter new countries within Europe in the decade to come. We will continue to focus on attracting the best talent, educating them rigorously, ensuring quality "side by side" training with more experienced colleagues and optimising sourcing of talent throughout the Group.

We will seek to enter new countries either by larger acquisitions where scale is instantly achieved or through organic build up based on specific new customer wins that will yield significant projects at establishment in a given new country.

Utilise platforms

A key part of Netcompany's delivery model is to use common tools and methodologies for developing and documenting new solutions. This is also the case with Intrasoft's delivery model. The acquisition of Intrasoft has expanded the platform offerings and the depth of them, making the joint platforms leading in the market.

The Govtech Framework has been enhanced within Tax, Customs, Compliance and Social Security and now represents the most comprehensive and complete framework for solutions needed in public sector digitalisation.

In addition, the Composable Enterprise Framework for the private segment is maturing and now entails solutions for a number of industry verticals such as Airports, Banking, Insurance, Telco and Utilities.

In both the public and private segment, the platform approach means that we will be able to present new solutions to both new and existing customers. We will be able to present solutions that comes with a predefined logic and capabilities and hence we will be able to reduce time to market for our customers significantly, which in turn will reduce our customers total costs of ownership. We firmly believe this to be a differentiating factor giving us a real and tangible advantage when competing for new projects.

Export and implement our business model

The way Netcompany operates, develops and implements complex solutions is unique and difficult to emulate – if at all possible. The Netcompany methodology is implemented throughout a large part of the Group and in new larger acquisitions the methodology will be applied on new joint projects won between Netcompany and the acquired company, thereby gradually transitioning the methodology to that of Netcompany.

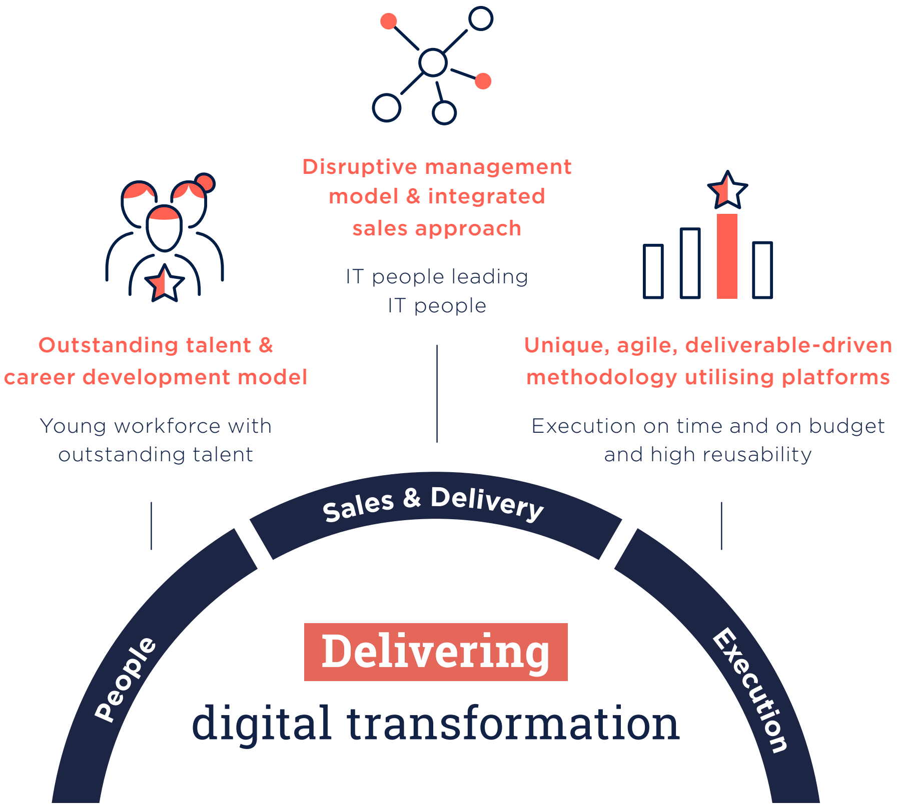
We expect to establish Netcompany in Sweden via a greenfield establishment. We also expect to establish Netcompany in Finland and will look for an opportunity to establish Netcompany in the DACH (Germany, Austria and Switzerland) region too with the main focus on Germany.

Equity story

Netcompany is a leading pure play next generation native IT provider ▶▶

This means that in the solutions and platforms we develop, maintain and operate we:

- Use new technologies to develop solutions and platforms
- Are technology agnostic
- Focus on mission critical and complex solutions with our clients
- Have no legacy systems in our portfolio
- Will grow organically and non-organically

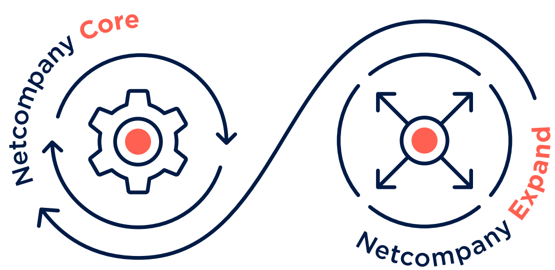


Netcompany focuses on two operating models; Netcompany Core & Netcompany Expand
Netcompany Core focuses on full implementation of the Netcompany methodology. Focus is on organic revenue growth and this part of the Group currently entails Netcompany in Denmark, Norway, UK and the Netherlands. New market entries made as greenfield entries will be part of this operating model too, like for instance the entrance into Sweden.

Netcompany Expand focuses on acquisitive growth in Europe to support Netcompany's ambition of becoming a European market leader within IT services by 2030.

Focus will be on acquisition of well-run companies with significant presence in European countries where Netcompany is not present and that will add additional platform solutions and new customers to the Group. These companies are likely to be sizeable and the ambition is therefore to continue to run the existing business of those companies on a standalone basis and gradually implement the Netcompany Core methodologies on new businesses and projects won.

The acquisition of Intrasoft is an example of what kind of companies qualify as applicable for Netcompany Expand. The current business of Netcompany-Intrasoft will continue to be run on a standalone basis, while new projects won will be delivered based on the Netcompany Core methodologies thereby gradually transforming the business of Netcompany-Intrasoft from Expand to Core.



Netcompany-Intrasoft

A strong foothold for digitalisation to accelerate in Europe

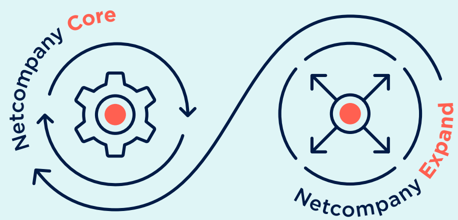
With the acquisition of Intrasoft in October 2021, Netcompany has taken a step toward becoming a leading IT services company in Europe by 2030.

Intrasoft has for many years been a key player in the digital transformation of EU institutions, national Governments and agencies.

Intrasoft brings platforms (further described on next page), services and solutions sold to over 500 organisa-tions in more than 70 countries with more than 2,800 employees working from 13 different countries.

Netcompany-Intrasoft focuses on three main business segments; EU institutions, public institutions and pri-vate enterprises. In Netcompany Group, EU institutions will be a part of the public segment. Each segment is further described on page 21.

Main synergies between Netcompany Core and Netcompany-Intrasoft:



- The combination of the extensive Netcompany Govtech Framework and Intrasoft's close collaboration with EU institutions will allow the Group to accelerate EU institutions offerings.
- With the well proven and ready to use Netcompany Govtech Framework, the Group will take new EU markets to the next level, and thereby expand the Group's presence in Europe.
- Intrasoft platforms and the Netcompany Govtech and Composable Enterprise Framework can be utilised across Europe in public and private markets as go to market solutions creating additional value to existing and future customers.
- Intrasoft's product suite is well tested within private and public sectors and will be highly relevant across Netcompany markets and a supportive "add on" to Netcompany's existing product suite.
- With significant presence in both Northern and Southern Europe and increased manpower reaching more than 6,500 employees, the Group is well positioned to enter new markets in the DACH region.

Netcompany-Intrasoft product suite

Netcompany-Intrasoft introduces several platforms into Netcompany Group as a supplement to the Netcompany Govtech Framework as well as to the Netcompany Composable Enterprise Framework.

The platforms introduced by Netcompany-Intrasoft consists of a set of configurable standard systems, which can either be implemented individually or combined to meet the specific needs of an organisation.

These platforms will complement the Netcompany delivery model and will be highly relevant and competitive across the Netcompany markets.

This extended product suite also allows Netcompany to prototype a solution easier and faster, as components can be reused and configured to the specific needs of an organisation, which is in line with the delivery model to use common tools and methodologies for developing and documenting new solutions.

Customs

20-year accumulated experience and know-how in the EU Institutions (TAXUD) and WCO policy frames – product further configured and adapted to National Single Window, Customs and Ports business landscapes

Compliance

A knowledge-based approach to risk management that can combine rules-based knowledge and predictive analytics models with the experience and expertise of key personnel, specialised for Revenue Management, Customs and Social Security

Taxation

Integrated solution to manage revenue collection and taxpayer compliance; fully adaptive to ever-changing organisational requirements

Banking

Core Banking System designed based on the highest security specifications and international quality standards. It has open, clear and solid architecture, that ensures agility, scalability and resilience

Social security

Highly configurable and functionally complete Social Security Product, specifically designed to fully automate the business processes within a Social Security organisation

EU Recovery and Resilience Facility (RRF)

EU has introduced a Recovery and Resilience Facility to boost economic resilience and recovery across Europe with a total facility of more than DKK 5,300bn. A minimum of 20% of the RRF will be allocated to digital transformation projects within member states to be spent in 2021-2026.

With the acquisition of Intrasoft, we believe Netcompany is well positioned to win a fair portion of the RRF scheme due to the Netcompany-Intrasoft presence in both Greece and Spain, and the fact that Netcompany-Intrasoft is the number one supplier to the Greek Government.

RRF

DKK >1,000bn

for digitalisation in Europe

Public sector

By utilising the platforms that Netcompany-Intrasoft brings, the public sector product suite is expanding and Netcompany Group will be in a leading position to service the public sector throughout Europe.

EU institutions

It is expected that Netcompany's Govtech Framework in combination with Netcompany-Intrasoft's position as a top 3 IT services provider for EU institutions, will accelerate the EU institution offerings as well as penetrating and taking other EU markets to the next level.

Private enterprises

With Netcompany-Intrasoft on board Netcompany Group has not only expanded the product suite but also gained leading international solutions and high quality international standards within sectors such as Telecommunication, Banking and Finance, Insurance, Energy & Utilities.

Well positioned for further expansion

The joint product suites, frameworks and platforms allows Netcompany Group to approach new customers and markets with high quality and market leading solutions in both the public (including EU institutions) and private sectors.

With this business combination Netcompany Group is positioned well to penetrate the DACH region.

Our markets

United Kingdom

The UK market is the largest market in Europe and was entered in 2017 following the acquisition of Hunter Macdonald Ltd.

Addressable market share **0.2%**

Netherlands

The Dutch market is the second largest of those markets Netcompany are present in and was entered with the acquisition of QDelft in 2019.

Addressable market share **0.2%**

Belgium

Netcompany entered the Belgian market in 2021 with the acquisition of Intrasoft, who has a strong focus on EU institutions.

Addressable market share **4.6%**

Spain

Spain is the third largest of those markets Netcompany operates in, and was entered in 2021 with the acquisition of Intrasoft.

Addressable market share **0.1%**

Addressable market percentage is based on full year revenue for 2021

Potential markets

Norway

Netcompany entered the Norwegian market in 2016 with the acquisition of Mesan.

Addressable market share **1.7%**

Denmark

Netcompany was established in Denmark, and the Danish market is considered Netcompany's home market.

Addressable market share **12.0%**

Luxembourg

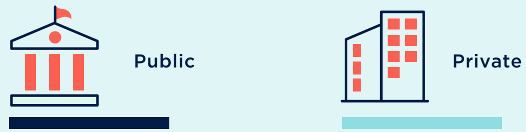
Netcompany entered the Luxembourg market in 2021 with the acquisition of Intrasoft, who has a strong focus on EU institutions.

Addressable market share **4.8%**

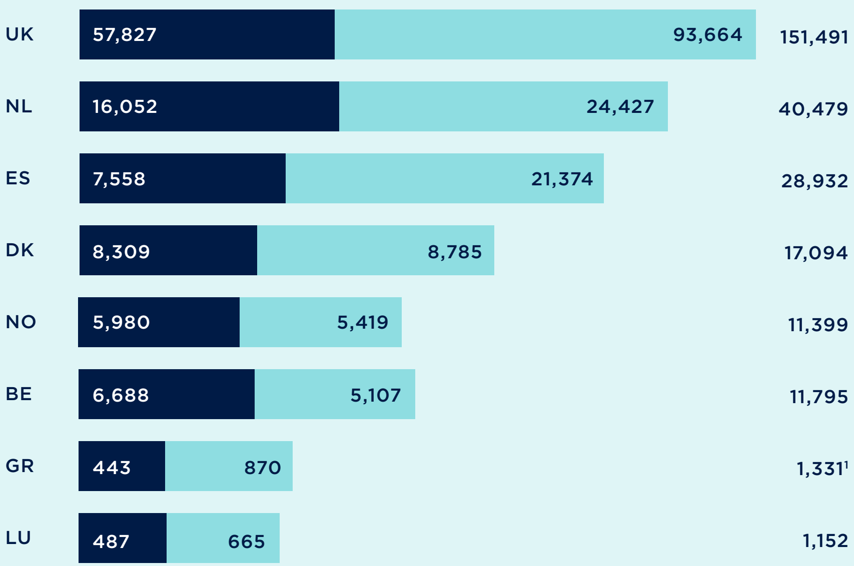
Greece

Netcompany entered the Greek market in 2021 with the acquisition of Intrasoft, who has a strong position in the public market.

Addressable market share **21.2%**

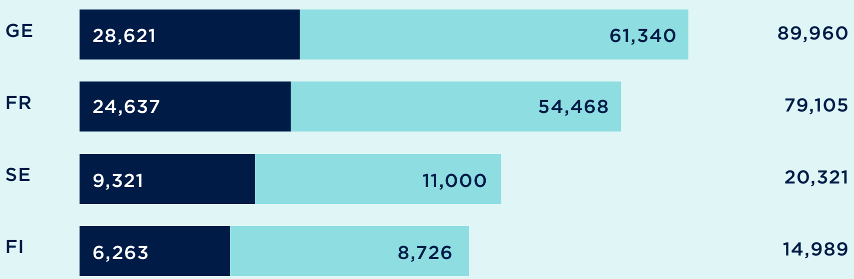


Core addressable IT spend in Existing Markets 2021 (DKKm)

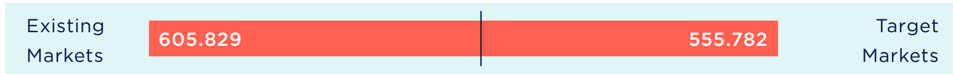


[1] Impact from Recovery and Resilience Facility is not included.

Core addressable IT spend in Target Markets 2021 (DKKm)

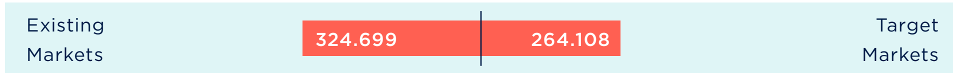


Total IT service market (DKKm)



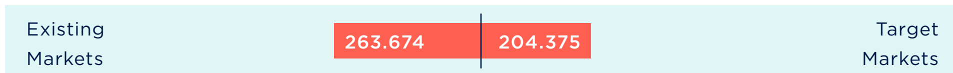
The total IT services market is defined as the expected IT market spend based on market analysis conducted by the International Data Corporation (IDC) and includes total expected IT spend across all potential IT services, not limited to the ones in which Netcompany operates.

Total addressable IT service market (DKKm)



The addressable IT services market is derived from the total IT services market, but limited to the services in which Netcompany operates such as; systems integration, IT consulting, custom application development, application management, hosted application management and hosting infrastructure services. Furthermore, the addressable market has been narrowed using the pace layers; systems of innovation, systems of differentiation and systems of records as defined by Gartner.

Total core addressable IT service market (DKKm)



The core addressable IT services market is defined as the part of the addressable market, which is dominated by medium and large companies with significant annual IT budgets, with strategic focus on using digitalisation as a competitive advantage by implementing complex projects where sophisticated IT capabilities are required.

Denmark

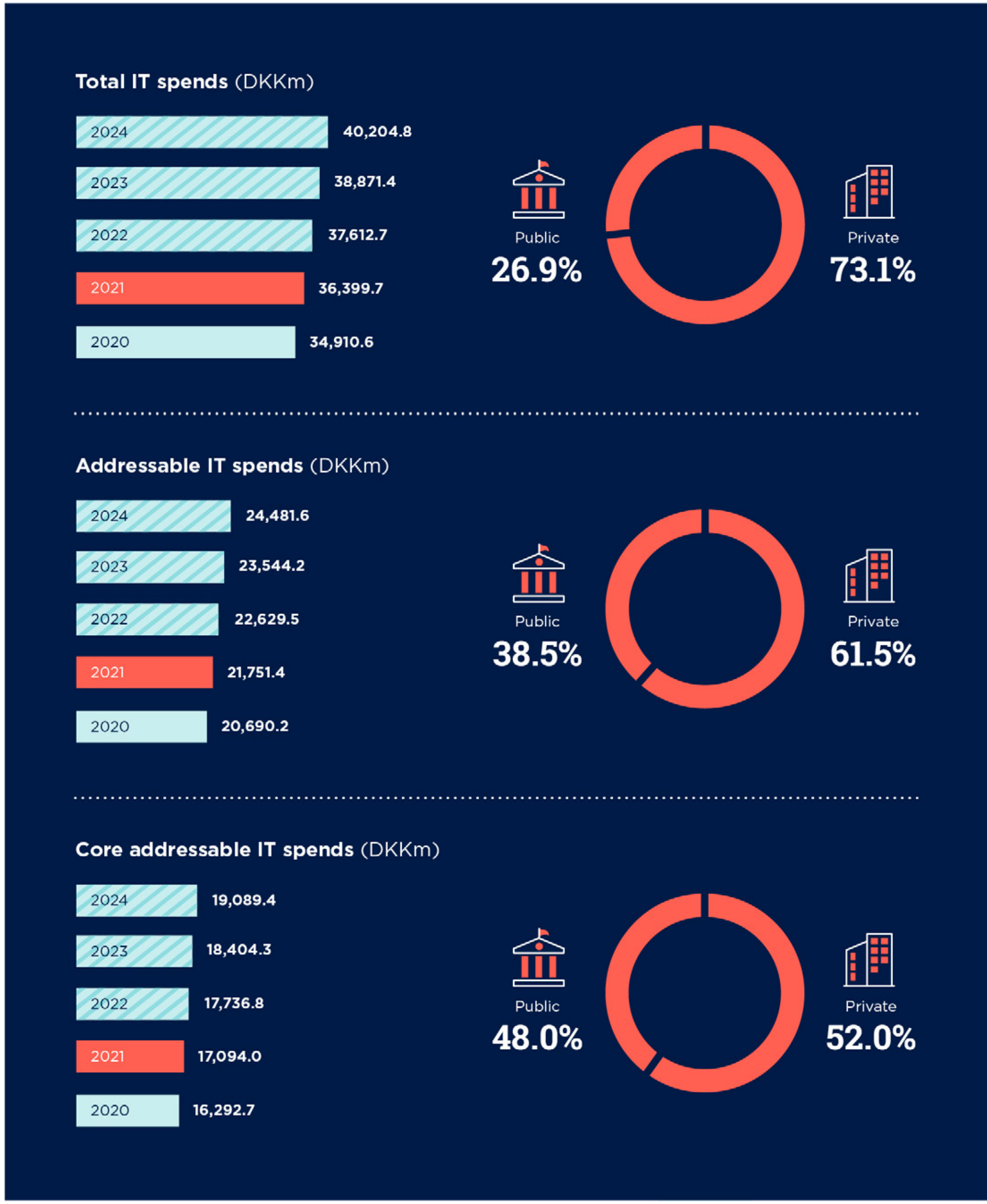
The Danish market is defined as Netcompany's home market and because of that, the Danish market will in the future remain a strategically important market for Netcompany.

Denmark is considered the most digitised country by the UN in relation to public sector digitalisation. The Danish Government is looking to improve the country's future digitisation level and has therefore initiated a 38-initiative digitisation growth strategy plan, through which the Government aims to integrate the use of new technologies, enhance the digital skills of Danes to be equipped for the future digital economy and to improve growth and prosperity in Denmark. The Government has allocated almost DKK 1 bn until 2025 to the implementation of this strategy. Further, the Government has announced that it will continuously monitor the status of these initiatives ensuring that they are optimal; support the digitisation of trade in the industry; provide the best conditions for the digital transformation of businesses and to ensure that Danes are the most digitally prepared and secured citizens in the EU.

Denmark ranks 3rd in terms of general digital public service and are the leading EU country in terms of digital public services for private market businesses. With a very high digital intensity score. Denmark is also the leading country in terms of digitisation of businesses within the EU.

Denmark has taken several targeted digital measures dealing with the COVID-19 crisis with the objective of digital solutions minimising the COVID-19 contagion. Digital solutions supporting the healthcare system have since the outbreak of COVID-19 in Denmark been a top priority for the Danish Government.

DESI - https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2020



Case

Enabling business development and growth for world-leading logistics company

DSV is a world-leading supplier of transport and logistics. Each day, 75,000 employees in more than 90 countries, help to ensure a steady supply of goods to production lines, outlets, stores and consumers all over the world.

DSV has embarked on an ambitious digitisation journey. The goal is to prepare their infrastructure, application landscape and data platform for the future and lay the groundwork for growth and acquisitions in the years to come. Furthermore, DSV wants to reduce their IT costs to move budget from operations to business development by introducing state-of-the-art platforms on a global scale.

In close cooperation with DSV, Netcompany assists with implementing a hybrid computing platform that supports an elastic system landscape. The new platform equips DSV to meet dynamic markets requirements such as growth, peaks and decline. In addition, DSV has introduced a new global platform to facilitate advanced analytics, AI and process automation. With the platform, DSV can increase transparency and predictability, thus optimising operations across divisions worldwide.

With modern platforms, DSV will be able to meet market needs more effectively, shorten time to market for new business initiatives as well as be more open to new partnerships that can secure further growth. Ultimately, the solution enables DSV to continuously enhance their strong position in the market by future-proofing the business globally.

Escaping vendor lock-in and **being in control** of our infrastructure is paramount for us, but the biggest value of our **transformation** lies in the ability to rapidly **optimise the business** as our needs evolve.

- Jens Lund, Group COO, DSV

United Kingdom

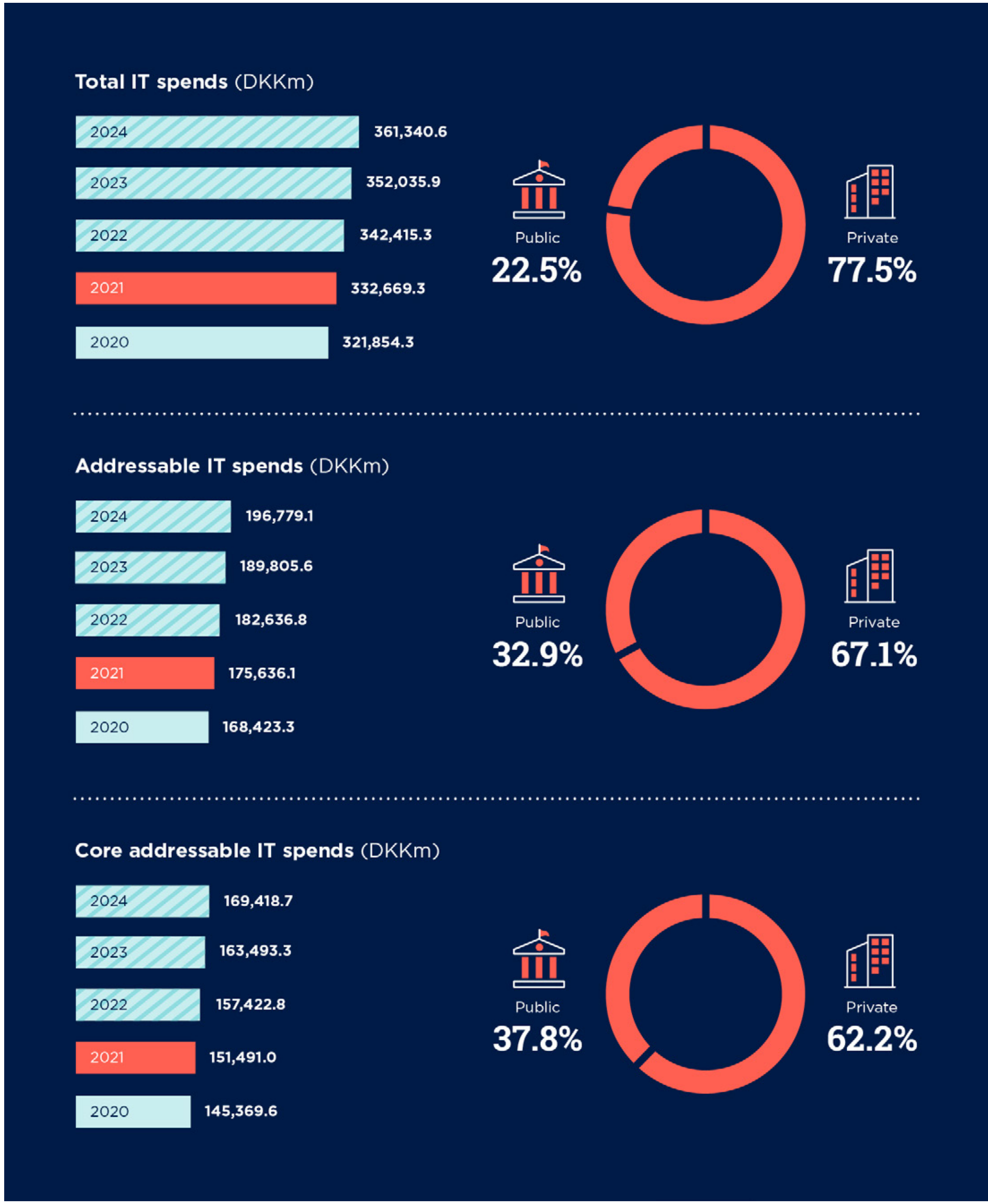
UK is the largest European market from a total, addressable and core market value perspective and is therefore solely from a value perspective the market for Netcompany with the highest potential.

Ranking as the 9th most digital country in Europe, the UK market is also from a digitisation perspective a mature and attractive market for Netcompany. UK's 9th place ranking may not seem like a high placing but given the countries size and compared to the other big European economies (Germany and France) that ranks 13th and 17th, UK's 9th place ranking is considered a good placing.

The UK Government has the ambition to continue the digitisation evolvement of the country and has therefore formed a digitalisation strategy consisting of seven initiatives to ensure that the UK's public and private sector in the future will continue to become more digitalised.

The Government has in relation to its digitisation strategy announced that the goal is to create the best market conditions possible for private IT companies located in the UK. By striving to create the best market conditions, the Government hopes that this will result in future growth for the already located IT companies in the UK but also to attract foreign IT companies not currently located in the UK.

The Government have also announced, that they have an 'open door' policy encouraging the industry to come to Government with proposals to transform their sectors through 'sector deals'. The UK Government is therefore highly receptive to proposals on how the industry can collaborate with the Government to enable growth in its current and new sectors.



GOV.UK - https://www.gov.uk/government/organisations/department-for-digital-culture-media-sport
DESI - https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2020

Case

Securing a safe re-opening of UK society

The COVID-19 pandemic has impacted societies in ways unimaginable a few years ago. It has not only impacted public healthcare – it changed businesses, society as well as all aspects of our lives. As it became more apparent that COVID-19 will remain part of our everyday lives, non-essential sectors that rely on physical presence such as sporting, travel and tourism needed a solution to prevent becoming even more financially crippled by imposed restraints.

With an upscaling of national testing and vaccinations underway, the UK Government required a safe and secure solution to enable their citizens to be able to share their COVID-19 status. With related experience of delivering similar solutions in other European countries, Netcompany worked closely with the NHS to deliver a safe and secure solution hosted within the existing NHS App and Platform – for all its citizens to use. This enabled a smooth user journey, making the solution a daily tool for citizens as they re-entered society after lockdown. Furthermore, the solution is designed to be easily reconfigured in line with the inherently changing COVID-19 landscape.

The COVID-19 pass enables citizens to instantaneously demonstrate their vaccination status or recent COVID-19 test results by displaying a unique 2D barcode code. With digital fraud prevention methods and visual verification elements encoded into the 2D barcode code, the solution prevents tampering or copying of codes between citizens – thereby giving a true and accurate COVID-19 status for all users. Following implementation, the solution saw a surge in registrations within excess of 6 million citizens joining within the first two months – proving to be a pivotal support mechanism for the safe easing of restrictions across the country. A positive by-product of this has been an increase within the wider app-service of organ donation preferences registered, repeat prescriptions ordered, and hospital appointments booked.

Over 6 million citizens joined the app within the first 2 months

The digital solution will continue to be one of the tools for the UK Government to support businesses, travel and tourism as well as mitigate the impact of future waves of COVID-19.

Netherlands

The Netherlands is the 4th most digital country within the EU and is therefore a highly receptive market for innovative digital solutions.

The Netherlands overall digital ranking remains the same since 2019 but have since 2019 increased its digitisation score in terms of – integration of digital technology and digital public services. The Government has announced that they are committed to use advancing new digital technology and solutions, to improve the public sectors digitisation level. The Netherlands currently ranks as the 7th most digital public sector, within EU and has a digitisation score well above the EU average. The country excels in its e-government level, which applies to both the widespread availability of online services and the digitisation level of back and front offices of public administrations.

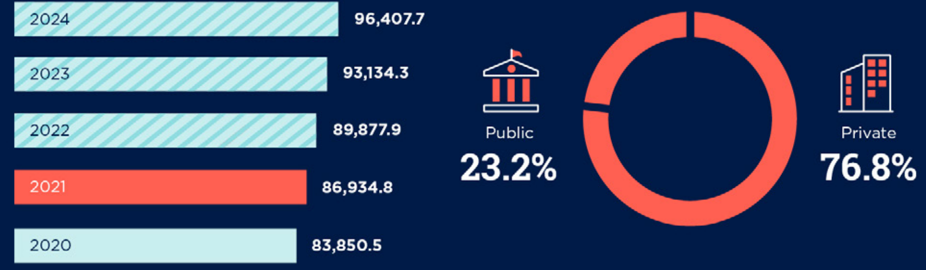
The Netherlands ranks 4th among EU countries, in terms of Integration of digital technology by businesses and has since 2019 improved its digital integration level.

The Dutch educational system plays a big part in the Government's future digitisation plan. The Government believes, that in order to ensure the future digital development of the country, that the young generation needs to be taught "IT" from a young age. By doing so the Government is hoping to have some of the best IT specialists in the future, that can contribute to the overall improvement of the country's digitisation level.

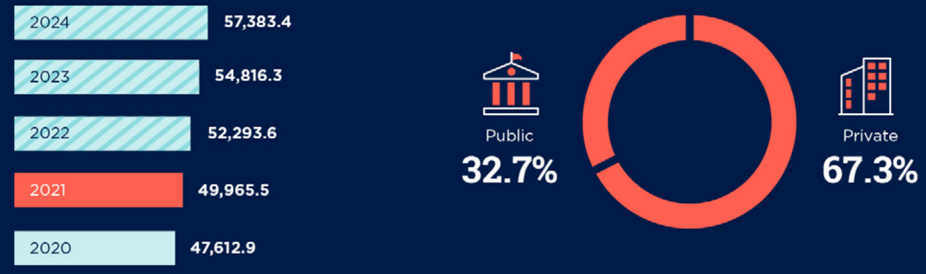
The Dutch digitisation plan supports that Netcompany in the future will have a solid IT specialist talent pool to recruit from. The Government's ambitious digitisation plan will hopefully also result in Netcompany increasing its future public and private market share ratio.

DESI - https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2020

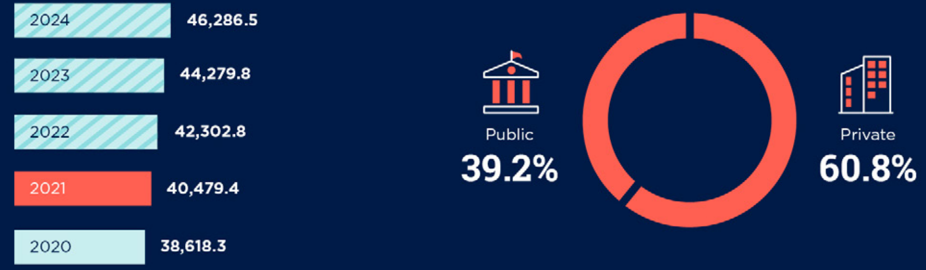
Total IT spends (DKKm)



Addressable IT spends (DKKm)



Core addressable IT spends (DKKm)



Case

A future-proof platform for the Dutch Ministry of Finance

Netcompany is working on the project Schatkistbankieren (treasury banking) with the Dutch Ministry of Finance. Release 1.0 was delivered to the ministry in 2021 and the actual go-live is in 2022. The Ministry of Finance is responsible for the tax collection and spending in the Netherlands. Treasury banking is a service used by ministries and agencies of the central Government, decentralised authorities, and institutions that perform a legal or public task.

Netcompany has developed a modern IT solution that enables the ministry to handle funds, deposits, loans, and documents swiftly and effectively. 3,000 to 5,000 users are expected, counting employees at the ministry and other participants using the solution.

The new platform provides better service for all users of treasury banking. The new efficient and reliable system enables the employees at the ministry to perform their tasks in a fast and easy manner. Additionally, it provides a self-service portal for participants to have an up-to-date overview of all existing products with an option to request new products or modifications to existing ones.

The new platform provides better service for all users of treasury banking

The system ensures a considerable risk reduction, because it enables institutions to store their public funds at the treasury rather than with market participants. Furthermore, the system increases efficiency since public funds will only leave the treasury when spent. The system also ensures a debt reduction for the European Economic and Monetary Union.

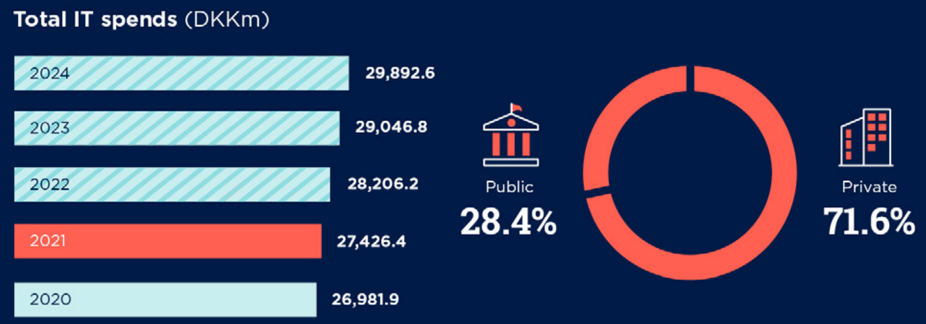
Norway

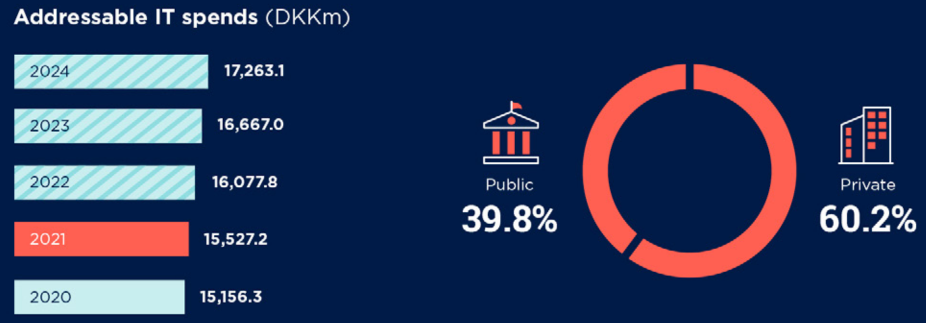
Despite already being the 3rd most digital country in Europe, the Norwegian Government has announced that they intend to continue their effort of Norway becoming even more digital and has therefore put a digitisation plan in place for 2019-2025, with the objective of ensuring - “Simpler everyday life for the citizens and businesses when interacting with the public sector”.

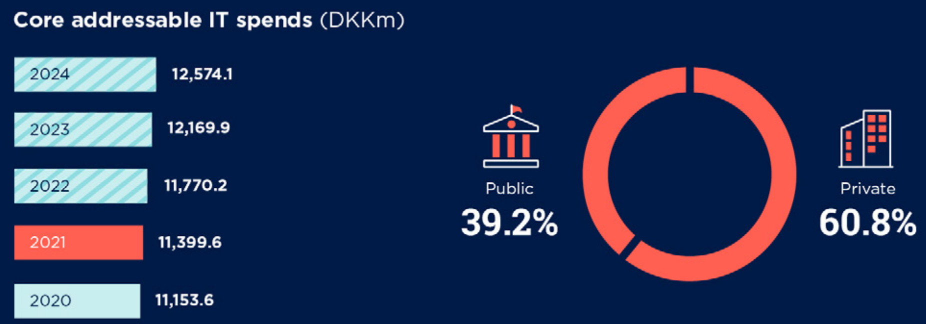
The Government is hoping to achieve the following goals by 2025:

- The public sector shall be digitalised in a transparent and trustworthy way
- More tasks shall be performed digitally, and as seamless services
- All citizens, businesses and voluntary organisations that have the ability to do so, shall communicate digitally with the public sector
- The public sector shall exploit the potential of sharing and using data to create user-friendly services, and to promote value creation in the business sector
- Local and central Government agencies shall develop their services based on a common digital ecosystem for collaboration
- Local and central Government agencies shall realise benefits from digitalisation in a systematic manner.

Collaborations between the public and private market are according to the Government a necessity to achieve the 2025 objective. Furthermore, the Government has announced that it will seek advisory from the market, to evaluate and optimise the public sectors existing digital solutions to ensure that the existing digital solutions are optimal. This gives Netcompany the opportunity to be a strategic partner for the Norwegian Government.







DESI - https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2020
Ministry of Local Government and Modernisation - Digital strategy for the public sector 2019–2025

Case

Increasing the reliance of grant assessments for the benefit of refugees in Norway

Digitisation of public schemes is becoming increasingly important to streamline and simplify work processes and increase efficiency. More importantly, digitisation can help ensure a more accurate result, which often has considerable consequences for the individual. This is also the case for The Norwegian Directorate of Integration and Diversity (IMDi) that grants all Norwegian municipalities their entitled integration grants and subsidies for the settlement of unaccompanied minor refugees and refugees with disabilities.

To make the correct assessments and administer the payment of grants, IMDi needed an IT solution that improved these work processes by making them quicker, simpler, and more accurate. Therefore, IMDi teamed up with Netcompany to collaborate on a grant management solution that met IMDi's needs as well as increased information security. The new solution is integrated with a standard tool for rule management and decision-support. In addition, the system manages the terms, conditions and calculation rules that are necessary to pay the right subsidy to the right municipality at the right time.

Integrated with IMDi's archive system and financial system, the solution also supports simpler and more rapid work flows for everyone who works with the integration of immigrants in Norway.

As a result, the new system enables IMDi's employees to perform their work tasks more efficiently and with increased accuracy – which ultimately increases the trustworthiness of the system.

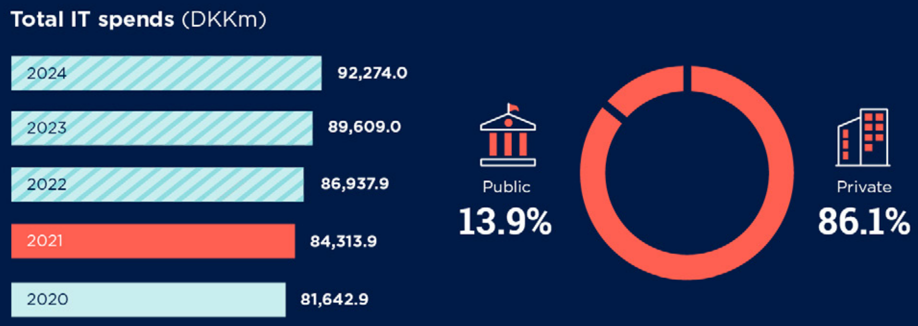
> By creating simpler and more rapid workflows, the solution ultimately **increases the trustworthiness** of the system

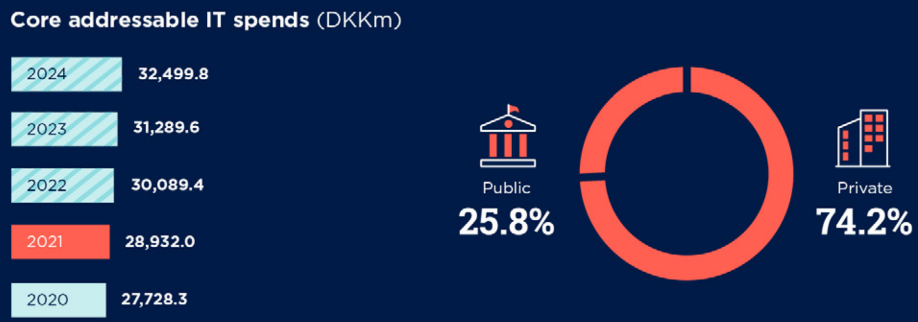
Spain

Spain is the 10th most digital country within the EU. The country's digitalisation level is therefore only slightly above average compared to the remaining EU nations.

Despite Spain's overall modest digitisation level, Spain is still considered as being a very interesting market from a total, addressable and core market value perspective. Given Spain's modest overall digitisation score, it is somewhat surprisingly that Spain has the 2nd most digital public services in the EU according to DESI, with indicators showing a high level of online interaction between public authorities, citizens, and businesses. Spain's digital public service ranking is a direct result of Spain's well-timed implementation of a 'digital-by-default' strategy throughout its central public administration.

The Government's ambition is to continue the digitisation evolvement of the public and private sector. To achieve the objectives, initiatives and a strategy plan are currently in place to improve the country's overall digitisation level. As a key measure to the continuation of the country's digital evolvement, Spain announced in 2019 that AI-technology would play a central part in the Government's future digitisation plans.





DESI - https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2020

Belgium

The Belgian Government have since 2019 made great progress in terms of digitalising the country, so much that they have moved up two positions and are now ranked as the 8th most digital country within the EU.

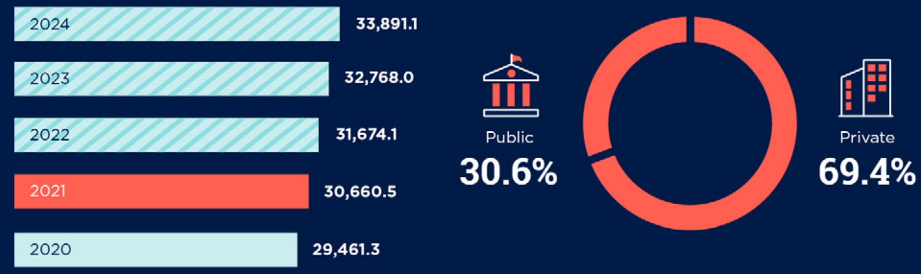
The Belgian authorities, have on a federal and regional level, made clear efforts to tackle the existing digital skill gap, both in the education systems and in the labour market. The updated strategy plan has led to the digital transformation of the country now ranking higher on the political agenda, a detailed policy consisting of; strategies, action plans, initiatives, etc. combined with financial instruments have been adopted and put in place to frame and promote a wide range of digital actions.

EU and Belgian funds are currently being used for the purpose of innovation hubs in all regions of the country, providing support for digital innovation and entrepreneurship. Furthermore, the Government continues to raise awareness of digital technology to boost the digital transformation of its national and regional economy.

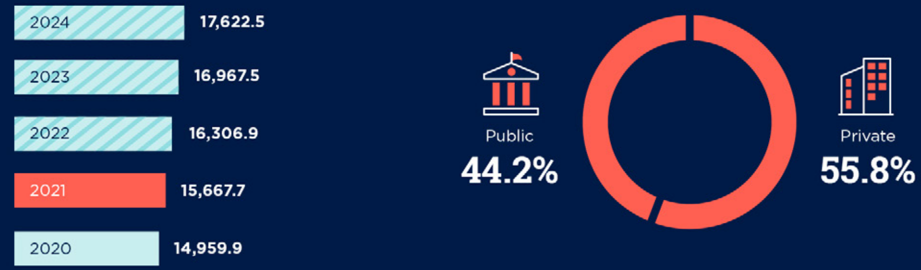
The Belgian private market is among the leading EU countries in terms of the market's overall usage of digital technology solutions for businesses.

Belgium is home of the European Commission, which increases the public market sector opportunity in Belgium, due to Netcompany being able to target both the Belgian public sector and the EU Commission. Belgium is a strategically important market for Netcompany to be present in, which has become a reality with Netcompany's recent acquisition of Intrasoft.

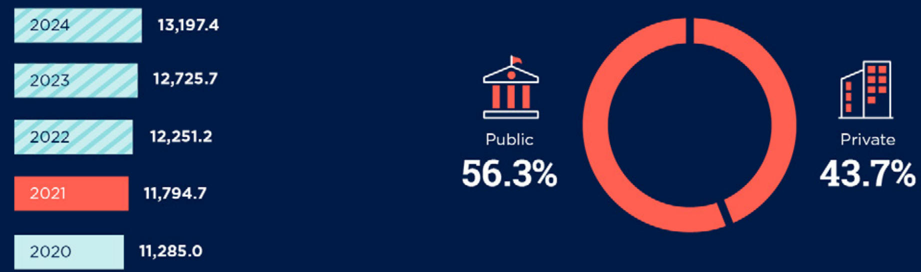
Total IT spends (DKKm)



Addressable IT spends (DKKm)



Core addressable IT spends (DKKm)



DESI - https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2020

Greece

Greece is after Bulgaria the least digitalised country in the EU, but plan on changing that in the future.

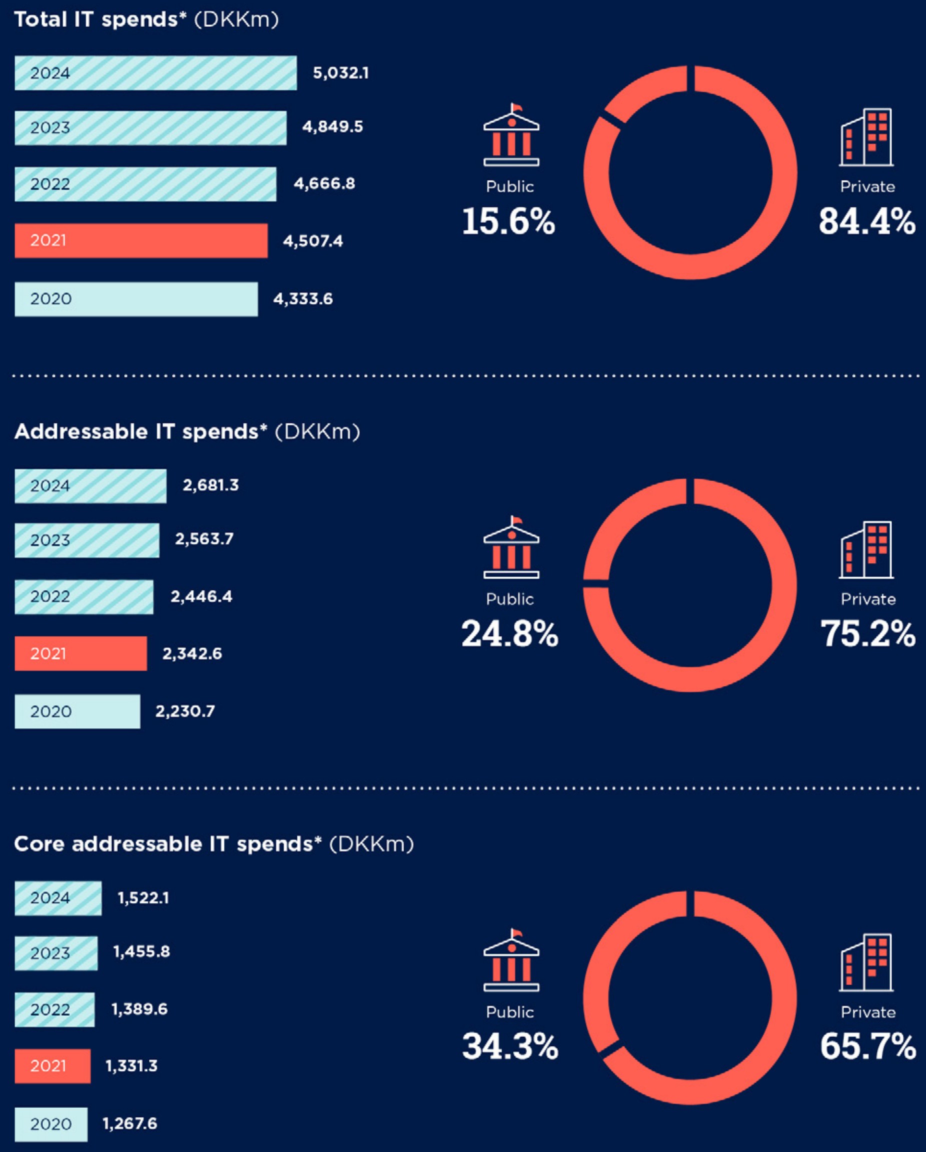
Following the elections in July 2019, the new Ministry of Digital Governance gained strategic importance and was given the mandate to design, coordinate and implement the strategy for a digital transformation of the country.

The ministry is responsible for providing digital services to citizens and businesses based on simplified administrative procedures. It is also responsible for ensuring the interoperability of processes with all other ministries and Government agencies. The objective is to transform Greece to be 'digital by default' by 2023. Combined with a strong governance model to coordinate implementation with all entities concerned, it also plans the coordinated implementation of major IT projects, some of them being short term projects, so-called 'Quick-win' projects. The Government's ambitious digitisation plan for the future and Netcompany's recent acquisition of Intrasoft, will give Netcompany the opportunity to take part in the digitisation process of the Greek public and private sector.

To achieve the future sustainable digitisation level of Greece, the Government realises that an increased number of domestic native Greek IT specialists are a necessity. In 2019 the Greek Government therefore launched the initiative 'Choose Greece.' The initiative encourages IT skilled Greeks who left Greece during the economic crisis to return to high-tech jobs in Greece.

In addition to the locally funded spend on digitalisation, the EU Recovery and Resilience Facility (RRF), of which DKK 53 bn is allocated for reforms and investments supporting the digital objectives in EU over the next five years, will accelerate the digital spend significantly.

DESI - https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2020



** Impact from Recovery and resilience Facility is not included.*

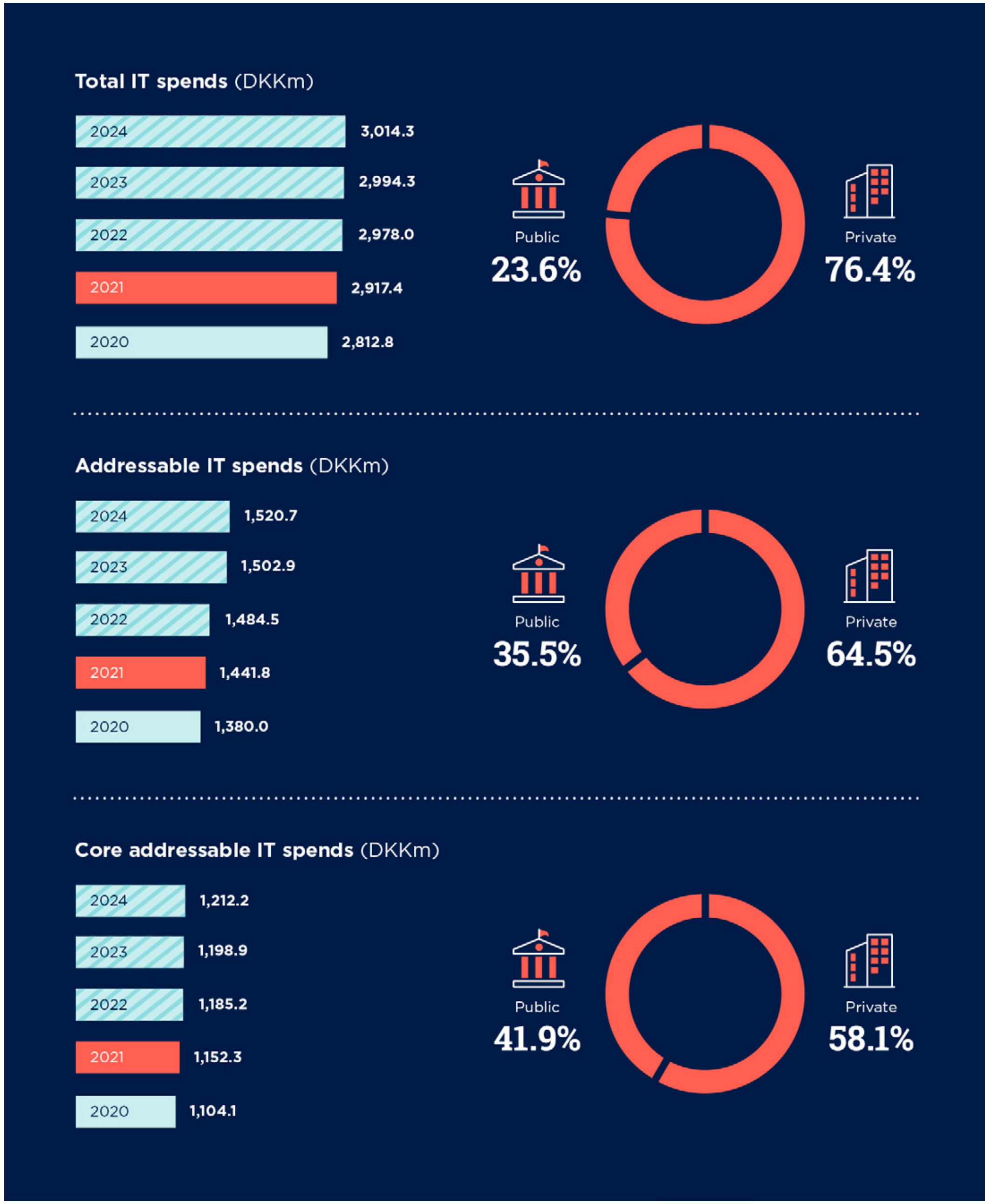
Luxembourg

Luxembourg is rated 9th on DESI's overall country digitalisation list.

Luxembourg has increased its public service digitisation level, which primarily is due to the improvement of digital public services for businesses and pre-filled online forms of public services. The Government is currently trying to improve the country's digitisation level by initiating several initiatives. The Government implemented its digital education strategy "Digital4Education", which consists of several initiatives all focussing on improving school pupils IT skills. Luxembourg's Government has since 2019 taken other key measures trying to improve the country's digitisation level.

In line with the country's digital transformation agenda, Luxembourg has developed several national strategies including its 'smart specialisation strategy', which is a data driven innovation strategy for the development of the country's economy and its AI strategy. To create a sustainable digital innovation ecosystem, Luxembourg aims to build on its digital infrastructure, develop core competences through education and research and gain experience in using these technologies.

Luxembourg is home to the European Parliament, which like Belgium increases the public market sector opportunity in Luxembourg due to Netcompany being able to target both the Luxembourg public sector and the EU Parliament. Luxembourg is therefore a strategically important market for Netcompany to be present in, which has become a reality with Netcompany's recent acquisition of Intrasoft.



DESI - https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2020

Key trends

Platforms

It is our ambition to provide flexible, well proven, and relevant solutions to customers. To deliver on this ambition Netcompany has a large portfolio of platforms within a number of sectors allowing us to prototype a solution easier and faster and to the specific needs of an organisation. By utilising the Netcompany platforms it is possible to approach customers and markets with high quality and market leading technologies ensuring a fast and secure digital transformation.

Govtech

The Govtech Framework is a platform of society-critical IT solutions made to help societies embark on the digital transformation journey. With the Govtech Framework, public authorities within Europe can utilise flexible, well proven solutions to fast-track their Governmental transformation. The use of the Govtech Framework allows Governments to build sustainable futureproof societies and consider it an important key trend for the future business.

Composable Enterprise

The Composable Enterprise Framework enables private organisations to combine standard software components with scalable, individual components – free of IP restrictions and with full user rights. The ability to rapidly configure or switch out individual components as needs change, helps businesses avoid the risk of vendor lock-in while becoming more agile and resilient in the market. The framework enables companies to change and innovate quickly and get ahead of competition.

Data Ethics

Netcompany's daily operations are based on a highly detailed security policy driven by three key principles: security, integrity and trust. Netcompany do not sell or profit from data in any way and use of artificial intelligence and machine learning follows the data ethics principles and policy. To make sure Netcompany earn the trust of our customers, employees, shareholders and any other stakeholders, all data are processed with the utmost respect for the individual's privacy rights and the sensitivity of all data.

Financial review

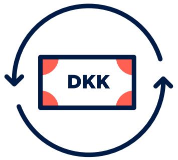
Outlook

2021 financial performance and 2022 guidance ▸▸

Financial performance 2021

In 2021, the Group delivered revenue growth of 27.0% in constant currencies (27.9% in reported currencies) of which 17% was organic (18% reported currencies) and 10.1% was related to the inclusion of Intrasoft from the period 1 November to 31 December 2021.

Financial metrics in constant currencies	Target 2022	Actual performance 2021	Updated target Q3	Updated target Q2	Original target 2021
Organic revenue growth in Netcompany Core	14-19%	17.0%	~18-20%	~18-20%	~15-20%
Group organic revenue growth	13-18%	17.0%	N/A	N/A	N/A
Non-organic revenue growth	35-38%	10.1%	~9-10%	N/A	N/A
Group revenue growth	48-56%	27.0%	~27-30%	~18-20%	~15-20%
Adjusted EBITA margin from Netcompany Core	>23%	23.1%	~23-25%	~23-25%	~23-25%
Group adjusted EBITA margin	N/A	21.8%	~21-23%	~23-25%	~23-25%
Adjusted EBITDA margin from Netcompany Core	>25%	25.5%	~25-27%	N/A	N/A
Adjusted EBITDA margin in Netcompany-Intrasoft	>9%	9.7%	~7-8%	N/A	N/A
Group adjusted EBITDA margin	>20%	24.2%	~24-26%	N/A	N/A



Reported organic revenue growth

18%

In August, the Group revised its expectations to organic revenue growth in constant currencies from 15-20% to 18-20% and maintained expectations to adjusted EBITA margin of around 23-25%. In November, following the completion of the acquisition of Intrasoft the Group revised its expectations for non-organic revenue growth from nil to around 9-10% and expectations for non-organic adjusted EBITDA margin of 7-8%.

The demand for digitalisation in Denmark was in 2021 primarily driven by strong demand in the private segment, whereas the public segment realised more modest growth rates as tender activity was lower in 2021 than previous years. Tender activity in the public segment will fluctuate from year to year, which reinforces the relevance of being able to deliver services to both segments.

Growth in Denmark was also impacted negatively by the usage of Danish resources on international project assignments during the year.

In Norway and the UK, we also saw strong growth – partly supported by improved utilisation ratios as more larger scale projects are beginning to be a more substantial part of the project portfolios in both entities. In the Netherlands, growth was negatively impacted by the prolonged period with no Government in place, following the election in early 2021 and adjustments to fixed fee projects.

Finally, the COVID-19 variant Omicron led to somewhat lower utilisation in Denmark in 2021, which impacted full year revenue growth negatively by around 1 percentage point.

The integration of all entities into the Netcompany methodology is overall progressing well with the integration of the Norwegian entity being close to complete. Progress continues in the UK entity and the integration is getting better, but there is still work to be done before the UK integration is complete. With the changes made to the management team in the

Netherlands, and the early timing hereof we expect an improvement in the Dutch operation during 2022.

In October, Netcompany aquired Intrasoft at a purchase price of DKK 1.375.2m. The performance of Netcompany-Intrasoft for the last two months of 2021, where the company has been in the ownership of Netcompany, was better than expected. More larger projects within the EU commission were won and also projects in Greece under the RRF are now beginning to be released and Netcompany-Intrasoft was awarded the first of those projects in December 2021.

The Group yielded adjusted EBITA margin on the organic part of the business of 23.1% - in line with expectations. The non-organic adjusted EBITDA margin of 9.7% for the two months of November and December was above expectations.

As of 2022, financial guidance will be given for both Netcompany Core and Netcompany-Intrasoft. For Netcompany-Intrasoft adjusted EBITDA will be the main performance indicator for financial performance where as adjusted EBITA remain to be the main financial performance indicator for Netcompany Core.

The financial reporting going forward will be enhanced to reflect this.

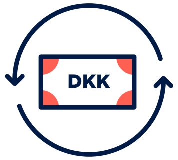
To be able to reconcile between the two metrics for 2021 the financial performance for the Netcompany Core and Netcompany-Intrasoft on both performance indicators are shown in the table below.

Actual performance 2021 in constant currencies	**Netcompany Core**	**Netcompany-Intrasoft**[1]	**Total**
Revenue	3,320.3	285.6	3.605.9
Adjusted EBITDA	846.7	27.6	874.4
Adjusted EBITDA margin	*25.5%*	*9.7%*	*24.2%*
Adjusted EBITA	765.5	21.3	786.8
Adjusted EBITA margin	*23.1%*	*7.5%*	*21.8%*
Depreciation	81.2	6.3	87.5
Amortisation	50.9	0.5	51.4
Total depreciation and amortisation	**132.1**	**6.8**	**138.9**

[1] Actual performance for Netcompany-Intrasoft covers November and December 2021.

Guidance for 2022

For 2022, there are several elements to take into consideration. Not only will the non-organic part of the guidance be a significant part of the total guidance following the acquisition of Intrasoft, performance by Netcompany-Intrasoft in November and December 2022 will also, by definition, be organic.



Expected organic revenue growth

13-18%

Also, we are discontinuing services in Denmark and the UK related to “sub-scale” implementation projects of standard software solutions and “stand-alone” programme management engagements as these are non-strategic.

For Netcompany Core we expect continuing entities to grow organically by around 17 to 22%. Service offerings that will not be offered from 2022 and onwards within Netcompany Core will have a negative impact on revenue growth of around 3 percentage points.

Total revenue for the Group is expected to grow between 48-56% for 2022.

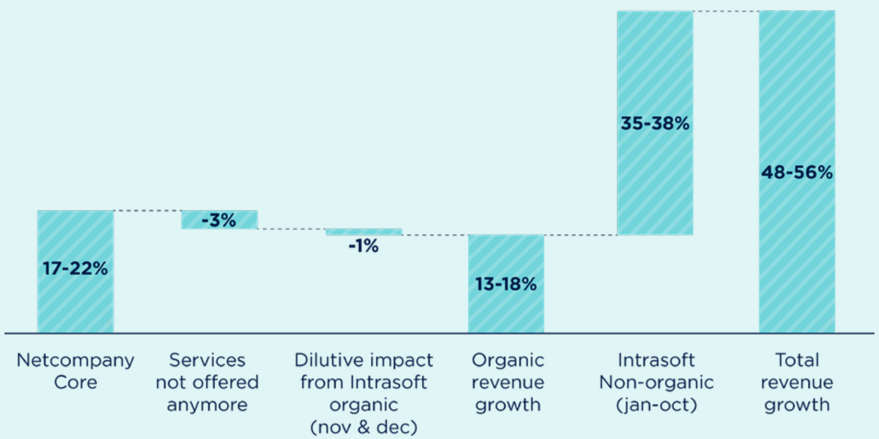
Organic revenue growth for Netcompany-Intrasoft is expected to be around 6-10% for the months November and December 2022. The lower organic revenue growth in Netcompany-Intrasoft relative to Netcompany Core is expected to have a dilutive impact on Group organic revenue growth for the full year of around 1 percentage point.

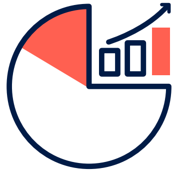
We expect Netcompany-Intrasoft to generate non-organic revenue growth for the period January to October 2022 of around 35-38% before any divestment of non-strategic activities.

Total revenue growth for the Group for 2022 is thus expected to be between 48-56%.

For Netcompany Core we expect adjusted EBITA margin of above 23%. Improved employee benefits regarding parental leave, paid vacation and pension plans in different parts of the Group are to be implemented as of January 2022. These will have a dilutive impact on margins of around 3 percentage points and are fully reflected in our margin expectations.

Expected revenue growth in 2022





Expected Adjusted EBITDA margin

>20%

Adjusted EBITDA margin for Netcompany Core is expected to be above 25%.

Netcompany-Intrasoft is expected to generate adjusted EBITDA margin above 9% for both organic and non-organic revenue generated throughout the year.

Total Adjusted EBITDA margin for the Group is expected to be above 20%.

Free cash flow from operations is expected to increase in absolute terms in 2022. The main part of Netcompany-Intrasoft's debt has been refinanced at interest rates, which are between 2 to 3.5 percentage points lower utilising Netcompany Group credit facilities.

Leverage, measured as net interest bearing debt including issued guarantees to 12 months adjusted EBITA, is expected to be around 2 at the end of 2022 taking into consideration a share buyback program of DKK 100m to be executed in 2022.

Our expectations for 2022 are reflecting a number of uncertainties, which individually or in conjunction can have a negative impact on our ability to grow our business and our margins.

We base our 2022 expectation on the following, externally determined, main assumptions:

- No negative impact from macroeconomic events and ability to fully adjust prices for inflation
- No significant impact or economic consequences from new COVID-19 related restrictions
- Continued digitalisation throughout Europe
- Successful utilisation of the RRF programme in Greece and Netcompany-Intrasoft to participate in projects awarded and initiated
- Continued ability to attract, educate and retain talent throughout the Group.

Performance overview

Performance overview (DKK million)	**2021 (reported)**	**2021 (constant)**	**2020**	**Change (reported)**	**Non-organic impact from Netcompany-Intrasoft S.A.**	**Change (constant)**
Revenue	3,632.0	3,605.9	2,838.6	27.9%	10.1pp	27.0%
Cost of service	-2,298.7	-2,282.7	-1,683.4	36.6%	14.0pp	35.6%
Gross profit	**1,333.3**	**1,323.2**	**1,155.2**	**15.4%**	**4.4pp**	**14.5%**
Gross profit margin	*36.7%*	*36.7%*	*40.7%*	*-4.0pp*	*-1.6pp*	*-4.0pp*
Sales and marketing costs	-36.7	-36.5	-17.1	114.7%	63.9pp	113.6%
Administrative costs	-503.4	-499.8	-393.7	27.9%	4.6pp	26.9%
Adjusted EBITA	**793.2**	**786.8**	**744.4**	**6.6%**	**2.9pp**	**5.7%**
Adjusted EBITA margin	*21.8%*	*21.8%*	*26.2%*	*-4.4pp*	*-1.2pp*	*-4.4pp*
Special items	-37.7	-37.7	0.0	N/A	*N/A*	N/A
Other operating income	-0.2	-0.2	0.0	N/A	*N/A*	N/A
EBITA	**755.3**	**748.9**	**744.4**	**1.5%**	**2.8pp**	**0.6%**
EBITA margin	*20.8%*	*20.8%*	*26.2%*	*-5.4pp*	*-1.1pp*	*-5.5pp*
Amortisation	-51.4	-51.4	-99.4	-48.3%	0.5pp	-48.3%
Operating profit (EBIT)	**703.8**	**697.5**	**644.9**	**9.1%**	**3.2pp**	**8.1%**
Operating profit margin	*19.4%*	*19.3%*	*22.7%*	*-3.3pp*	*-1.0pp*	*-3.4pp*
Net financials	-33.4	-33.4	-47.0	-28.9%	12.7pp	-28.9%
Fair value adjustment of contingent consideration	78.9	78.9	-141.3	-155.9%	0.0pp	-155.9%
Income / loss from investment in joint venture	-21.7	-21.7	-5.0	331.6%	0.0pp	331.6%
Profit before tax	**727.6**	**721.3**	**451.7**	**61.1%**	**3.2pp**	**59.7%**
Tax	-153.3	-153.1	-129.8	18.1%	2.4pp	18.0%
Effective tax rate	*21.1%*	*21.2%*	*28.7%*	*-7.7pp*	*0.0pp*	*-7.5pp*
Profit	**574.3**	**568.1**	**321.9**	**78.4%**	**3.6pp**	**76.5%**

Netcompany-Intrasoft, acquired at 31 October 2021, is not fully included in the reported figures for 2021 and the impact from Netcompany-Intrasoft for the period 1 November 2021 until 31 December 2021 is shown in the table as non-organic impact from Netcompany-Intrasoft.

Organically, Netcompany realised revenue growth of 17.9% and an adjusted EBITA margin of 23.1%

Netcompany Group

Reported revenue grew 27.9% in 2021 of which non-organic revenue growth related to the acquisition of Intrasoft included as of 1 November 2021 accounted for 10.1 percentage points, which means that the organic revenue growth was 17.9%, positively impacted by currency fluctuations of 0.9 percentage point.

Revenue growth was driven by strong growth in Norway that grew 33.8% (27% constant currencies) and in Denmark that grew 17.8%. The operation in the UK grew 19.5% (15.8% constant currencies) whereas the operation in the Netherlands had negative revenue growth of 16.8% (16.6% constant currencies).

Growth on Group level was driven by strong performance in the private segment, which were particularly supported by accelerated growth in the private segment in Denmark but also supported by significant wins on new contracts in the private segment in both Norway and the UK in the fourth quarter of 2021.

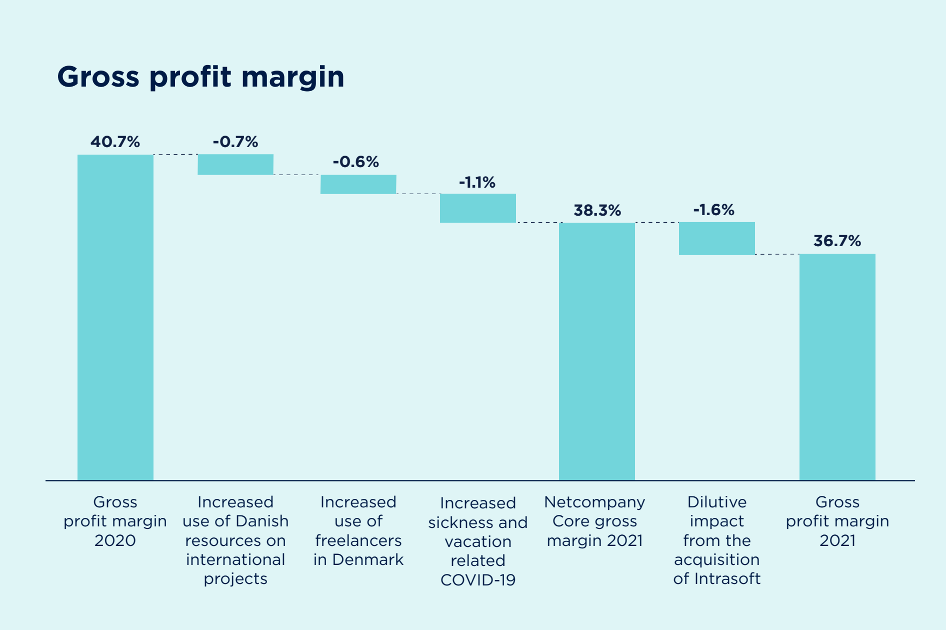
The relative lower growth in the public sector was driven by both the conscious decision taken in Denmark to accelerate growth in the private segment, which meant that more resources was allocated from the public business area to the private business area. In addition, on a smaller scale though, the halt of decision of new public segment projects in the Netherlands had a negative impact on the overall growth in the public segment. Though, new and large projects are emerging in the tender pipeline for 2022 and with the recent acquisition of Intrasoft, having a strong position within the EU commission and in the Greek market, growth in the public segment is expected to accelerate in 2022.

Cost of services for the Netcompany Core part of the business increased by 22.6% in 2021 leading to a decline in gross margin of 2.4 percentage points to 38.3% in 2021. The increase in cost of services was a result of more Danish resources being utilised on international projects throughout the year. In the operation units outside Denmark, this impacted gross margins negatively by around 1 percentage point.

In the Danish operating unit, the use of Danish resources on international projects led to a higher than normal use of external freelancers impacting gross profit margin negatively by around 1 percentage point. Finally, more resources were used on business development activities throughout the Group, which reduced gross profit margin by another half of a percentage point.

The acquisition of Intrasoft, and the inclusion of the last two months of 2021 financial performance in the Netcompany Group financial results had a negative impact on gross profit margin of 1.6 percentage points. Netcompany-Intrasoft has historically realised lower revenue growth and lower margins than Netcompany Core and will continue to realise lower margins for some years to come. As more and more new projects are won in joint efforts between Netcompany and Intrasoft, and as they are delivered using the Netcompany methodology, margins will improve.

Organically, sales and marketing costs increased 50.7% during 2021 as a combination of a low comparable level for 2020 and a decision taken to spend more resources on increasing the brand awareness of Netcompany in countries outside of Denmark. This has led to a significant increase in spend related to conferences around



digitalisation, traditional marketing activities in both the public and private segment and the increase of headcount in employees working with these matters throughout the Group. Sales and marketing costs from Netcompany-Intrasoft were at a higher relative level to revenue compared to Netcompany Core and hence total sales and marketing costs for the Group increased by 114.7%.

Adjusted EBITA margin

21.8%

Administrative costs increased 23.3% in the Netcompany Core part of the Group. The increase in administrative costs was driven by an increased amount of "face to face" activities – particularly during the second half of the year – and increased costs for rent as new headquarters and offices were established in Norway and in the UK. In addition, the third round of LTIP allotments and the expense hereof increased administrative costs by around DKK 7.5m. Going forward, the build up of costs related to the LTIP is now fully reflected in the annual run rate of salary costs related to LTIP and hence the increase in salary related LTIP costs is in the future limited to the inclusion of new members in the Group LTIP.

Netcompany-Intrasoft added administrative costs to the Group that were lower relative to those of Netcompany Core and hence the total growth in administrative costs at Group level was 27.9%.

Adjusted EBITA for Netcompany Core was DKK 771.8m, which yielded an adjusted EBITA margin of 23.1%. The adjusted EBITA margin for Netcompany-Intrasoft was 7.4% and hence the Group adjusted EBITA margin was 21.8% for the year compared to 26.2% in 2020. However, 2020 was extraordinary in the sense that the impact of COVID-19 led to significantly reduced costs and there was no impact from acquisitions in 2020 making a direct comparison irrelevant.

Special items of DKK 37.7m were related to advisor costs in connection with the acquisition of Intrasoft. The level of due diligence conducted has been extensive reflecting the relative size of Intrasoft to Netcompany.

Amortisation was DKK 51.4m of which the main part related to Netcompany Core and DKK 15.3m related to Netcompany-Intrasoft. The reduction in the amortisation in Netcompany Core was a consequence of a number of intangible assets related to the FSN acquisition in 2016 now being fully amortised. The acquisition of Intrasoft added DKK 376.8m in intangible assets that will be amortised over a period of 2 to 7 years. Another DKK 1,108.4m was recognised as goodwill.

Net financial costs for the year were DKK 33.4 of which DKK 28.4m related to Netcompany Core and DKK 5m related to Netcompany-Intrasoft. During Q4, the debt in Intrasoft has been restructured and is now for all practical matters part of the Netcompany Group lending facility, which will reduce interest cost compared to the historic interest costs borne by Intrasoft. Fair value adjustment in 2021 was an income compared to a cost in 2020. The adjustment related to the acquisition of QDelft B.V. in the Netherlands in 2019 was a result of an adjustment to the earnout recognised in 2021 reflecting performance, which was lower than originally anticipated in the earnout agreement for the management of QDelft B.V. The current outlook for the Dutch operation for 2022 is fully reflected in the estimated performance element of the earnout agreement. If the realised performance for the Dutch operation is better than currently expected an adjustment to the earnout value might be warranted during 2022.

Net profit (DKKm)

574.3

Tax on profit for the year was DKK 153.3m yielding an effective tax rate of 21.1%. The effective tax rate was affected by the earnout adjustment and the non-deductible costs for special items. Netcompany-Intrasoft impacted the total income tax by DKK 3.2m.

Net profit was DKK 574.3m for the year including the impact from Netcompany-Intrasoft compared to DKK 321.9m in 2020 – or an improvement of more than 78.4% compared to last year.

Parent Company

The Parent company's objective is as a holding company to hold, directly or indirectly shares. The Parent assessed satisfactorily with the performance within its investments. The Parent's income statement for the year ended 31 December 2021 shows a loss of DKK 18.9m, and the financial statement at 31 December 2021 showed an equity of DKK 1,415.8m and total assets of DKK 4,929m.

Employees

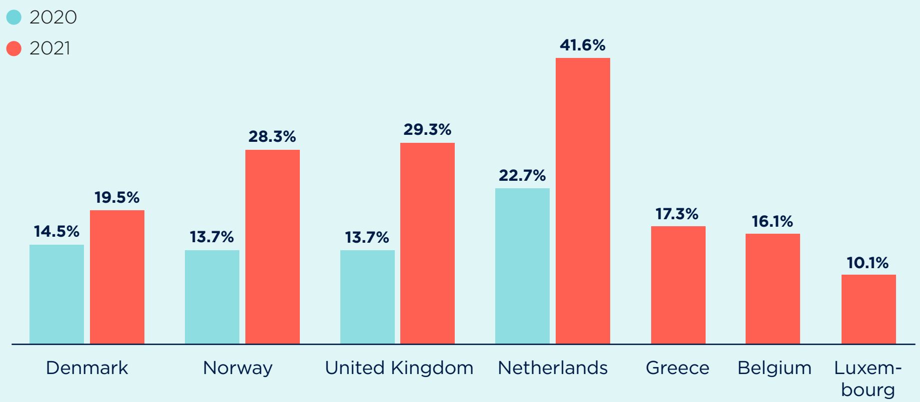
The acquisition of Intrasoft added around 2,700 client facing employees to Netcompany Group ▸▸

Netcompany employed an average of 3,787 FTEs in 2021, which was an increase of 1,020 FTEs compared to 2020 (2,768 FTEs). The increase in FTEs was driven by the intake of new employees in all countries supporting the expectations to continue growing. Furthermore, the acquisition of Intrasoft in October 2021 and thereby the intake of more than 2,850 FTEs, affected the average FTEs in 2021 by 477.

Non-client facing FTE

6.2%

Attrition rate on main business operating locations



The number of client facing employees for the Group increased by 967 from 2,586 in 2020 to 3,553 in 2021, while the level of non-client facing employees was 6.2% in 2021 compared to 6.6% in 2020. Again, the acquisition of Intrasoft had a positive impact with the intake of close to 2,700 client facing employees affecting the average in 2021 by 449. The level of non-client facing employees in Netcompany Core and Netcompany-Intrasoft was on level and the ambition to gradually move toward the long term target of 5% is still in place.

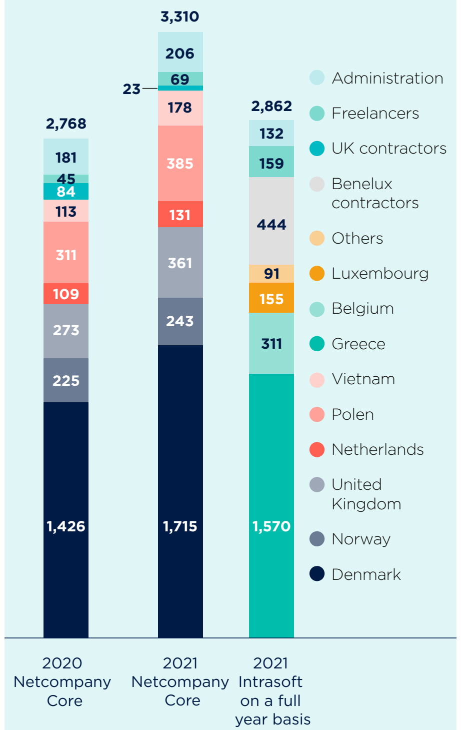
Out of the 2,850+ employees in Netcompany-Intrasoft, around 600 were either freelancers or Benelux contractors.

The total headcount at the end of 2021 was 3,641 in Netcompany Core and 2,864 in Netcompany-Intrasoft, which in total was 6,505.

The attrition rate for the last twelve months was 22.3%, which was an increase of 7.7 percentage point compared to the same period last year.

Attrition rates in all countries increased due to a higher number of voluntary leavers in a tighter labour market post COVID-19.

Average employees



Operating entities

Denmark

Netcompany Denmark grew 17.8%, negatively impacted by allocating resources to business development locally and internationally.

Revenue growth
17.8%

Gross profit margin
42.5%

Adj. EBITA margin
29.6%

Client facing FTEs
2,289

Norway

Netcompany Norway generated a high growth in revenue of 27% driven by high activity and improved utilisation.

Revenue growth
27.0%

Gross profit margin
23.9%

Adj. EBITA margin
6.6%

Client facing FTEs
266

United Kingdom

Netcompany UK improved gross profit margin by 7.2 percentage points due to increased utilisation.

Revenue growth
15.8%

Gross profit margin
25.5%

Adj. EBITA margin
9.9%

Client facing FTEs
408

Netherlands

Netcompany Netherlands declined in revenue and margin due to delays in public projects causing low utilisation of resources.

Revenue growth
-16.6%

Gross profit margin
12.1%

Adj. EBITA margin
-23.4%

Client facing FTEs
142

Intrasoft

Netcompany-Intrasoft performed above expectations on revenue and margins for the two months being part of the Group.

Revenue (DKKm)
285.6

Gross profit margin
17.6%

Adj. EBITA margin
7.5%

Client facing FTEs
2,695

Figures for operating entities are in constant currencies

Netcompany Denmark

Revenue in the Danish operation increased by 17.8% in 2021 to DKK 2,590.4m. The growth in Denmark was mainly driven by the private segment that grew 32.2%, whereas the public segment grew 9.4%. The relatively higher growth in the private segment compared to the relatively lower growth in the public segment was a result of the continued focus on the private segment throughout 2021. In addition, an overall temporary slow-down in tenders coming to market impacted revenue growth negatively in the public segment in 2021. Tender activity is expected to pick up in 2022.

The usage of Danish resources on projects in Norway, UK and the Netherlands also diluted revenue growth to some extent in Denmark, however, generating revenue in those market units instead. Finally a higher level of resources spent on business development, particularly in the public segment in Denmark, also impacted revenue growth in 2021.

2021 in constant currencies (DKK million)	Denmark	Norway	United Kingdom	Nether-lands	Intrasoft	Total
Revenue from external customers	2,590.4	253.7	394.0	82.3	285.6	3,605.9
Gross profit	**1,101.9**	**60.7**	**100.3**	**9.9**	**50.3**	**1,323.2**
Gross profit margin	*42.5%*	*23.9%*	*25.5%*	*12.1%*	*17.6%*	*36.7%*
Local admin costs	-334.7	-44.0	-61.3	-29.2	-28.9	-498.1
Adjusted EBITA before allocated cost from HQ	**767.2**	**16.7**	**39.1**	**-19.2**	**21.3**	**825.1**
Adjusted EBITA margin before allocated cost from HQ	*29.6%*	*6.6%*	*9.9%*	*-23.4%*	*7.5%*	*22.9%*
Allocated costs from HQ	-28.2	-3.4	-5.2	-1.5	0.0	-38.3
Special items, allocated	-28.3	-3.5	-4.5	-1.5	0.0	-37.7
Other operating income	0.0	0.0	0.0	0.0	-0.2	-0.2
EBITA	**710.8**	**9.9**	**29.4**	**-22.3**	**21.1**	**748.9**

2020 in reported currencies (DKK million)	Denmark	Norway	United Kingdom	Nether-lands	Total
Revenue from external customers	2,199.9	199.8	340.3	98.6	2,838.6
Gross profit	**1,012.2**	**43.6**	**62.3**	**37.1**	**1,155.2**
Gross profit margin	*46.0%*	*21.8%*	*18.3%*	*37.6%*	*40.7%*
Local admin costs	-277.4	-26.9	-46.6	-18.4	-369.3
Adjusted EBITA before allocated cost from HQ	**734.8**	**16.7**	**15.7**	**18.7**	**785.9**
Adjusted EBITA margin before allocated cost from HQ	*33.4%*	*8.4%*	*4.6%*	*19.0%*	*27.7%*
Allocated costs from HQ	-28.6	-4.7	-6.3	-1.9	-41.5
Special items, allocated	0.0	0.0	0.0	0.0	0.0
EBITA	**706.2**	**12.0**	**9.4**	**16.8**	**744.4**

In Denmark, gross profit margin decreased by 3.5 percentage points to 42.5%. The decrease was mainly due to an increased focus on business development in the public sector, establishing a broader "go-to" market approach for the Govtech Framework internationally. Additionally, the decrease was impacted by the usage of more freelancers on Danish projects, as Danish resources were allocated to Norway, UK and the Netherlands, to support internation-ally, which increased the usage of freelancers in Denmark to cover for some of the reduced capacity caused by cross utilisation.

Adjusted EBITA in Denmark decreased by 3.8 percentage points, which was mainly driven by the lower gross profit margin and also impacted by an increase in administrative costs as most of the COVID-19 restrictions were lifted in Denmark, making it possible again to socialise with colleagues and to partici-pate in internal education sessions, face to face.

Netcompany Norway

In Norway, revenue grew by 27%, which was driven by a strong growth of 57.4% in the public segment, somewhat offset by a decrease of 5.3% in the private segment. In Norway, the public segment was the key driver for revenue growth driven by continued high activity and high demand from both new and existing

customers, combined with an improved utilisation.

Tender activity in the public segment remained high throughout the entire 2021, which, together with several larger projects won towards the end of 2020, maintained a strong growth. The increased focus on public digitalisation in Norway in general, was the main reason for the establishment of a second office in Norway in Trondheim.

The growth in the private segment was related to a couple of larger existing customers expanding their engagements. As seen in the private segment in Denmark, future activity level in the private segment in Norway increased towards the end of 2021 where a significant new multi-year contract was signed laying a solid foundation for continued growth in Norway for the future.

Gross profit in the Norwegian business was 23.9% compared to 21.8% in 2020. The increase was a result of the ongoing increased focus on improving the Norwegian business throughout the second half of 2020 and further into 2021. With assistance from Danish resources in writing tenders and supporting the deliveries of various ongoing projects with senior resources from Denmark, the Norwegian business managed to utilise more than 85% of its staff throughout 2021, increasing the gross profit margin by 2.1 percentage points. In the short term the usage of Danish resources has offset some of the increase in gross profit margin, however, in the long term, the usage of Danish resources will improve the delivery quality, the tender writing and increase the ability to continue to hire more resources locally.

Adjusted EBITA in Norway increased by 0.1 percentage point to 6.6%. The lower increase in adjusted EBITA compared to the increase in revenue was due to an increase in local administration costs mainly driven by costs relating to external recruitment fees, fees to external advisors related to the move to a new headquarter in Oslo and a new office in Trondheim. In addition, increased costs for employee events in Norway affected the adjusted EBITA negatively, which on the other hand, shows a positive environment for the employees, strengthening the affiliations among colleagues in Netcompany Norway.

Netcompany United Kingdom

Revenue growth in the UK of 15.8% was mainly driven by growth in the public segment, which grew by 22% compared to 2020, whereas revenue growth in the private segment was slightly lower than the growth in the public segment. The growth in the UK was affected by an improved utilisation in 2021 compared to 2020 as more project wins increased the underlying business activity in the UK in 2021.

The growth in the private segment was a result of both existing customers bringing their activity back to levels seen prior to COVID-19 and new customers won during the first half of 2021 generating revenue throughout the rest of 2021.

In the public segment, activity continues to be high with the NHS and new tenders continuously coming to the market under the framework contract entered into last year.

In the UK, gross profit margin increased by 7.2 percentage points from 18.3% to 25.5%, as activity level picked up leading to an increased utilisation throughout 2021. In 2020, the UK business was negatively impacted from COVID-19 related loss of business while maintaining the level of employees, which led to a relatively high number of resources being unutilised during the second and third quarter of 2020, and thereby also yielding a lower comparable base to 2021. The increase in gross profit margin was somewhat offset by the usage of Danish resources in writing tenders and supporting senior levels of the business. The decision to allocate Danish resources to the UK operation, has impacted margin in the UK negatively – as resources in Denmark are more expensive than local UK based resources. However, on the contrary it has strengthen the UK entity in their management of larger projects and increased the win ratio of tenders locally, which is expected to be the case going forward.

Adjusted EBITA in the UK business was 9.9%, an increase of 5.3 percentage points compared to 2020, somewhat offset by an increase in administrative costs. The administrative costs throughout the second half of 2021 reached a level as before COVID-19. In addition, administrative costs were affected by the non-recurring severance payment of around DKK 6.7m to the former UK management in April 2021. Adjusted for the non-recurring severance payment, adjusted EBITA would have been 11.6%.

Netcompany Netherlands

Revenue in the Netherlands decreased in 2021 by 16.6%, which was driven by a drop in the growth in the public segment, which decreased by 19.8%. The decrease in revenue was caused by a significant increase in time spent on business development activities, writing tenders and recruitment activities, which combined led to a lower utilisation compared to 2020. In addition, the development in the Netherlands was caused by a combination of delay in decisions on new projects following the general election in February 2021, and an adjustment to a fixed fee project.

Adjusted for these two factors, revenue in the Netherlands would have been on the same level as in 2020.

To accelerate focus on the "go-to" market activities in the Netherlands, a new country manager and an additional partner was recruited externally. The pipeline in the Netherlands remains solid and is expected to be sufficient to support sustainable growth going forward.

In the Netherlands, gross profit margin decreased by 25.6 percentage points, which was driven by the delay in awarding public projects and deciding on ongoing tender activities, which caused a high proportion of resources being unutilised. In addition, the adjustment to one fixed fee project also reduced gross profit margin.

Adjusted EBITA in the Netherlands decreased by 42.4 percentage points. The decrease was a consequence of the decrease in gross profit margin and the decision to allocate Danish senior employees to help prepare the Dutch business for further growth by increasing business development and thereby investing in future growth. Furthermore, some restrictions from COVID-19 was lifted in the Netherlands, making it - to a certain extent - possible again to socialise with colleagues within the company, however, still not at the same level as pre-COVID-19.

Netcompany-Intrasoft

Revenue in the Netherlands decreased in 2021 by 16.6%, Performance in the last two months of 2021 for Netcompany-Intrasoft was above our expectations yielding reve- nue of DKK 285.6m and adjusted EBITDA of DKK 27.6m representing an adjusted EBITDA margin of 9.7%.

Revenue growth accelerated towards the end of the year as more COVID-19 related restrictions were gradually lifted. Particularly in the public and private segment in Greece and the Middle East this was the case.

Adjusted EBITDA margin for the full year was 9.4%, slightly higher than for the last two months of the year. The main reason for this was seasonality in costs and specific project adjustments - especially in the Middle East in the second half of 2021. Compared to 2020, adjusted EBITDA margin improved by 0.3 percentage point.

Pipeline is strong and the first project in Greece under the RRF has been awarded. In addition, multiple opportunities exist to win projects with the Netcompany Core part of the Group in multiple countries.

Business segments

Public segment

60.9%

Revenue in the public segment increased by 24.3% of which 12.8 percentage point was organic.

2021 **2,210.4**

2020 **1,777.7**

Growth: 24.3%

Gross profit margin

33.1%

Adjusted EBITA margin

18.8%

Private segment

39.1%

Revenue in the private segment increased by 34% of which 26.4 percentage point was organic.

2021 **1,421.6**

2020 **1,060.9**

Growth: 34.0%

Gross profit margin

42.2%

Adjusted EBITA margin

29.3%

Revenue visibility

Revenue visibility improved by 62.6% from DKK 2,131.7m for 2021 to DKK 3,824.8m for 2022, of which 45.9 percentage points was directly attributable to the acquisition of Intrasoft.

Netcompany measures revenue visibility on a 12-month rolling basis, based on two main input parameters, defined as total value of committed engagements, which comprise of fixed price engagements and service agreements, and ongoing time and material engagements with a high likelihood of conversion and/or prolongation, defined as total value of planned continued engagements.

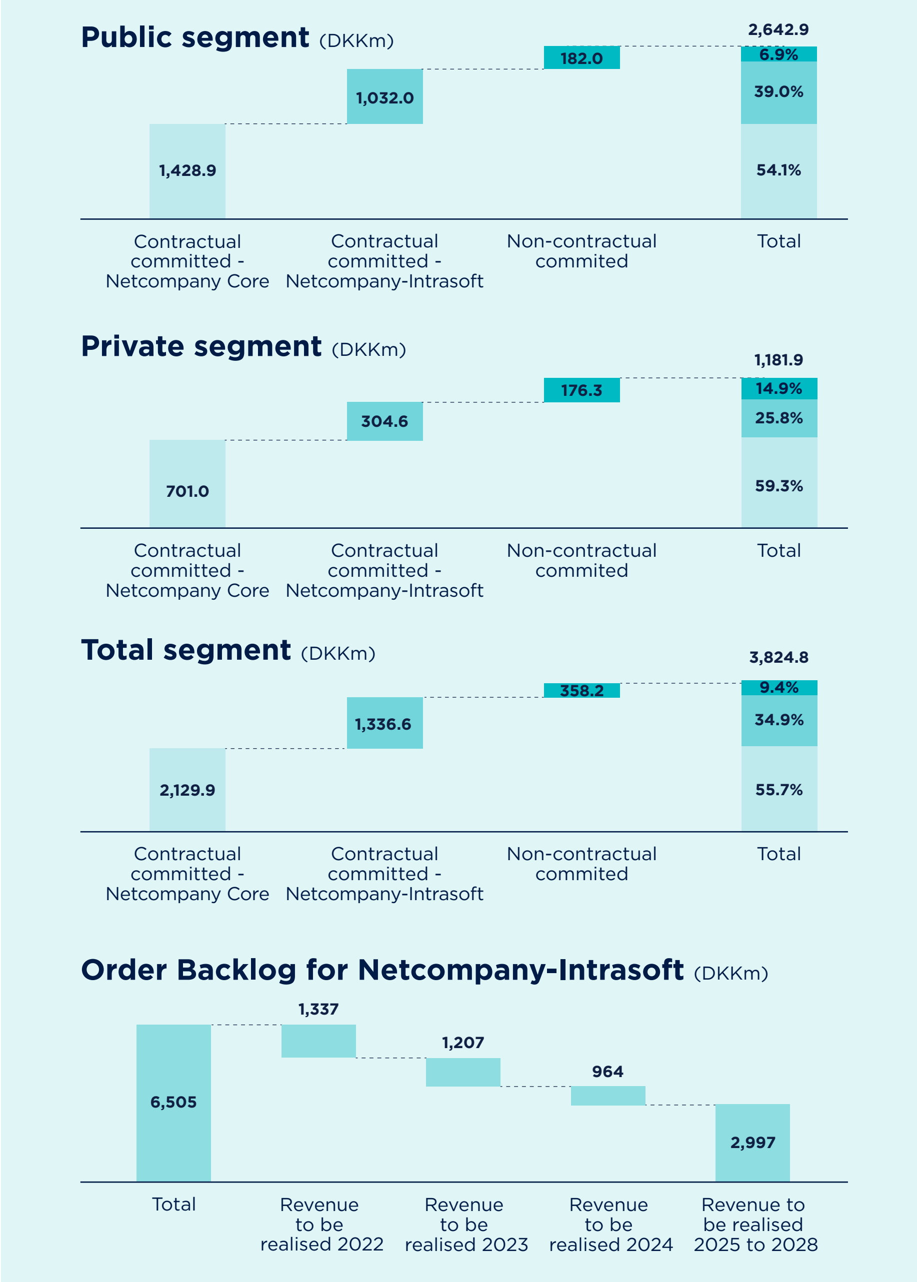
Revenue visibility for 2022 amounts to DKK 3,824.8m, of which contractual committed revenue amounts to DKK 3,466.5m and non-contractual committed engagements amounts to DKK 358.2m.

Revenue visibility improved by 62.6% from DKK 2,131.7m for 2021 to DKK 3,824.8m for 2022. 16.7 percentage points of the improvement was organic, and 45.9 percentage points directly attributable to the acquisition of Intrasoft in October 2021.

Revenue visibility for 2022 in the public segment amounts to DKK 2,642.9m, of which contractual committed revenue amounts to DKK 2,460.9m and non-contractual committed engagements amounts to DKK 182m. Revenue visibility for the public segments also includes revenue visibility to EU institutions, which Netcompany-Intrasoft historically has presented separately.

Revenue visibility for 2022 in the private segment amounts to DKK 1,181.9m, of which contractual committed revenue amounts to DKK 1,005.6m and non-contractual committed engagements amounts to DKK 176.3m.

In 2022, DKK 1.336.6m is expected to be released from the Netcompany-Intrasoft order backlog, mainly within EU institutions. Of the total order backlog for Netcompany-Intrasoft DKK 2.997m is expected to be released in the period from 2025 to 2028.



Capital

Working capital

The combined value of work in progress, prebilled invoices and trade receivables for Netcompany Core increased by 16.5% compared to an organic revenue growth of 17.9% in 2021. As a percentage of revenue, the combined work in progress, prebilled invoices and trade receivables for Netcompany Core decreased from 31.5% in 2020 to 31.1% in 2021, while days sales outstanding increased from 59 days in 2020 to 76 days in 2021.

The combined value of work in progress, prebilled invoices and trade receivables in Netcompany-Intrasoft amounted DKK 659.8m, corresponding to 42.9% of full 2021 revenue in Intrasoft.

Free cash flow and cash conversion

Netcompany generated a free cash flow of DKK 408m, a decrease of DKK 149m, which led to a cash conversion ratio of 66.4% compared to 139.4% in 2020. Adjusting for the one-off payment to the Danish Vacation Fund of DKK 96.9m in 2021 and the fair value adjustment of the contingent consideration, cash conversion ratio for 2021 would have been 94.3% compared to 103% in 2020. The decrease in cash conversion ratio was driven by the development in working capital.

Investments

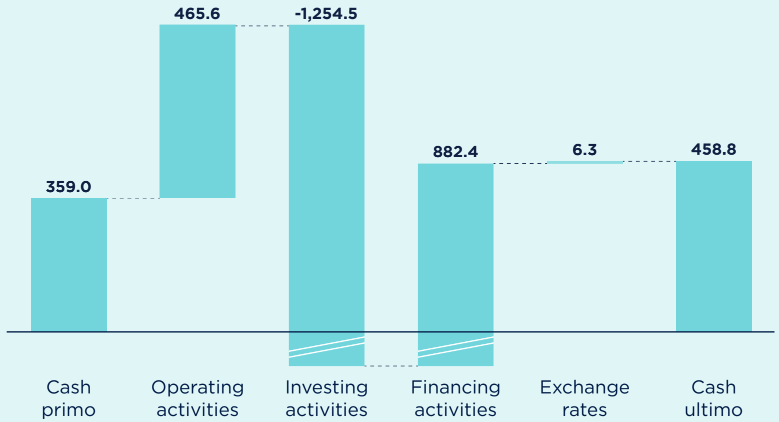
On 31 October 2021, Netcompany Group acquired Intrasoft at a purchase price of DKK 1,375.2m. DKK 1,144.3m of the total consideration are settled in cash, while DKK 133.5m are settled in shares. Part of the cash settlement is accrued as a holdback option, and part of the settlement in shares is still in process.

Funding and capital structure

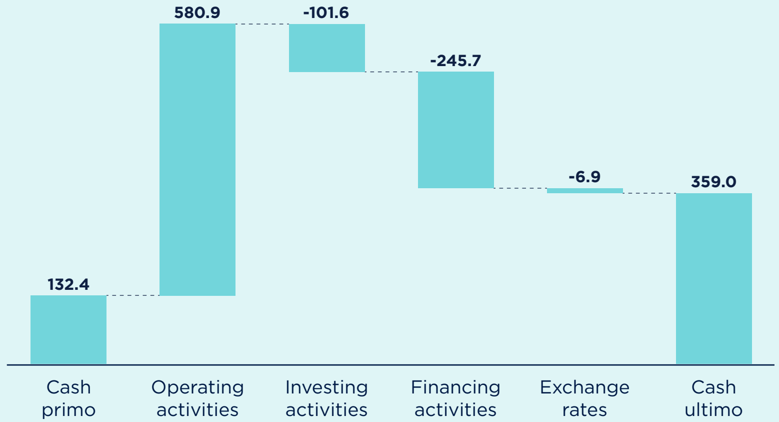
During 2021, Netcompany entered into an additional bank agreement facilitating the acquisition of Intrasoft and following the acquisition, Netcompany terminated the main part of Netcompany-Intrasoft's external bank debt.

As of 31 December 2021, the combined committed facilities constitutes a total amount of DKK 2,774.5m and an additional facility of DKK 400m, available only for new acquisitions. DKK 2,354.5m of the committed lines were utilised on borrowings and DKK 236.7m on guarantees, leaving a total of DKK 183.3m available in unutilised funding for normal operations if needed with no additional costs or covenants. As a consequence of the acquisition of Intrasoft, the debt ratio increased to 2.7x at the end of 2021.

Cash flow development in 2021 (DK'000)



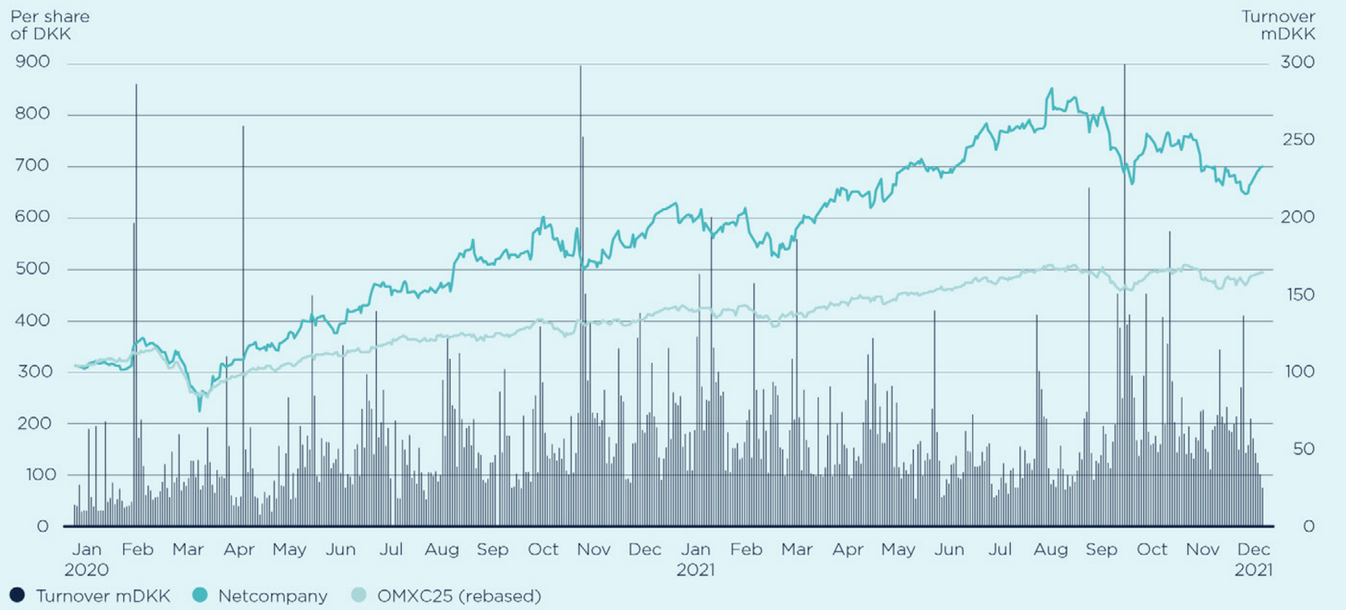
Cash flow development in 2020 (DK'000)



Shareholder information

In 2021, Netcompany redistributed DKK 150m in cash to its shareholders by means of dividends of DKK 50m and two share buyback programmes of DKK 100m in total.

Netcompany share price development 2020 & 2021



The share

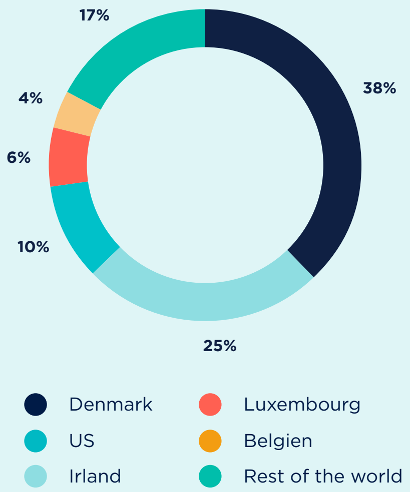
Netcompany shares were priced at DKK 704.5 (DKK 622.5) per share at 31 December 2021, equal to a market capitalisation of DKK 35,225m (DKK 31,125m). The share price increased by 13.2% during 2021. By comparison, the Nasdaq Copenhagen blue chip index (OMXC25 CAP), increased by 17.2%. However, this should be seen in the light of 2020, where the Netcompany share price increased by 96.4% compared to the OMXC25 index which increased by 33.7%.

Share capital

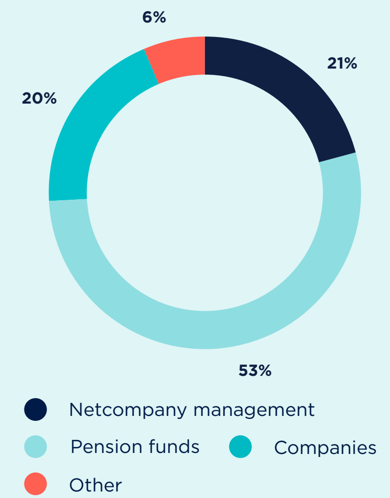
Netcompany´s share capital is DKK 50m divided into 50 million shares.

At the beginning of 2021, Netcompany held 899,813 treasury shares. Throughout 2021 Netcompany introduced two share buyback programmes and bought 143,970 treasury shares. 28,986 treasury shares was used to remunerate Partners & Principals, as the first Long Term Incentive Programme vested in June 2021, and 188,476 treasury shares was part of the purchase price acquiring Intrasoft in October 2021 (789 are still waiting to be transferred). At 31 December 2021, Netcompany holds a total of 827,110 treasury shares equivalent to 1.7% of the share capital. The treasury shares will continuously be used to remunerate Partners & Principals through the Long Term Incentive Plan or in connection with M&A transactions where applicable.

Shareholder structure by geography



Shareholder structure by category



Additional information on the holdings of Netcompany shares and restricted stock units by the members of the Board of Directors and Executive Management Board is disclosed in the Remuneration report and in note 7 of the financial statements.

Increase of share capital

In the period until 21 May 2023, the Board of Directors is authorised to increase the company's share capital without pre-emption rights for the company's existing shareholders by up to a nominal amount of DKK 10m. However, the Board of Directors may not exercise this authorisation for an amount higher than 20% of the outstanding share capital at the time of exercise of the authorisation. The capital increase shall take place at market price and shall be affected by cash payment, by contribution in kind or by debt conversion.

In the period until 21 May 2023, the Board of Directors is also authorised to increase the company's share capital with pre-emption rights for the company's existing shareholders by up to a nominal amount of DKK 5m. However, the Board of Directors may not exercise this authorisation for an amount higher than 10% of the outstanding share capital at the time of exercise of the authorisation. The capital increase may take place at a subscription price set by the Board of Directors, including a potential favourable price. Any new shares shall have the same rights as the existing shares of the company.

Share related keys figures (unit)	**2021**	**2020**	**2019**
Share price			
Price at year-end (DKK)	705	623	317
Price high (DKK)	862	628	320
Price low (DKK)	519	208	199
Market value at year-end (DKKm)	35,225	31,125	15,850
No. of shares at year-end (m)	50	50	50
No. of circulating shares at year-end (m)	49.2	49.1	49.1
Distribution to shareholders			
Dividend paid per share (DKK)	1	0	0
Total dividend paid ex, treasury shares (DKKm)	49.1	0	0
Buyback of shares (DKKm)	100.0	0	125.0
Total distribution to shareholders (DKKm)	149.1	0	125.0
Shareholder return at year-end			
Share price change (%)	13.2	96.4	44.1
Dividend return (%)	0	0	0
Total shareholder return (%)	13.2	96.4	44.1
Share valuation at year-end			
Equity per share (DKK)	60.8	48.6	41.4
Price/book value (times)	11.6	12.8	7.7

Shareholder structure

At 31 December 2021, Netcompany had more than 15,798 (8,750) registered shareholders. Around 60% of the registered share capital was held by shareholders based outside Denmark and around 10% of the company's share capital was held by the company's Executive Management.

Netcompany estimates that pension funds held some 53% of the company's shares. In pursuance of section 55 of the Danish Companies Act the following investors have reported holdings of more than 5% of Netcompany's share capital at 31 December 2021:

- AC NC Holding ApS: 10.30%
- BlackRock, Inc.: 5.61%

At 31 December 2021, Netcompany had close to 16,000 registered shareholders

Share-based incentive schemes/ restricted stock units

In total, 351,170 (332,409) RSUs in relation to the share-based incentive schemes were issued at 31 December 2021, of which 83,053 (104,403) were granted to Executive Management and 268,117 (228,006) were granted to Other Key Management Personnel and Other employees. The fair value of the RSUs at grant was DKK 102.7m (DKK 77.2). The cost related hereto is expensed over the vesting period. A total amount of DKK 32.2m (DKK 24.8m) was recognised as staff costs in the income statement in 2021.

Contingent purchase price/ restricted stock units

In connection with the acquisition of 100% of the shares of QDelft B.V. (now Netcompany Netherlands) in 2019, a total of 305,068 RSUs have been granted, which will vest in February 2023. Further 285,262 RSUs will be granted and vest in February 2023 depending on performance in the period 2020-2022.

Dividends and share buyback

In 2021, Netcompany redistributed DKK 150m in cash to its shareholders by means of dividends of DKK 50m and two share buyback programmes of DKK 100m in total. In 2022, Netcompany will redistribute DKK 100m in cash to its shareholders by means of a share buyback programme of DKK 100m to be executed in the period between the approval at the Annual General Meeting and 30 June 2022. To maintain a satisfactory debt level ratio no dividends are proposed for the year 2021.

Investor relations

Netcompany seeks full transparency and an open dialogue with all investors and analysts about the company's business and financial performance. Netcompany aims to ensure equal, timely and adequate information for all investors by publishing all information on Netcompanys homepage, where users can subscribe to Netcompany's announcement service.

https://www.netcompany.com/int/Investor-Relations/Announcements

Financial calendar 2022

17 January 2022	Deadline for shareholders to submit proposals for the agenda of the Annual General Meeting 2021
25 January 2022	Annual Report for the financial year 2021
2 March 2022	Annual General Meeting 2022
5 May 2022	Interim report for the first 3 months of 2022
11 August 2022	Interim report for the first 6 months of 2022
3 November 2022	Interim report for the first 9 months of 2022

Share data

Stock exchange	Nasdaq Copenhagen A/S
Index	OMXC25
Sector	Technology
ISIN code	DK0060952919
Short code	NETC
Share capital	DKK 50.000.000
Nominal size	DKK 1
Number of shares	No. 50.000.000
Restriction in voting rights	No

Governance

ESG | Corporate governance | Board of Directors | Executive Management | Remuneration | Risk management

ESG key figures: Netcompany Core

ESG key figures overview	Total 2021	Unit	2021	Target 2021	2020	2019	2018
Environment							
CO_2e, scope 1 (direct GHG emissions)	177.9 tons	Tons per FTE	0.05	<0.08	0.06	0.08	0.06
CO_2e, scope 2 (indirect GHG emissions)	387.3 tons	Tons per FTE	0.12	<0.21	0.21	0.29	0.33
CO_2e, scope 3 (other indirect GHG emissions)	175.5 tons	Tons per FTE	0.05	<0.69	0.05	0.08	0.09
Energy consumption	19,017.2 GJ	GJ per FTE	5.76	<7.29	6.46	8.91	9.16
Renewable energy share	87.11%	%	87.11	75	72.79	75.01	66.95
Water consumption	8,858 m^3	m^3 per FTE	2.68	<4.61	3.32	4.63	5.47
Social							
Average full-time employees incl. freelancers	N/A	FTE	3,310	N/A	2,768	2,293	1,861
Gender diversity	N/A	f/m	20%/80%	20%/80%	18%/82%	19%/81%	19%/81%
Gender diversity for managers, principals and partners	N/A	f/m	13%/87%	13%/87%	11%/89%	12%/88%	10%/90%
Sickness absence	N/A	%	3.9	<3.5	3.1	3.8	3.5
Employee satisfaction	N/A	eNPS	+34	>+35	+42	+42	+36
Customer satisfaction	N/A	NPS	+18	>+20	+20	+22	+26
Governance							
Gender diversity - Board of Directors (BoD)	N/A	f/m	40%/60%	40%/60%	40%/60%	20%/80%	17%/83%
Attendance at the BoD meetings	N/A	%	98	>97	100	97	95
CEO pay ratio	N/A	times	1:20	<1:19	1:19	1:20	1:15

ESG key figures: Netcompany Group

ESG key figures overview	Unit	Target 2022	Netcompany Group 2021	Netcompany Core 2021	Netcompany-Intrasoft 2021[1]
Environment					
CO_2e, scope 1 (direct GHG emissions)	Tons per FTE	<0.12	0.10	0.05	0.48
CO_2e, scope 2 (indirect GHG emissions)	Tons per FTE	<0.16	0.13	0.12	0.23
CO_2e, scope 3 (other indirect GHG emissions)	Tons per FTE	<0.06	N/A	0.05	N/A
Energy consumption	GJ per FTE	<7.09	6.13	5.76	9.4
Renewable energy share	%	83	83	87.11	31.38
Water consumption	m^3 per FTE	<4.48	3	2.68	5.8
Social					
Average full-time employees incl. freelancers	FTE	N/A	6,161	3,310	2,853
Gender diversity	f/m	27%/73%	26%/74%	20%/80%	33%/67%
Gender diversity for managers, principals and partners	f/m	16%/84%	15%/85%	13%/87%	18%/82%
Sickness absence	%	<2.5	2.5	3.9	1.3
Employee satisfaction	eNPS	>+30	N/A	+34	N/A
Customer satisfaction	NPS	>+18	N/A	+18	N/A
Governance					
Gender diversity - Board of Directors (BoD)	f/m	40%/60%	40%/60%	40%/60%	N/A
Attendance at the BoD meetings	%	>97	98	98	N/A
CEO pay ratio	times	1:22	1:22	1:20	N/A

[1] ESG key figures for Netcompany-Intrasoft covers November and December 2021.

Netcompany's solutions contribute to increasingly **effective ways of running business** enabling a more cohorent, digital society.

Netcompany is helping customers implement new technologies to further digitalise their respective businesses and operations. Although it is difficult to measure the exact differences, these new solutions are significantly more efficient in relation to energy consumption than old legacy systems.

As a corporate citizen, Netcompany measures its direct impact on the environment, as outlined here. In 2022, Netcompany will continue to take strides in lowering its environmental footprint through developing state-of-the art solutions, supporting responsible initiatives and improving business operations across the Group.

Furthermore, Netcompany's solutions contribute to increasingly effective ways of running businesses and public institutions, enabling a more coherent, digital society to the benefit of citizens globally.

Netcompany continues to have a strong focus on its employees' development and wellbeing. In 2021, Netcompany continued to ensure formal training through Netcompany Academy, as well as organise social activities to the extent possible in relation to COVID-19 restrictions.

A diverse and inclusive workplace is imperative for Netcompany to attract and retain employees and maintain competitiveness in the market. Securing employee diversity, including increasing representation of underrepresented groups, is a key focus area and will continue to be in the years to come. Netcompany proudly reports that in 2021, all three targets regarding gender distribution were reached.

The Netcompany Group ESG report 2021 constitutes our annual Communication on Progress to the UN Global Compact and report on corporate responsibility in accordance with section 99a, 99b, 99d and 107d of the Danish Financial Statements Act. The report is an integrated part of the management's review of the Netcompany Group Annual Report 2021. Please refer to:

▶▶ **https://www.netcompany.com/int/ESG**

ESG report 2021

Read more about the ESG at Netcompany here:

https://www.netcompany.com/int/ESG

Corporate governance

An evaluation of the Board of Directors and Group Executive Management conducted with assistance from an independent third-party showed a satisfactory outcome ▶▶

Governance model

Netcompany has a two-tier management structure, which is comprised of the Board of Directors and the Executive Management. The Board of Directors, which is appointed by the shareholders, supervises the work of the Executive Management and is responsible for the overall and strategic management and proper organisation of the Group's activities, while the Executive Management is responsible for the Group's day-to-day management. The division of responsibility between the Board of Directors and the Executive Management is set out in the Rules of Procedures for the Board of Directors and Executive Management Instructions.

Shareholders and general meetings

Netcompany's shareholders exercise their rights at the general meeting. The general meeting adopts decisions, such as the election of Board members and the auditor, in accordance with applicable law.

Board of Directors and Executive Management

For the time being, the Board of Directors of Netcompany Group A/S currently consists of five members. According to the Articles of Association, the Board of Directors must consist of at least three and not more than seven members elected at the general meeting. The Board of Directors appoints a Chairman and a Deputy Chairman among its members. Each member is elected for a one-year term, and members may be re-elected. The Board of Directors meets at least five times a year and holds extraordinary meetings when relevant.

The composition of the Board of Directors is intended to ensure that the Board of Directors has a diverse competency profile enabling the Board of Directors to perform its duties in the best possible manner. All five members of the Board of Directors are considered independent under the "Recommendations on Corporate Governance".

During 2021, the Board of Directors conducted an evaluation of the Board of Directors and the individual members with external assistance from an independent third-party. The evaluation included among others effectiveness, performance, and composition of the Board of Directors, including an evaluation of the performance of the individual members of the Board of Directors as well as the collaboration with the Executive Management. As part of the evaluation a questionnaire was sent to the members of the Board of Directors, Executive Management and Board secretary. Based on the answers, individual interviews were conducted with the independent third-party and a report was made and shared with the entire Board and Executive Management. The evaluation rated the Board's performance as very satisfactory and compares favourably to the global benchmark. The collaboration in the Board is good, material is of high quality and the Board has the right competencies. Further, the collaboration with the Executive Management is very good.

A description of the individual board members, including their other executive positions and independence, can be found on page 60-61.

Board Committees

In order to support the Board of Directors in Netcompany Group A/S, Netcompany has established three board committees: Audit Committee, Remuneration Committee and Nomination Committee.

The committees perform preparatory tasks and make recommendations to the Board of Directors, who in turn will take the final decision on subjects at hand. The main tasks and duties for each committee are set out in separate committee charters. The charters are reviewed, and if deemed appropriate updated, and approved by the Board of Directors annually. The members of the board committees, including the committee chairman, are appointed by the Board of Directors among its own members.

Audit Committee

The Audit Committee consists of three members of the Board of Directors,

Netcompany fully complies with 40 out of 40 recommendations according to the Danish Committee on Corporate Governance.

Åsa Riisberg (Chairman), Scanes Bentley and Juha Christensen and its purpose is to assist the Board of Directors with the oversight of among others, the financial and statutory audit matters, ESG reporting and internal control and risk management systems of the Netcompany Group. Further, the Audit Committee supervises the external auditor's independence and the procedure for election of an external auditor.

The Audit Committee meets at least four times a year.

Remuneration Committee

The Remuneration Committee consists of two members of the Board of Directors, Juha Christensen (Chairman) and Bo Rygaard and its purpose is to assist the Board of Directors by preparing and presenting proposals and recommendations on matters related to the remuneration of the Company's Board of Directors and Executive Management.

The Remuneration Committee meets at least twice a year.

Nomination Committee

The Nomination Committee consists of two members of the Board of Directors, Juha Christensen (Chairman) and Bo Rygaard. Its purpose is to assist the Board of Directors by preparing and presenting decision proposals and recommendations on matters related to the composition of the Company's Board of Directors and Executive Management, including the nomination of candidates and evaluation of the composition of the Board of Directors and Executive Management.

The Nomination Committee meets at least twice a year.

Executive Management

The members of the Executive Management currently consist of André Rogaczewski (CEO), Claus Jørgensen (COO) and Thomas Johansen (CFO). Together, they form the management registered with the Danish Business Authority.

The Executive Management is responsible for the day-to-day management. The Board of Directors has laid down instructions for the work of the Executive Management, including the division of work between the Board of Directors and Executive Management.

The Board regularly discuss the performance of the Executive Management and the Chairman of the Board of Directors has regular meetings with Executive Management, where the cooperation between the Board of Directors and the Executive Management is discussed.

Recommendations on Corporate Governance

As a listed company, Netcompany observes the Recommendations on Corporate Governance, which are based on the comply-or-explain principle, which makes it legitimate for a company to explain why it does not comply with them. Netcompany fully complies with 40 out of the 40 recommendations according to the Danish Committee on Corporate Governance and prepared a statement on corporate governance for the financial year. This statement forms part of the Management's Review and can be viewed at:

▶▶ **https://www.netcompany.com/int/Investor-Relations/Governance**

Whistleblower

In 2017, Netcompany implemented a whistleblower system, where the purpose is to provide a possibility to report serious offences or suspected serious offences with full anonymity that may impact Netcompany Group as a whole or the life or health of an individual. The whistleblower policies were updated in 2021 in order to comply with the updated regulation.

The whistleblower system allows persons related to Netcompany, such as employees, members of the Executive Management and Board of Directors, auditors, lawyers, suppliers and other business partners of Netcompany, to report serious offences or suspected serious offences.

The whistleblower system is an independent and autonomous channel and the independency is secured by using an external law firm (Plesner) to receive reports submitted. The law firm will forward any reports to the Chairman of the Board, who will investigate the matter promptly and take appropriate action.

In 2021, two reports were submitted via the whistleblower system. The reports were assessed to be out of scope by the external law firm.

Whistleblower cases are taken very seriously, and we have enhanced the awareness of good conduct and that incidents can be reported through the whistleblower portal.

Data ethics policy

Last year, Netcompany implemented a Data Ethics Policy, which we also chose to report on even before we were required to do so. This policy is based on three key principles: security, integrity and trust.

Working as an IT service provider we encounter many types of data, including personal data. In our own organisation we mainly process data about our employees and job applicants, provided by the employees and job applicants themselves. In our capacity as a supplier, we process data on behalf of our customers, for example in connection with the maintenance or hosting of their systems.

The data we process about our employees and job applicants includes regular personal data, such as, names, addresses and phone numbers, whereas special categories of personal data, may also be included e.g., relating to health information. The data we process on behalf of our customers relates to their production data, which in some cases may also include both regular and special categories of personal data.

Technical and organisational security is an essential part of any safe data processing. Netcompany's daily operations are based on a highly detailed security policy and organisational procedures, all of which comply with the international security standard ISO/IEC 27001. We process all data with the utmost respect for the sensitivity of the data and any privacy rights – to make sure we earn the trust of our customers, employees, shareholders and any other stakeholders.

We run internal audit controls to secure compliance with both information security and data protection requirements, and all our employees are continuously trained in the Netcompany Methodology. In addition to these measures, we have all data securely stored at two different data centres to ensure that data availability is always upheld in the unlikely event of technical failures.

We do not buy data from third parties or sell customer data to third parties. We do use artificial intelligence ("AI") and machine learning in some of our solutions, but never in a context where such services are used for either profiling, automated decision making or similar. Machine learning is instead used for the purpose of reducing energy consumption and climate impact. Our work with ensuring diversity throughout the organisation is also part of our data ethics considerations in that it may help prevent unintentional biases in both the development of our own IT solutions and when advising our customers about the development of theirs.

Whether we process personal data or other types of data, we always apply our standards for data ethics to the way we work, making sure that our processing activities and security measures match the requirements for the data we are handling.

With this year's reporting on our Data Ethics Policy, Netcompany Group A/S and Netcompany A/S comply with the requirements under section 99(d) of the Danish Financial Statements Act.

Board of Directors

Bo Rygaard
Chairman

First elected 2016[1]
Term 2021
Born (year) 1965
Nationality Danish
Independent Yes

Board committee memberships
Remuneration Committee and Nomination Committee

Executive positions
Executive officer in Margot og Thorvald Dreyers Fond, Bo Rygaard Consulting and NC ShareCo 4 ApS

Non-executive positions
Skamol A/S (c), Kavi Invest A/S (m), Margot og Thorvald Dreyers Fond, Ejendomsaktieselskabet Vest (m), Statens Ejendomssalg A/S (vc), Fondenes Videnscenter (m), Krista og Viggo Petersens Fond (c), Marie & M.B. Richters Fond (m), KFI Erhvervsdrivende Fond (c), Ejendomsselskabet af 1.11.1979 ApS (m), EET A/S (c), HusCompagniet A/S (m).

Special competencies
Strategy, general business management and M&A

Educational background(s)
M.Sc. Economics, Copenhagen Business School

Board meetings attended
8 out of 8

Committee meetings attended
7 out of 7

Juha Christen Christensen
Vice-Chairman

First elected 2016[2]
Term 2021
Born (year) 1964
Nationality Danish
Independent Yes

Board committee memberships
Nomination Committee, Remuneration Committee, and Audit Committee

Executive positions
CEO of Truly ApS

Non-executive positions
Cloud Made Ltd (c), Star Inc (c), Bang & Olufsen A/S (c), Friday PM (c).

Special competencies
Consulting, technology market insight, strategy, and M&A

Educational background(s)
Studied Business Administration, London Business School

Board meetings attended
8 out of 8

Committee meetings attended
13 out of 13

[1] Bo Rygaard has been a member of the Board of Directors of NC TopCo A/S since November 2016

[2] Juha Christensen has been a member of the Board of Directors of NC TopCo A/S since November 2016

Board of Directors

Hege Skryseth

First elected 2020
Term 2021
Born (year) 1967
Nationality Norwegian
Independent Yes

Board committee memberships
None

Executive positions
President of Kongsberg Digital and Executive Vice President of Kongsberg

Non-executive positions
Tomra Systems ASA (m), AutoStore (m)

Special competencies
Hege has extensive strategic and commercial knowledge, general business management and governance. Further, Hege has deep knowledge about the Norwegian market.

Educational background(s)
Executive MBA, NHH Norwegian School of Economics & Business Administration, Norway. BA, Management, BI Norwegian School of Management, Norway

Board meetings attended
7 out of 8

Åsa Riisberg

First elected 2020
Term 2021
Born (year) 1974
Nationality Swedish
Independent Yes

Board committee memberships
Audit Committee

Executive positions
None

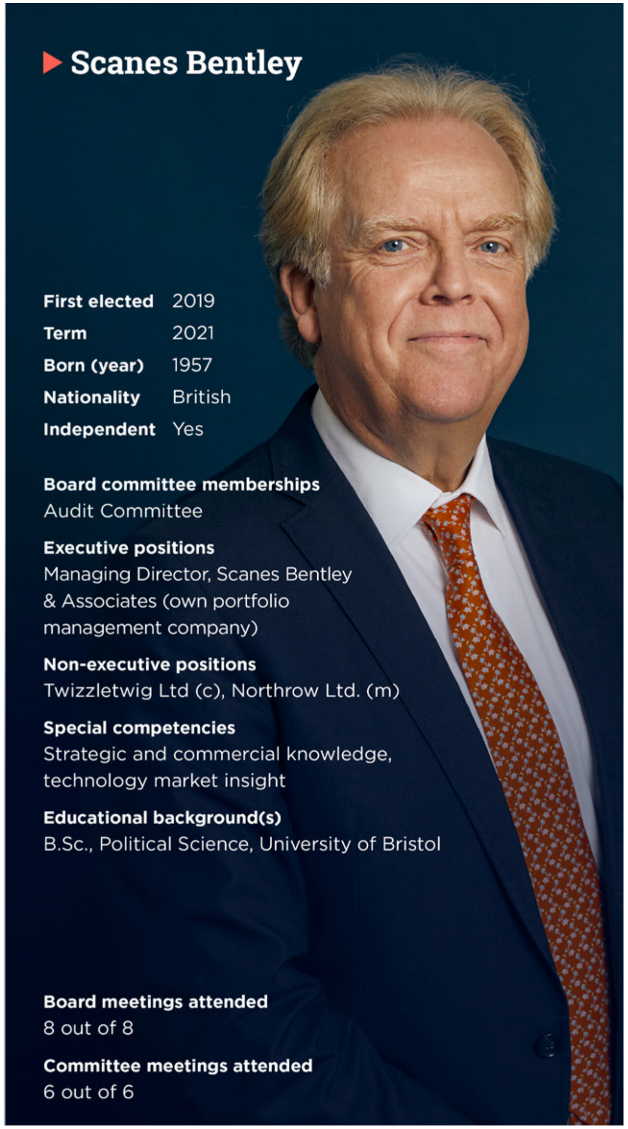
Non-executive positions
Bonnier News AB (m), Dagens Nyheter AB (m), Vifor Pharma (m), Chiesi Pharma (m), Atlas Antibodies (m), Internetmedicin (m), F-Secure (m) and SSE MSc Finance Advisory Board

Special competencies
Åsa has extensive knowledge and experience in accounting, financing, refinancing, M&A, private equity, and healthcare

Educational background(s)
MSc, Finance & Accounting and Finance, Stockholm School of Economics, Sweden. International Business, Hautes Etudes Commerciales HEC, France

Board meetings attended
8 out of 8

Committee meetings attended
6 out of 6



Scanes Bentley

First elected 2019
Term 2021
Born (year) 1957
Nationality British
Independent Yes

Board committee memberships
Audit Committee

Executive positions
Managing Director, Scanes Bentley & Associates (own portfolio management company)

Non-executive positions
Twizzletwig Ltd (c), Northrow Ltd. (m)

Special competencies
Strategic and commercial knowledge, technology market insight

Educational background(s)
B.Sc., Political Science, University of Bristol

Board meetings attended
8 out of 8

Committee meetings attended
6 out of 6

Executive Management

André Rogaczewski

Co-founder and CEO

Nationality Danish

Born (year) 1968

Executive positions: André Rogaczewski Holding II ApS, AR Creative ApS

Non-executive positions: PAYProff A/S (m), Secury Payment Holding A/S (m), Auction Group A/S (m), Smarter Airports A/S (c), Spar Nord Bank A/S (m), Blue Cell Therapeutics ApS (m).

Other positions: The Danish ICT and Electronics Federation (c), the Danish Disruption Council (m), Think Tank EUROPA (m), the Technology Pact (c), the Danish Foundation for Entrepreneurship (c), Confederation of the Danish Industry (m), the Danish Ministry of Finance's Social Investment Fund (m), the University of Aalborg (m), Health Tech Hub Copenhagen (m), the Danish Government's Digitization Partnership (m).

Claus Jørgensen

Co-founder and COO

Nationality Danish

Born (year) 1967

Claus Jørgensen is a co-founder of Netcompany and Chief Operating Officer since 2000. He holds a M.Sc. Economics from the University of Southern Denmark.

Thomas Johansen

CFO

Nationality Danish

Born (year) 1970

Thomas Johansen is Chief Financial Officer in Netcompany, a position he has held since he joined the company in 2017. Thomas holds a M.Sc. Auditing and Business Economics, and several management degrees incl. an MBA from Rotterdam School of Management.

Remuneration

Netcompany's remuneration package and structure have been assessed as appropriate and complying with Netcompany's ambition ▸▸

The Remuneration Policy of Netcompany aims to set market-based salary levels for the Board of Directors (BoD) as well as Executive Management (EM) with a clear link to the creation of long term shareholder value. The current remuneration packages were put in place in connection with the IPO in June 2018 and has been proposed to be updated.

The current remuneration package consists of the elements shown on the right.

Remuneration	BoD	EM	Comments
Fixed fee / Fixed base salary	●	●	
Fee for committee work	●		Fee for Audit Committee, Remuneration Committee and Nomination Committee work
Short Term Incentive Plan		●	Up to 60% of fixed base salary against defined objectives and target
Long Term Incentive Plan		●	Up to 80% of fixed base salary measured at the time of grant
Travel allowances and other expenses	●	●	
Benefits		●	Company car, phone etc. comprising up to 10% of fixed base salary
Severance pay		●	In accordance with the employment contract, the Executive Management cannot request a severance payment

Remuneration assessment

In accordance with the updated Corporate Governance recommendations and the desire to attract the right talents, the Remuneration committee has performed an assessment of the management remuneration. As Netcompany peers (Endava, EPAM & Globant) are within a different league, it has been more appropriate to compare the remuneration package with companies listed in C25.

Based on the assessment it has been concluded that the Remuneration Package and Policy complies with the updated Governance recommendations.

Remuneration report 2021

Read more about the examined Remuneration of Netcompany here:
https://www.netcompany.com/int/Investor-Relations/Governance

5 year key figures (DKK '000)	2021	2020	2019	2018	2017
Remuneration of Board of Directors					
Bo Rygaard, Chairman	1,052	1,051	661	438	437
Juha Christensen, Vice Chairman	820	763	624	502	336
Scanes Bentley	438	489	394	-	-
Hege Skryseth	350	128	-	-	-
Åsa Riisberg	531	199	-	-	-
Robbert Kuppens[1]	-	296	168	-	-
Pernille Fabricius[1]	-	179	855	546	89
Pekka Ala-Pietilä[1]	-	-	730	1,057	525
Thomas Broe-Andersen[1]	-	-	0	0	0
Carsten Gomard[1]	-	-	637	1,000	333
Remuneration of Executive Management					
André Rogaczewski, CEO	11,865	10,760	10,632	7,778	3,218
Claus Jørgensen, COO	11,924	10,929	10,502	7,990	3,479
Thomas Johansen, CFO	6,791	6,002	5,920	5,793	1,564
Carsten Gomard[2]	-	-	-	-	2,095
Financial Measures, Netcompany Group					
Revenue	3,631,971	2,838,590	2,453,853	2,053,216	1,416,085
Organic Revenue	3,346,387	2,812,433	2,416,493	1,777,506	1,232,044
Adjusted EBITA margin	21.8%	26.2%	25.2%	25.0%	28.4%
Average FTEs in Group	3,787	2,768	2,293	1,861	1,256
Average pay for company employees[3]	548	561	533	510	543
CEO pay ratio	1:22	1:19	1:20	1:15	1:06

[1] Retired from the Board of Directors
[2] Retired from the Executive Management
[3] Average pay excluding Board of Directors and Executive Management

Board of Directors

The assessment of the remuneration to Board of Directors confirmed that the level of base fee for board members, Chairman and Vice-Chairman as well as committee fees are within the same range as for the main part of C25 companies, however, in the low range. Further, the structure of Board of Directors Remuneration complies with the updated Governance recommendations as all are fixed fees.

Executive Management

When comparing the remuneration to Executive Management with the average remuneration for Executive Management in C25, the assessment shows that our Executive Management is remunerated less than the average, but within the same range as the lower half of the companies listed in C25. However, it is the Managements assessment that the current level of remuneration is suitable for maintaining and attracting the required talent.

Compared to C25 companies, a larger part of the remuneration to our Executive Management is variable and part of an incentive plan. This concerns both short term and long term incentive plans.

The remuneration structure complies with Netcompany's ambition and is assessed as appropriate.

Risk management

Risk management is anchored locally under the guidelines and methodology set out by the Board of Directors.

Risk management has always been an integral part of doing business in Netcompany. Whether it be entering new business lines, onboarding new customers, embracing new technologies or ensuring new employees understand and adhere to the Groups risk management, the philosophy has always been to anchor responsibility locally with the operational units based on methodology and processes defined centrally.

With expansion into new business areas and with increased business complexity the natural inherent risk in the Group has increased during the past years. Entering into multi-year development contracts, running mission-critical infrastructure and expanding coverage to new countries, naturally increases the need for a more comprehensive Risk Management Framework.

Netcompany continuously improves the Risk Management Framework with the aim of strengthening management of risks across the Group.

Risk Management Framework

The overall process for the risk reporting can be illustrated as below:

Risk Report

Projects, Services and Operations

- A list of top risks on projects, services and operations are identified based on input from Managing Partners
- Top list is approved by Management
- The top risk projects are assessed and documented quarterly in the risk report

Information Security

- A list of top risks on information assets and technologies are identified based on input from the Chief Information Officer
- Top list is approved by Management
- The top risk projects are assessed and documented quarterly in the risk report

Shared Services

- A list of top risks related to shared services are identified across support functions, based on interviews and consolidation of risks from the head of Finance, Legal, HR, IT and M&A
- Top list is approved by Management
- The top risk projects are assessed and documented quarterly in the risk report

Credit, cash management and interests

- A list of top risk concerning financial risks are identified across all countries based on input from Finance and external banks
- Top list is approved by Management
- The top risk projects are assessed and documented quarterly in the risk report

Political and reputational

- A list of top political and reputational risks are identified based on interviews with executive management
- The top risk projects are assessed and documented quarterly in the risk report

	Not able to attract and retain talent	Growth through acquisitions	Loss of existing clients	Unable to generate new business	Cyberattack	General data protection regulation
Lack of quality in deliveries	●	●	●	●	●	●
Competitive landscape	●	●	●	●		
Political landscape		●	●	●		
Market changes/global economic trends	●	●			●	
Hacking/cybercrime			●		●	●
Complex contract regimes		●		●	●	
Mitigating actions	●	●	●	●	●	●

The framework consists of a Risk Governance structure, defining the overall roles and mandates across Netcompany.

Each quarter, the main risks and accompanying mitigating actions are presented to the Audit Committee and Board of Directors, who discuss the overall risk level for the Group and ensures that Executive Management implements mitigating actions, if required, and continuously oversees the net risk exposure of the Group.

The number of main risks within the Group, assessed quarterly by the Audit Committee, vary but is generally between 25 and 35. These Risks all fall within the main areas as described above.

The following pages give an overview of Netcompany's key risks, including root causes and mitigation actions taken throughout the Group in 2021.

Not able to attract and retain talent

Root cause
Netcompany is built on talent and as an IT services company, future growth is directly linked to the ability to continuously attract, develop and retain talent.

Failure to continue to grow the employee base will limit the growth opportunities.

Further, the progression of newly hired consultants to become managers, principals and eventually partners represents an equally high risk, as the continued development of the hierarchy is also a prerequisite for future growth.

Risk
Losing the close relationship with universities and other institutions may lead to a less favourable perception of Netcompany among graduates, thereby reducing the applicant pool for new hires.

A discontinuation of the Netcompany Academy may lead to fewer new applicants wanting to apply as career progression would be perceived as limited.

Further, the lack of ongoing development of talented people may lead to loss of more experienced consultants, which in turn will have a negative impact on Netcompany's ability to hire new graduates, as the senior consultant and manager level in the career pyramid is crucial for continued growth.

Mitigating actions
Continued building and maintaining relationships with leading universities in all countries where Netcompany is represented.

Continued funding for the Netcompany Academy. In case of potential short term declines in revenues, the Academy will be one of the last resorts for spending cuts as it is a key pillar for continued growth.

Established presence in other countries with large pools of available relevant IT professionals.

Introduction of improved employment benefits including a significant improvement to the parental leave benefits.

Growth through acquisitions

Root cause
A key part of Netcompany´s growth strategy is to expand into new countries through acquisitions.

Risk
Integration of acquired companies into the Netcompany Core delivery model may be delayed leading to sub optimal performance. The integration projects are typically extensive and lengthy and may lead to project fatigue leading to increased employee dissatisfaction.

Larger acquisitions – like Intrasoft – may introduce new risks into the Group and/or accelerated risk taking in the acquired company in general. Further, the decision taken not to integrate an acquired company fully into the Netcompany Core delivery model may lead to continued risk taking in the acquired company.

For both types of acquisitions, a general risk is that of losing key customers, key employees, exposure towards litigation and loss of reputation following bad projects.
Further the ongoing operation of Intrasoft's current business as a "stand alone" could lead to increased exposure on larger projects where the Group would not be able to support in crisis situations as those projects are delivered using different delivery models.

Mitigating actions
In any acquisition detailed due diligence will be conducted. When applicable, the transaction will be insured. Also, payment of substantial parts of the valuation will be based on future performance and paid only when such performance is met.

Continuous focus on achieving the goals of the integration through a structured process, including allocating Netcompany resources into external projects and internal process during the integration.

In addition, Netcompany and Intrasoft already had a long standing working relationship and have delivered projects together which has added valuable knowledge about the Intrasoft organisation into Netcompany.

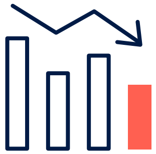
Loss of existing clients

Root cause
More than 90% of Netcompany's business is generated from existing customers at the beginning of the year. Maintaining the current level of repeat customer revenue is thus a prerequisite for the continued growth of Netcompany.

Risk
Failing to meet the target of being "on time, on budget and in scope" may lead to loss of both reputation and repeat business with existing clients. Further, some contracts – particular in the public segment – include terms whereby the potential liability related to a project or ongoing maintenance of a solution developed is uncapped, which could lead to significant financial losses for Netcompany.

Mitigating actions
Ensuring that projects are monitored and assessed on an ongoing basis so that potential issues and problems are identified before they escalate.

The Netcompany project methodology ensures that no new solution is taken into production without written approval of the solution and test from the client. This also applies to upgrades, change request and changes to the solution taken into production in general. These mitigating factors ensures that while contracts from time to time have uncapped liabilities as part of the terms, the mitigated risk exposure is limited and of theoretical substance only.



Unable to generate new business

Root cause
New customers in new segments and new markets are an integrated part of Netcompany´s growth strategy, and a lack of new business being added continuously would impact Netcompany´s longer term growth trajectory.

Risk
Failing to meet the target of being "on time, on budget and in scope" may lead to loss of reputation in the market hindering Netcompany's ability to generate new business.

Inability to answer tenders and business requests due to resource constraints may lead to a perception in the market that Netcompany is not able to deliver on the committed obligations.

Mitigating actions
Ensuring that projects are monitored and assessed on an ongoing basis so that potential issues and problems are identified before they escalate.

Continued allocation of sufficient time for senior staff to conduct "business development" and allowing time to be used for answering tenders and business requests to ensure that a healthy pipeline is maintained at all time.

Cyberattack

Root cause
As Netcompany is hosting solutions for customers, cyberattacks will always be a potential risk, which Netcompany has the responsibility to ensure adequate protection against. The customer base and the types of services delivered are rising in criticality and exposure, which may lead to an increase in the risk of cyberattacks.

Risk
Cyberattacks, including unauthorised access to network and data, could potentially damage the reputational image.

System down time also includes attacks due to a breach or leak at the external supplier. Unexpected down time for a system could result in data breach, loss of customers and increased costs for Netcompany and its customers.

Mitigating actions
Netcompany has various controls implemented to handle both internal and external risks, including storage platforms with georedundant mirroring capabilities as well as established backup procedures for internal system failure.

External suppliers to Netcompany are obliged to deliver an ISAE 3402 Type II audit statement to Netcompany annually to ensure compliance for the external suppliers.

Netcompany continuously access the level of security in both its solutions and internal IT environments.

General data protection regulation

Root cause
The general data protection regulation (GDPR) was implemented in May 2018 with the purpose of protecting EU citizens' privacy. The regulation sets forth the requirements for processing personal data.

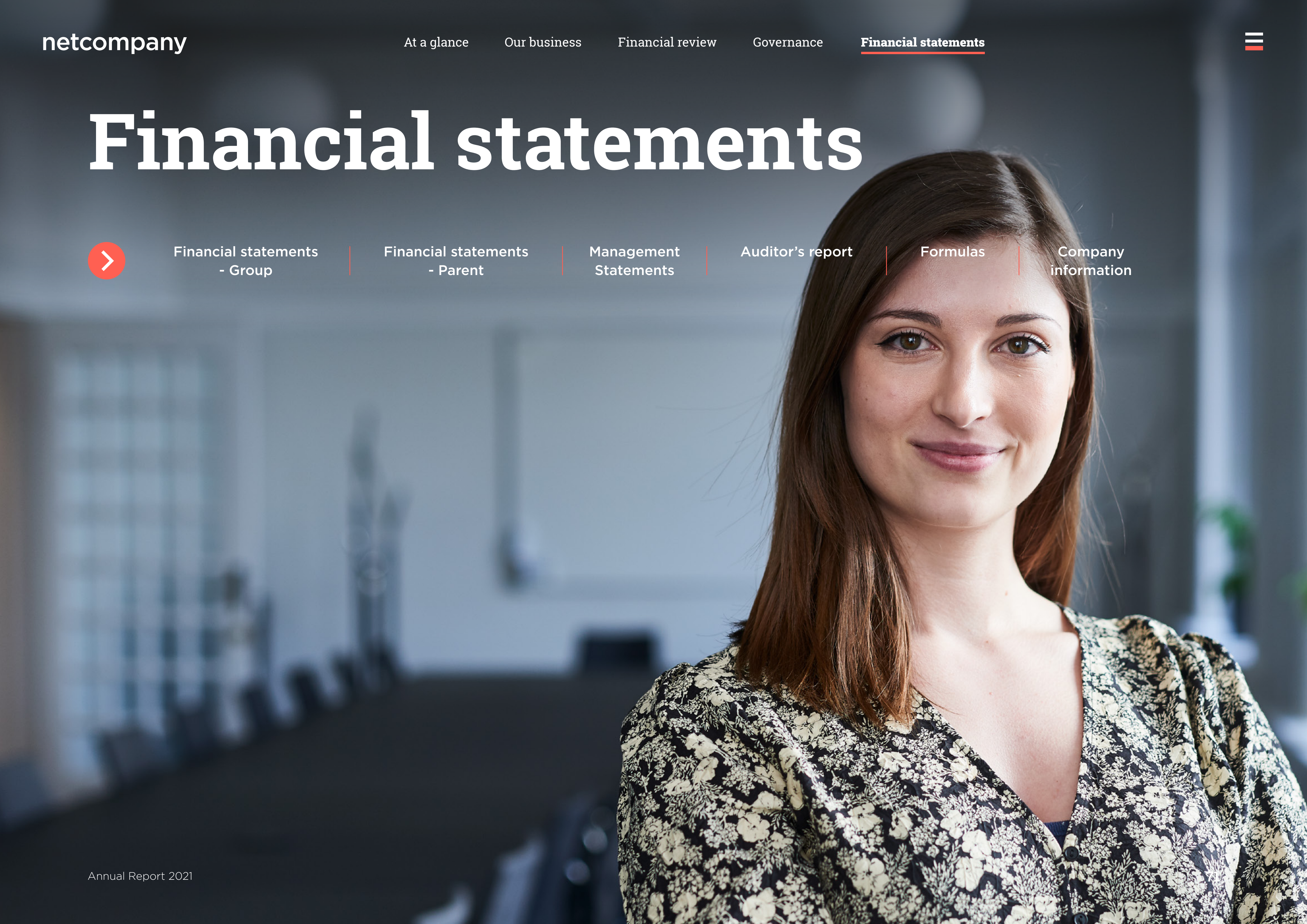
Netcompany provides IT solutions to both private and public customers, which involves personal and sensitive data.

Risk
Netcompany must at all times be compliant with all requirements, and it is crucial that no information leak or breach can occur.

If Netcompany is unable to demonstrate compliance with GDPR or in the unlikely event, that there is a breach of personal data, Netcompany could potentially be fined and will suffer reputational damage.

Mitigating actions
At the beginning of 2018, Netcompany implemented and communicated an internal data privacy policy including a methodology framework. Furthermore, security policies including security technology, to ensure effective protection, has been implemented.

In 2020, Netcompany adopted a data ethics policy to further ensure the interface of handling all data in all matters.



Financial statements

Financial statements

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Section 2: Results for the year

Section 3: Invested capital

Section 4: Working capital & Capital structure

Section 5: Other disclosures

Statement of comprehensive income for the Group for 2021

DKK'000	Notes	2021	2020
Revenue	3	3,631,971	2,838,590
Cost of services	4	-2,298,687	-1,683,372
Gross profit		**1,333,284**	**1,155,218**
Sales and marketing costs	5	-36,715	-17,104
Administrative costs	6	-503,399	-393,741
Special items	8	-37,729	-3
Other operating income / loss	9	-184	0
EBITA (non-IFRS)		**755,256**	**744,371**
Amortisation	10	-51,424	-99,426
Operating profit (EBIT)		**703,833**	**644,945**
Financial income	11	10,259	19,347
Financial expenses	11	-43,648	-66,306
Fair value adjustment of contingent consideration	29	78,906	-141,268
Income / loss from investment in joint venture	19	-21,732	-5,035
Profit before tax		**727,618**	**451,683**
Tax on profit for the year	12	-153,316	-129,766
Profit for the year		**574,302**	**321,918**
Of which			
Non-controlling interest		-1,840	0
Netcompany Group A/S' share		576,142	321,918
Earnings per share (DKK)	26	11.74	6.56
Diluted earnings per share (DKK)	26	11.60	6.53

DKK'000	Notes	2021	2020
Other comprehensive income Items that may be reclassified subsequently to profit or loss:			
Exchange rate adjustments on translating foreign subsidiaries		10,792	10,250
Other comprehensive income / loss		**10,792**	**10,250**
Of which			
Non-controlling interest		415	0
Netcompany Group A/S' share		10,378	10,250
Comprehensive income for the year		**585,095**	**332,168**
Of which			
Non-controlling interest		-1,425	0
Netcompany Group A/S' share		586,520	332,168

Statement of financial position of the Group at 31 December 2021

DKK'000	Notes	2021	2020
Goodwill	14, 16	3,372,453	2,264,065
Other intangible assets	15, 16	523,746	187,069
Intangible assets		**3,896,198**	**2,451,134**
Leasehold improvements	17	29,439	14,245
Equipments	17	50,308	32,120
Right of use assets	17	234,670	88,956
Investment properties	18	2,477	0
Tangible assets		**316,895**	**135,321**
Investment in joint venture	19	103,233	69,965
Investment in associates		7,211	0
Other securities and investments		2,102	0
Other receivables		26,225	18,482
Deferred tax assets	12	17,391	8,842
Financial assets		**156,162**	**97,290**
Non-current assets		**4,369,255**	**2,683,745**
Trade receivables	22	1,031,880	458,774
Receivables from joint venture		7,311	8,260
Receivables from associates		16,369	0
Contract work in progress	23	1,019,974	476,603
Other receivables		39,557	5,868
Prepayments		74,900	47,176
Receivables		**2,189,992**	**996,682**
Cash	24	**458,779**	**358,996**
Current assets		**2,648,771**	**1,355,678**
Assets classified as held for sale	21	**3,123**	**0**
Assets		**7,021,150**	**4,039,423**

DKK'000	Notes	2021	2020
Share capital	25	50,000	50,000
Treasury shares		-241,409	-175,000
Share-based remuneration		70,177	42,478
Exchange rate adjustments on translating foreign subsidiaries		6,584	-3,793
Retained earnings		3,145,769	2,514,936
Equity attributable to Netcompany Group A/S		**3,031,121**	**2,428,621**
Non-controlling interests		6,796	0
Equity		**3,037,918**	**2,428,621**
Borrowings	27	2,275,788	760,556
Pension obligations	28	18,198	0
Lease liability		147,979	57,377
Other payables	29	94,498	173,207
Deferred tax liability	12	134,255	66,037
Non-current liabilities		**2,670,719**	**1,057,177**
Borrowings	27	74,497	0
Lease liability		98,645	35,392
Prebilled invoices	23	350,880	41,747
Trade payables		328,496	39,875
Other payables	29	446,006	393,944
Provisions	30	8,839	0
Income tax payable	12	5,150	42,667
Current liabilities		**1,312,514**	**553,625**
Liabilities associated with assets classifed as held for sale	21	**0**	**0**
Liabilities		**3,983,233**	**1,610,802**
Equity and liabilities		**7,021,150**	**4,039,423**

Statement of changes in equity for the Group for 2021

DKK'000	Share capital	Treasury shares	Share-based remune-ration	Exchange rate adjustments on translating subsidiaries	Retained earnings	Total equity, Netcompany Group A/S	Non-controlling interests	Total equity
Equity at 1 January 2021	**50,000**	**-175,000**	**42,478**	**-3,793**	**2,514,936**	**2,428,621**	0	**2,428,621**
Profit for the year	0	0	0	0	576,142	576,142	-1,840	574,302
Other comprehensive income / loss for the year	0	0	0	10,378	0	10,378	415	10,792
Total comprehensive income	**0**	**0**	**0**	**10,378**	**576,142**	**586,520**	**-1,425**	**585,095**
Treasury shares acquired in the year	0	-99,993	0	0	0	-99,993	0	-99,993
Treasury shares used in business combinations	0	29,091	0	0	103,791	132,882	0	132,882
Share-based remuneration for the year (note 7)	0	4,493	27,699	0	0	32,192	0	32,192
Dividend paid	0	0	0	0	-50,000	-50,000	0	-50,000
Dividend on treasury shares	0	0	0	0	900	900	0	900
Addition of non-controlling interest (note 16)	0	0	0	0	0	0	8,221	8,221
Total transactions with owners	**0**	**-66,409**	**27,699**	**0**	**54,691**	**15,981**	**8,221**	**24,203**
Equity at 31 December 2021	**50,000**	**-241,409**	**70,177**	**6,584**	**3,145,769**	**3,031,121**	**6,796**	**3,037,918**

DKK'000	Share capital	Treasury shares	Share-based remune-ration	Exchange rate adjustments on translating subsidiaries	Retained earnings	Total equity, Netcompany Group A/S	Non-controlling interests	Total equity
Equity at 1 January 2020	**50,000**	**-175,000**	**17,724**	**-14,044**	**2,193,018**	**2,071,699**	**0**	**2,071,699**
Profit for the year	0	0	0	0	321,918	321,918	0	321,918
Other comprehensive income / loss for the year	0	0	0	10,250	0	10,250	0	10,250
Total comprehensive income	**0**	**0**	**0**	**10,250**	**321,918**	**332,168**	0	**332,168**
Share-based remuneration for the year (note 7)	0	0	24,754	0	0	24,754	0	24,754
Total transactions with owners	**0**	**0**	**24,754**	**0**	**0**	**24,754**	0	**24,754**
Equity at 31 December 2020	**50,000**	**-175,000**	**42,478**	**-3,793**	**2,514,936**	**2,428,621**	**0**	**2,428,621**

Cash flow statement for the Group for 2021

DKK'000	Notes	2021	2020
Operating profit (EBIT)		703,833	644,945
Depreciation and amortisation	10	139,201	164,431
Non-cash		43,685	17,596
Working capital changes	31	-189,249	-103,248
		697,470	**723,724**
Income taxes paid		-197,489	-126,163
Financial income received		2,914	2,533
Financial expenses paid		-37,298	-19,220
Cash flows from operating activities		**465,597**	**580,873**
Cash outflow on acquisition of subsidiaries	16	-1,270,938	0
Cash and cash equivalents at acquisition date of subsidiaries	16	132,415	0
Investment in joint venture	19	-55,000	-75,000
Acquisition of intangible assets		-11,304	0
Acquisition of fixed assets		-46,246	-23,869
Disposals of fixed assets		2,321	0
Other receivables (deposits)		-5,731	-2,779
Cash flows from investing activities		**-1,254,484**	**-101,649**
Dividends paid		-49,100	0
Payments of share buyback		-99,993	0
Proceeds from borrowings		1,700,545	0
Repayment of borrowings		-612,076	-200,000
Repayment of leasing debt		-56,988	-45,652
Cash flows from financing activities		**882,388**	**-245,652**
Increase in cash and cash equivalents		**93,501**	**233,573**
Cash and cash equivalents at 1 January		358,996	132,350
Effect of exchange rate changes on the balance of cash held in foreign currencies		6,281	-6,927
Cash and cash equivalents at 31 December	24	**458,779**	**358,996**

Reconciliation of liabilities arising from financing activities (DKK'000)	Borrowings (note 27)	Leasing	Total
Opening balance 1 January 2021	**760,556**	**92,769**	**853,325**
Leasing (non-cash)	0	127,382	127,382
Acquired entities	500,453	0	500,453
Acquired entities (non-cash)	0	83,461	83,461
Proceeds from borrowings	1,700,545	0	1,700,545
Repayments	-612,076	-56,988	-669,064
Amortisation of loan costs (non-cash)	414	0	414
Exchange rate adjustments	394	0	394
Closing balance 31 December 2021	**2,350,286**	**246,624**	**2,596,910**

Reconciliation of liabilities arising from financing activities (DKK'000)	Borrowings (note 27)	Leasing	Total
Opening balance 1 January 2020	**958,642**	**103,981**	**1,062,622**
Leasing (non-cash)	0	34,441	34,441
Repayments	-200,000	-45,652	-245,652
Amortisation of loan costs (non-cash)	1,914	0	1,914
Closing balance 31 December 2020	**760,556**	**92,769**	**853,325**

Section 1

Basis of preparation

This section introduces the Group's accounting policies and significant judgements, estimates and assumptions and any effect of changes within. Netcompany aims to provide transparency on disclosed amounts and describes accounting policy and significant judgements, estimates and assumptions where relevant. A detailed specification of the Group's accounting policies is presented in relevant notes ▶▶

NOTE 1

Accounting policies

Netcompany Group A/S presents the financial statements in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for financial statements applicable to the 2021 financial year.

Netcompany Group A/S is an entity with its registered office in Denmark.

The financial statements are presented in DKK, which is considered the functional currency of the Group's and the Parent's activities.

Totals in the financial statements have been calculated on the basis of actual amounts in accordance with the correct mathematical method. A recalculation of totals may in some cases result in rounding differences caused by the underlying decimals not disclosed to the reader.

Consolidated financial statements

The consolidated financial statements comprise Netcompany Group A/S (Parent) and the entities (subsidiaries) that are controlled by the Parent. Control is achieved when the Parent is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to use its power over the entity to affect those returns.

Consolidation principles

The consolidated financial statements are prepared on the basis of the financial statements of Netcompany Group A/S and its subsidiaries. The consolidated financial statements are prepared by adding together financial statement items of a uniform nature. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated entities are eliminated.

Subsidiaries' financial statement items are recognised in full in the consolidated acquiree financial statements. Netcompany-Intrasoft S.A. is recognised from 1 November 2021, when the Group acquired full control of the acquiree.

Transactions and non-controlling interest

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss.

The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Applying materiality

The Annual Report is based on the concept of materiality, to ensure that the content is material and relevant to the readers. The consolidated financial statements consist of many transactions. These transactions are aggregated into classes according to their nature or function, and presented in classes of similar items in the financial statements and in the notes as required by IFRS. If items are individually immaterial, they are aggregated with other items of a similar nature in the statements or in the notes.

The disclosure requirements throughout IFRS are substantial, and we provide the specific disclosures required by IFRS unless the information is considered immaterial to the economic decisionmaking of the readers of these financial statements.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange

NOTE 1

Accounting policies (continued)

differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When subsidiaries, which prepare their financial statements in a functional currency different from DKK are consolidated into the consolidated financial statements, the items of the income statement are translated at the average exchange rates. Exchange differences arising out of the translation of foreign subsidiaries' balance sheet items at the beginning of the year using the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised in other comprehensive income.

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue from a contract when (or as) it fulfils an execution engagement by passing a promised asset or service to a client. An asset is transferred when (or as) the customer acquires control of that asset. The customer acquires control of a good or a service when it can direct its use and receive virtually all the remaining benefits from it.

In recognising revenue, the Group apply the five-step-model in IFRS 15. The Group's primary service offerings include information technology consulting services and operations solutions. These services are characterised by being deliveries which in nature are negotiated contracts based on consumption and typically comprise advisory, design and development activities, thus being complex in nature. Each contract is divided into separate performance obligations whether this means unbundling contracts or combining contracts.

Consulting services are generally provided on either a time-and-material basis or on a fixed-price contract basis. Revenue from time-and-material contracts recognised as hours are delivered and direct expenses are incurred.

Revenue from fixed-price contracts is recognised under the percentage-of-completion method, whereby revenue is recognised based on hours incurred to date as a percentage of the total estimated costs of hours to fulfil the contract. Reference to cost is assessed to be the most appropriate method as incurred hours are the value driver for the projects.

A contract modification is a change to an existing contract. A contract modification might change the contract's scope, price or both. A contract modification exists when the parties to the contract approve the modification. An assessment is often needed to determine whether changes to existing rights and obligations should have been accounted for as part of the original contract, or as a separate contract. Contract modifications can be accounted for either as a separate contract, prospectively, or as a catch-up adjustment. The nature of the modification determines the way it is accounted for.

Revenue from operating solutions is recognised in the period the solutions are provided, which will either be based on output measures or using the straight-line method over the term of the contracts.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit adjusted for non-cash operating items, working capital changes as well as financial income received and financial expenses and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition of subsidiaries and joint ventures, activities and fixed asset investments and proceeds from the sale of property, plant and equipment. In the parent financial statements, investing activities also include receipt of dividends from subsidiaries.

Cash flows from financing activities comprise cash from changes in the size or composition of the Group's share capital and related costs as well

NOTE 1

Accounting policies (continued)

as the raising of loans, instalments on interest bearing debt, payments relating to leasing obligations and dividend payments to shareholders.

Cash and cash equivalents comprise cash.

For a detailed specification of the Group's accounting policies, please see relevant notes in the consolidated financial statements.

Significant judgements, estimates and assumptions

When applying the accounting policies, Management has to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that cannot be directly derived from other sources. Such estimates and assumptions are based on historical experience and other relevant factors that are believed to be reasonable under the circumstances. The actual results may deviate from these estimates under different assumptions or conditions.

Estimates and the underlying assumptions are reassessed on a regular basis. Any changes in the accounting estimates are recognised in the accounting period in which the change was made as well as in future accounting periods if the change affects the period in which it was made as well as subsequent accounting periods.

In the financial statements for 2021, it is particularly important to note the judgements, estimates and assumptions shown on the next page. These are described in further detail adjacent to the relevant disclosed notes.

Note		Key accounting estimates and judgements	Nature of accounting impact	Impact of accounting estimates and judgements
Note 8	Special items	Judgement from management in separating special items	Judgement	●○○
Note 14	Goodwill	Assumptions used in value-in-use calculations for impairment testing	Estimate	●●●
Note 15	Other intangible assets	Assumptions used in value-in-use calculations for impairment testing	Estimate	●●●
Note 16	Business combinations	Assumptions used in determining the fair value of assets and liabilities identified in the business combination	Estimate	●●●
Note 19	Investment in joint venture	Judgement from management in classification as joint venture based on contractual and operational relationship between the parties	Judgement	●○○
Note 23	Contract work in progress	Estimates used in determining performance obligations	Judgement	●○○
Note 23	Contract work in progress	Estimates used in determining the percentage of completion	Estimate	●●●
Note 29	Other payables	Assumptions used in determining the fair value of the contingent consideration	Estimate	●○○
Note 30	Provisions	Assumption for provisions	Estimate	●●○

NOTE 2

Effect of the change in accounting policies

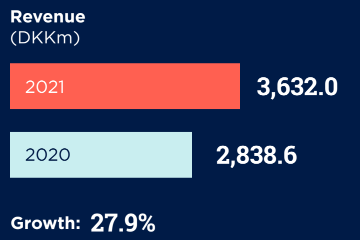
Netcompany Group has adopted relevant new or amended standards (IFRS) and interpretation (IFRIC) as adopted by the EU and which are effective for the financial year 1 January – 31 December 2021. Netcompany Group has assessed that the new or amended standards and interpretations have not had any material impact on Netcompany Group's Annual Report in 2021.

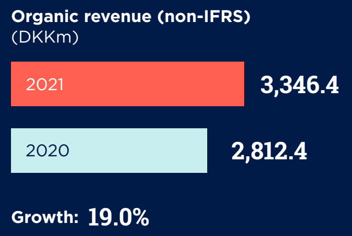
At the date of authorisation of these financial statements, the Group has assessed the new and revised standards (IFRS) that have been issued but are not yet effective. Based on the current business setup and level of activities, none of the new standards or interpretations are expected to have a material impact on Netcompany Group's Annual Report.

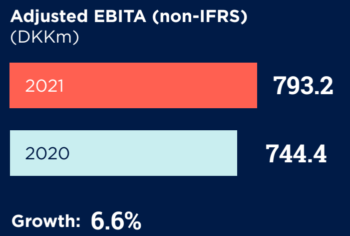
Section 2

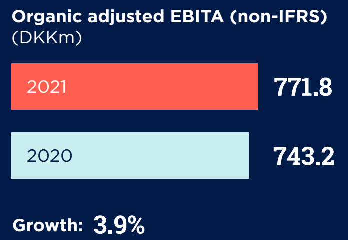
Results for the year

This section covers notes related to the performance for the financial year, including segment information showing operating entities revenue and EBITA-margin, which are two of Netcompany's key performance measures ▶▶









NOTE 3

Segment information

Business segments have been identified as operating segments, which are consistent with the internal reporting to Executive Management and the Board of Directors.

Netcompany considers Executive Management to be the operating decision making body, as all significant decisions regarding business development are taken in that forum.

Netcompany strategic business areas consists of public and private. The public business area covers EU institutions, public authorities or companies acting as a public company. The private business area covers all other types of customers.

Netcompany's main geographical markets are Denmark (home market), Norway, United Kingdom, Netherlands, Greece, Belgium, Luxembourg and Spain. Besides these 8 main markets in Europe, Netcompany is also geographically represented in Cyprus, Poland, Romania, and in Africa, Asia, Middle East and North America with offices in Doha, Jordan, United States, South Africa, Qatar, Vietnam and Zambia.

NOTE 3

Segment information (continued)

Revenue types (DKK'000)	**Public 2021**	**Private 2021**	**Total 2021**	**Public 2020**	**Private 2020**	**Total 2020**
Development	1,319,467	982,939	2,302,407	919,519	597,437	1,516,956
Maintenance	889,487	438,529	1,328,016	858,204	463,429	1,321,633
Licenses	1,430	117	1,548	0	0	0
Revenue by type, total	**2,210,385**	**1,421,586**	**3,631,971**	**1,777,723**	**1,060,866**	**2,838,590**

Business segments (DKK'000)	**Public 2021**	**Private 2021**	**Total 2021**	**Public 2020**	**Private 2020**	**Total 2020**
Revenue	2,210,385	1,421,586	3,631,971	1,777,723	1,060,866	2,838,590
Cost of services	-1,477,646	-821,041	-2,298,687	-1,102,627	-580,745	-1,683,372
Gross profit	**732,739**	**600,545**	**1,333,284**	**675,097**	**480,121**	**1,155,218**
Sales and marketing costs	-23,405	-13,309	-36,715	-11,236	-5,868	-17,104
Administrative costs	-318,311	-185,089	-503,399	-258,785	-134,956	-393,741
Adjusted EBITA (non-IFRS)	**391,023**	**402,147**	**793,170**	**405,076**	**339,298**	**744,374**
Adjusted EBITA margin (non-IFRS)	*17.7%*	*28.3%*	*21.8%*	*22.8%*	*32.0%*	*26.2%*
Special items	-23,521	-14,208	-37,729	-2	-1	-3
Other operating income / loss	0	-184	-184	0	0	0
EBITA (non-IFRS)	**367,502**	**387,754**	**755,256**	**405,074**	**339,297**	**744,371**
EBITA margin (non-IFRS)	*16.6%*	*27.3%*	*20.8%*	*22.8%*	*32.%*	*26.2%*

NOTE 3

Segment information (continued)

Public segment information related to operating entities (DKK'000)	**Netcompany Denmark 2021**	**Netcompany Denmark 2020**	**Netcompany Norway 2021**	**Netcompany Norway 2020**	**Netcompany United Kingdom 2021**	**Netcompany United Kingdom 2020**	**Netcompany Netherlands 2021**	**Netcompany Netherlands 2020**	**Netcompany-Intrasoft 2021**	**Netcompany-Intrasoft 2020**
Revenue	1,526,327	1,395,117	171,485	103,011	230,372	182,802	77,440	96,793	204,761	0
Cost of service	-936,561	-806,473	-136,203	-85,340	-163,701	-150,393	-68,342	-60,421	-172,839	0
Gross profit	**589,765**	**588,645**	**35,282**	**17,671**	**66,671**	**32,409**	**9,098**	**36,372**	**31,922**	**0**
Gross profit margin	*38.6%*	*42.2%*	*20.6%*	*17.2%*	*28.9%*	*17.7%*	*11.7%*	*37.6%*	*15.6%*	*N/A*
Administrative and sales costs	-206,080	-187,455	-31,662	-14,555	-33,351	-23,156	-27,538	-18,078	-19,175	0
Adjusted EBITA before allocated HQ costs	**383,686**	**401,190**	**3,620**	**3,117**	**33,320**	**9,253**	**-18,440**	**18,294**	**12,747**	**0**
Adjusted EBITA margin before allocated cost from HQ	*25.1%*	*28.8%*	*2.1%*	*3.0%*	*14.5%*	*5.1%*	*-23.8%*	*18.9%*	*6.2%*	*N/A*
Allocated costs from HQ	-17,364	-19,363	-2,322	-2,376	-2,752	-3,152	-1,472	-1,886	0	0
Special items	-17,331	-1	-2,453	0	-2,426	0	-1,311	0	0	0
Other operating income	0	0	0	0	0	0	0	0	0	0
EBITA	**348,991**	**381,825**	**-1,155**	**740**	**28,142**	**6,101**	**-21,223**	**16,408**	**12,747**	**0**
EBITA margin	*22.9%*	*27.4%*	*-0.7%*	*0.7%*	*12.2%*	*3.3%*	*-27.4%*	*17.0%*	*6.2%*	*N/A*

NOTE 3

Segment information (continued)

Private segment information related to operating entities (DKK'000)	**Netcompany Denmark 2021**	**Netcompany Denmark 2020**	**Netcompany Norway 2021**	**Netcompany Norway 2020**	**Netcompany United Kingdom 2021**	**Netcompany United Kingdom 2020**	**Netcompany Netherlands 2021**	**Netcompany Netherlands 2020**	**Netcompany-Intrasoft 2021**	**Netcompany-Intrasoft 2020**
Revenue	1,064,025	804,747	95,794	96,767	176,298	157,513	4,646	1,839	80,823	0
Cost of service	-551,847	-381,219	-65,806	-70,822	-137,032	-127,617	-3,869	-1,086	-62,487	0
Gross profit	**512,177**	**423,528**	**29,988**	**25,944**	**39,266**	**29,896**	**778**	**753**	**18,336**	**0**
Gross profit margin	*48.1%*	*52.6%*	*31.3%*	*26.8%*	*22.3%*	*19.0%*	*16.7%*	*40.9%*	*22.7%*	*N/A*
Administrative and sales costs	-128,632	-89,924	-14,474	-12,350	-29,579	-23,474	-1,574	-307	-9,760	0
Adjusted EBITA before allocated HQ costs	**383,545**	**333,604**	**15,515**	**13,594**	**9,687**	**6,422**	**-797**	**446**	**8,576**	**0**
Adjusted EBITA margin before allocated cost from HQ	*36.0%*	*41.5%*	*16.2%*	*14.0%*	*5.5%*	*4.1%*	*-17.1%*	*24.3%*	*10.6%*	*N/A*
Allocated costs from HQ	-10,821	-9,245	-1,066	-2,346	-2,414	-3,146	-78	-31	0	0
Special items	-10,929	-1	-1,036	0	-2,097	0	-147	0	0	0
Other operating income	0	0	0	0	0	0	0	0	-184	0
EBITA	**361,796**	**324,358**	**13,412**	**11,248**	**5,176**	**3,276**	**-1,022**	**415**	**8,392**	**0**
EBITA margin	*34.0%*	*40.3%*	*14.0%*	*11.6%*	*2.9%*	*2.1%*	*-22.0%*	*22.6%*	*10.4%*	*N/A*

NOTE 3

Segment information (continued)

Segment information related to operating entities (DKK'000)	**Netcompany Denmark 2021**	**Netcompany Norway 2021**	**Netcompany UK 2021**	**Netcompany Netherlands 2021**	**Netcompany Intrasoft[1] 2021**	**Total 2021**
Revenue from external customers	2,590,351	267,279	406,670	82,087	285,584	3,631,971
EBITA, operating entities (non-IFRS)	**712,123**	**12,424**	**33,535**	**-22,170**	**19,344**	**755,256**

[1] Netcompany-Intrasoft operating entity consists of all activities related to the acquired company Intrasoft International S.A. For full overview of organisation, please refer to note 36.

Segment information related to geographical areas (DKK'000)	**Denmark 2021**	**Norway 2021**	**United Kingdom 2021**	**Netherlands 2021**	**Belgium 2021**	**Luxembourg 2021**	**Greece 2021**	**Spain 2021**	**Other 2021**	**Total 2021**
Revenue from external customers	2,591,948	267,740	409,572	82,447	109,944	7,039	118,032	21,297	23,951	3,631,971

Non-current assets (DKK'000)	**Denmark 2021**	**Norway 2021**	**United Kingdom 2021**	**Netherlands 2021**	**Belgium 2021**	**Luxembourg[2] 2021**	**Greece 2021**	**Spain 2021**	**Other 2021**	**Reconciled to financial statements 2021**
Intangible assets	1,893,369	134,997	227,474	159,135	0	1,481,223	0	0	0	3,896,198
Tangible assets	117,000	58,650	9,677	11,108	34,199	18,698	41,324	0	26,238	316,895
Financial assets	125,313	1,731	2,457	8,128	50	546	2,127	0	15,809	156,162
Total non-current assets	**2,135,682**	**195,378**	**239,608**	**178,372**	**34,249**	**1,500,467**	**43,451**	**0**	**42,047**	**4,369,255**

[2] Intangible assets recognised in accordance with the acquisition of Netcompany-Intrasoft has been allocated to Luxembourg in the split above.

NOTE 3

Segment information (continued)

Segment information related to operating entities (DKK'000)	**Netcompany Denmark 2020**	**Netcompany Norway 2020**	**Netcompany UK 2020**	**Netcompany Netherlands 2020**	**Total 2020**
Revenue from external customers	2,199,865	199,778	340,315	98,632	2,838,590
EBITA, operating entities (non-IFRS)	**706,183**	**11,988**	**9,377**	**16,823**	**744,371**

Segment information related to geographical areas (DKK'000)	**Denmark 2020**	**Norway 2020**	**United Kingdom 2020**	**Netherlands 2020**	**Other 2020**	**Total 2020**
Revenue from external customers	2,199,865	199,778	340,315	98,632	0	2,838,590

Non-current assets (DKK'000)	**Denmark 2020**	**Norway 2020**	**United Kingdom 2020**	**Netherlands 2020**	**Other 2020**	**Reconciled to financial statements 2020**
Intangible assets	1,901,951	144,009	242,751	162,423	0	2,451,134
Tangible assets	71,651	691	15,370	15,911	31,698	135,321
Financial assets	93,478	0	868	0	2,944	97,290
Total non-current assets	**2,067,080**	**144,700**	**258,989**	**178,334**	**34,642**	**2,683,745**

NOTE 4

Cost of services

DKK'000	2021	2020
Project costs	380,909	255,491
Staff costs (note 7)	1,888,564	1,412,104
Depreciation (note 10)	29,214	15,777
Total cost of services	**2,298,687**	**1,683,372**

§ Accounting principles

Project costs comprise external consultants/freelancers, subscriptions etc. Staff costs comprise wages and salaries for consultants incurred to achieve revenue. Depreciation comprises of depreciation relating to non-current assets used for projects that are directly incurred to achieve revenue for the year.

Costs of services are expensed as the projects progress.

NOTE 5

Sales and marketing costs

DKK'000	2021	2020
Sales and marketing costs	25,231	12,826
Staff costs (note 7)	11,484	4,278
Total sales and marketing costs	**36,715**	**17,104**

§ Accounting principles

Sales and marketing costs comprise expenses incurred for sale of the Group's projects. Staff costs comprise of wages and salaries for sales staff. In addition, sales and marketing costs comprise advertising costs, travelling and entertainment expenses, etc.

NOTE 6

Administrative costs

DKK'000	2021	2020
Administrative costs	237,845	179,992
Staff costs (note 7)	206,990	164,520
Depreciation (note 10)	58,564	49,228
Total administrative costs	**503,399**	**393,741**

§ Accounting principles

Administrative costs comprise costs incurred for the Group's administrative functions, including wages and salaries for administrative staff, internal consultants and management, general corporate cost, IT cost as well as depreciation relating to property, plant and equipment used for administration.

NOTE 7

Staff costs and remuneration

DKK'000	2021	2020
Salaries and wages	1,980,949	1,498,315
Pension contributions	16,908	14,840
Other social security costs	92,442	53,066
Other staff costs	16,739	14,680
Total staff costs	**2,107,038**	**1,580,902**
Presented as follows in income statement:		
Costs of services	1,888,564	1,412,104
Sales and marketing costs	11,484	4,278
Administrative costs	206,990	164,520
Total staff costs	**2,107,038**	**1,580,902**
Average number of employees	**3,787**	**2,768**

Average employees are impacted by the acquisition of Intrasoft 31 October 2021. Average employees from the acquired entity are only included in those months where the entity is part of Netcompany Group.

§ Accounting principles

Staff costs comprise salaries and wages including the value of share-based incentive programmes and cash bonus arrangements as well as social security costs, pension contributions, etc for the Group's staff.

NOTE 7

Staff costs and remuneration (continued)

DKK'000	2021	2020
Remuneration to the Board of Directors		
Bo Rygaard	1,050	1,050
Juha Christensen	788	698
Scanes Bentley	438	476
Hege Skryseth	350	128
Åsa Riisberg	525	192
Robbert Kuppens	0	278
Pernille Fabricius	0	172
Total remuneration to the Board of Directors	**3,150**	**2,993**
Remuneration to the Executive Management		
André Rogaczewski	8,167	7,159
Claus Jørgensen	8,226	6,909
Thomas Johansen	4,734	4,002
Total short term remuneration	**21,128**	**18,070**
André Rogaczewski	3,370	3,025
Claus Jørgensen	3,370	3,025
Thomas Johansen	1,872	1,681
Total share-based remuneration expensed	**8,613**	**7,731**
Total remuneration to the Executive Management	**29,741**	**25,801**
Remuneration to Other Key Management Personnel		
Short term remuneration	12,288	9,735
Long term remuneration	581	1,710
Total Remuneration to Other Key Management Personnel	**12,870**	**11,445**
Total Remuneration to Executive Management and Other Key Management Personnel	**42,260**	**37,246**

Remuneration to Executive Management and Board of Directors is recognised as administrative costs.

For further description of Remuneration to the Executive Management and Board of Directors, please refer to the Remuneration Report.

Other Key Management Personnel consists of country managing partners.

During 2021, 59,468 RSUs (96,741 RSUs) were granted of which 16,368 (26,161) were granted to Executive Management and 43,100 (70,580) were granted to Other Key Management Personnel and Other employees.

The fair value of total granted RSUs at grant date was DKK 102.7 million (DKK 77.2 million). The cost associated herewith is expensed over the vesting period with DKK 32.2 million in 2021 (DKK 24.8 million).

The number of shares granted is determined by the stock price on the grant day, measured against the value of grant for each person.

The share-based incentive programme based on RSUs will continue in 2022. The Group's share-based incentive schemes are further detailed in the Remuneration Report.

https://www.netcompany.com/int/Investor-Relations/Governance

DKK'000	2021	2020
Share-based remuneration expenses		
Executive Management	8,613	7,731
Other Key Management Personnel	581	1,710
Employees	22,998	15,313
Total share-based remuneration expenses	**32,192**	**24,754**

NOTE 7

Staff costs and remuneration (continued)

Restricted stock units in Netcompany shares	Outstanding 1 Jan 2021	Issued	Lapsed	Transferred	Outstanding 31 Dec 2021	Grant value at 31 Dec 2021	Market value at 31 Dec 2021	Vesting date
	No.	No.	No.	No.	No.	DKK´000	DKK´000	
Allocated to:								
Executive Management, 2018	33,637	0	-1,390	-28,986	3,261	505	2,297	30 June 2021[1]
Executive Management, 2019	44,605	0	-7,342	0	37,263	7,686	26,252	31 December 2021
Executive Management, 2020	26,161	0	0	0	26,161	9,200	18,430	31 December 2022
Executive Management, 2021	0	16,368	0	0	16,368	9,431	11,531	31 December 2023
Employees[2], 2018	102,969	0	-706	0	102,263	16,146	72,045	31 December 2021
Employees[2], 2019	56,914	0	-726	0	56,188	11,589	39,584	31 December 2021
Employees[2], 2020	68,123	0	-992	0	67,131	23,609	47,294	31 December 2022
Employees[2], 2021	0	43,100	-565	0	42,535	24,508	29,966	31 December 2023
Total allocated shares	**332,409**	**59,468**	**-11,721**	**-28,986**	**351,170**	**102,675**	**247,400**	

Restricted stock units in Netcompany shares	Outstanding 1 Jan 2020	Issued	Lapsed	Transferred	Outstanding 31 Dec 2020	Grant value at 31 Dec 2020	Market value at 31 Dec 2020	Vesting date
	No.	No.	No.	No.	No.	DKK´000	DKK´000	
Allocated to:								
Executive Management, 2018	33,637	0	0	0	33,637	5,214	20,939	30 June 2021
Executive Management, 2019	44,605	0	0	0	44,605	9,200	27,767	31 December 2021
Executive Management, 2020	0	26,161	0	0	26,161	9,200	16,285	31 December 2022
Employees[2], 2018	106,482	0	-3,513	0	102,969	16,256	64,099	31 December 2021
Employees[2], 2019	59,587	0	-2,673	0	56,914	12,554	35,429	31 December 2021
Employees[2], 2020	0	70,580	-2,457	0	68,123	24,822	42,407	31 December 2022
Total allocated shares	**244,311**	**96,741**	**-8,643**	**0**	**332,409**	**77,246**	**206,925**	

[1] The remaining shares from the 2018 programme to Executive will be settled together with the 2019 programme.
[2] Employees consists of Other Key Management Personnel and Other Employees.

NOTE 8

Special items

DKK'000	2021	2020
Costs related to M&A	37,729	3
Total special items	**37,729**	**3**

Accounting principles

Special items are costs or income recorded in the income statement, which cannot directly be attributed to the Group´s ordinary activities.

Such costs and income comprise expenses for restructuring, fundamental structural changes in the business and M&A. They are therefore presented separately to provide a more comparable basis for assessing the underlying performance.

Significant judgements, estimates and assumptions

Key assumptions involve judgement from Management in identifying and separating special income or expense items from other items in the income statement. These items are carefully considered in order to ensure correct presentation.

NOTE 9

Other operating income / loss

DKK'000	2021	2020
Rental income	1,210	0
Gain / losses on disposals	-1,017	0
Other income / loss	-378	0
Total other operating income	**-184**	**0**

Accounting principles

Other operating income comprises of income from rent of property less the administrative cost of this income.

Gains and losses on disposal of intangible assets and property, plant and equipment are determined as the sales price less selling costs and the carrying amount at the disposal date.

NOTE 10

Depreciation and amortisation

DKK'000	2021	2020
Depreciation		
Leasehold improvements	5,586	4,125
Equipments	27,758	18,385
Right of use assets	54,433	42,495
Total depreciation	**87,777**	**65,005**
Amortisation		
Technology and software	3,516	11,139
Trademark	10,405	8,431
Order back-log	4,742	11,036
Customer relationships	32,761	68,821
Total amortisation	**51,424**	**99,426**

Depreciation and amortisation presented as follows in the income statement: (DKK'000)	2021	2020
Cost of services	29,214	15,777
Administrative costs	58,564	49,228
Amortisation	51,424	99,426
Total depreciation and amortisation	**139,201**	**164,431**

§ Accounting principles

Please refer to notes 15 & 17.

NOTE 11

Financial income and expenses

DKK'000	2021	2020
Financial income		
Exchange rate adjustments	10,039	19,266
Other interest income	220	81
Total Financial income	**10,259**	**19,347**
Financial expenses		
Interest expense, borrowings	14,510	13,661
Interest, leasing	4,103	3,986
Exchange rate adjustments	12,906	43,177
Other finance charges	12,130	5,481
Total Financial expenses	**43,648**	**66,306**

§ Accounting principles

Financial income and expenses comprise interest income and expenses, currency gains and losses, amortisation of loan costs, tax surcharge and tax relief under the Group's Tax Schemes.

NOTE 12

Tax

Netcompany has an ambition to provide transparent information on the Group's tax position as taxes are considered an important part of the Group's corporate social responsibility.

Tax policy

Netcompany has chosen to have a transparent approach to the Group's tax position and to act as a "Good Corporate Citizen" from a tax payment perspective, in all and any country Netcompany is doing business in. Netcompany has a clear responsibility to comply with all current laws and regulations in each jurisdiction in which business is conducted, including the OECD Transfer Pricing Guidelines and equivalent documents.

Netcompany's tax governance is overseen by the Board of Directors who are responsible for the overall Policy and for the guidelines to which the Company shall comply. The Executive Management is responsible for monitoring tax risks on an ongoing basis and to make recommendations to the Board of Directors to ensure compliance with tax legislation at all times.

On a day-to-day basis the finance team is responsible for complying with the Group's tax guidelines and it is the responsibility from Group finance to oversee the work performed locally.

Tax risk management

Netcompany strive to comply with both global and local tax legislation but acknowledge that complying can be complex due to local tax legislation and the room for interpretation on the tax area, and that this can give rise to tax risks.

The identification of risks and mitigation hereof is part of Netcompany's risk management process and as such tax risk management is part of the ongoing risk assessment and management.

In connection with the Group's M&A activities, the Group may face situations where the target to be acquired have had different tax policies than the Group and, hence, creating a legacy of potential tax liabilities to be unwound. It is the policy that any such potential tax liability must be mitigated by presenting a specific timetable to unwind the tax liability, prior to signing definitive transaction documents.

For more details on our approach to taxes, we refer to our tax policy, which can be found here.

www.netcompany.com/int/Investor-Relations/Governance

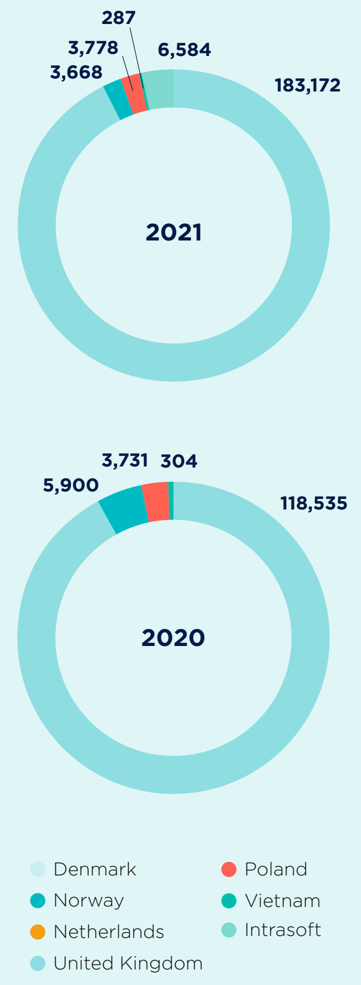
Tax contribution

Tax contribution illustrated complies taxes on company profits.

For full overview of Netcompany's total tax contribution including people taxes and services taxes please refer to the ESG report:

www.netcompany.com/int/ESG/Reports

Paid profit taxes (DKK'000)



NOTE 12

Tax (continued)

Current Tax (DKK'000)	**2021**	**2020**
Current tax	184,759	145,873
Prior year	-519	-2,977
Change in deferred tax	-30,925	-13,130
Total tax for year	**153,316**	**129,766**
Profit before tax	727,618	451,683
Tax at a rate of 22%	160,076	99,370
Tax-based value of non-deductible expenses	14,963	35,005
Tax-based value of non-taxable income	-18,884	-1,823
Changes to previous years	-519	-2,977
Changes in tax rates	-2,078	86
Acquisition of subsidiaries	-1,661	0
Effect of different tax rates in foreign subsidiaries	1,419	105
Total tax for year	**153,316**	**129,766**
Effective tax rate[1]	**21.1%**	**28.7%**

[1] The effective tax rate was affected by a non-tax deductible fair value adjustment of DKK 78.9m (DKK -141.3m) made for the contingent purchase price of the Dutch Operation. Effective tax rate if not adjusted for the contingent purchase price of the Dutch operation would have been 23.6% (21.9%).

DKK'000	**2021**	**2020**
Current tax is presented as follows in the statement of financial position:		
Tax receivable	0	0
Tax payable	-5,150	-42,667
Total tax receivable / payable, net	**-5,150**	**-42,667**

Current Tax (DKK'000)	**2021**	**2020**
Tax payable and tax receivable		
Tax payable at 1 January, net	**-42,667**	**-26,905**
Foreign exchange adjustments	49	972
Addition, acquisition of entity	24,219	0
Changes to previous years	519	2,977
Payment relating to prior years	8,813	17,210
Current tax for the year	-184,759	-145,873
Current tax interest for the year	0	0
Payments relating to the current year	188,676	108,953
Total tax receivable / payable, net	**-5,150**	**-42,667**

DKK'000	**2021**	**2020**
Deferred tax has been presented as follows in the statement of financial position:		
Deferred tax asset	17,391	8,842
Deferred tax liability	-134,255	-66,037
Total deferred tax	**-116,864**	**-57,195**

DKK'000	**2021**	**2020**
Deferred tax:		
Non-current assets	-109,836	-33,087
Work in progress	-28,852	-36,122
Other current assets	8,128	2,761
Non-current liabilities	-1,917	0
Current liabilities	15,613	9,253
Total deferred tax	**-116,864**	**-57,195**

NOTE 12

Tax (continued)

Deferred tax (assets / liabilities): (DKK'000)	Property, plant & equipment	Right of use assets	Intangible assets	Work in progress	Other current assets	Non-current liabilities	Current liabilities	Share-based payments	Total
Opening balance 1 January 2021	**6,770**	**245**	**-40,102**	**-36,122**	**2,761**	**0**	**759**	**8,494**	**-57,195**
Recognised in profit / loss	2,302	65	10,925	7,270	5,368	0	-5	6,233	**32,158**
Effect of currency exchange adjustments	52	4	0	0	-1	0	1	131	**186**
Acquisition of subsidiaries	0	0	-90,097	0	0	-1,917	0	0	**-92,014**
Closing balance 31 December 2021	**9,124**	**314**	**-119,274**	**-28,852**	**8,128**	**-1,917**	**755**	**14,858**	**-116,864**

Deferred tax (assets / liabilities): (DKK'000)	Property, plant & equipment	Right of use assets	Intangible assets	Work in progress	Other current assets	Non-current liabilities	Current liabilities	Share-based payments	Total
Opening balance 1 January 2020	**4,968**	**441**	**-61,148**	**-23,663**	**5,851**	**0**	**-49**	**3,783**	**-69,816**
Recognised in profit / loss	1,975	-195	21,046	-12,459	-3,081	0	865	4,980	**13,130**
Effect of currency exchange adjustments	-174	0	0	0	-9	0	-57	-269	**-509**
Closing balance 31 December 2020	**6,770**	**245**	**-40,102**	**-36,122**	**2,761**	**0**	**759**	**8,494**	**-57,195**

§ Accounting principles

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in profit for the year by the portion attributable to the profit for the year and recognised directly in other comprehensive income and equity by the portion attributable to entries recognised directly in other comprehensive income and equity.

Current tax payable and current tax receivable are recognised in the statement of financial position, calculated as tax on taxable income for the year, adjusted for prepaid tax.

On calculation of current tax, the tax rates and rules applicable at the balance sheet date are used.

Deferred tax is recognised on all temporary differences between the carrying amounts and tax-based values of assets and liabilities using the balance sheet liability method. Deferred tax is calculated on the basis of the planned use of each asset and the settlement of each liability, respectively. Deferred tax is measured using the tax rates and tax rules which – based on acts in force or acts actually in force at the balance sheet date – are expected to apply when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changed tax rates or tax rules are recognised in profit/loss unless the deferred tax is attributable to transactions previously recognised directly in equity or other comprehensive income. In the latter case, such changes are also recognised directly in equity or other comprehensive income.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised in the statement of the financial position at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets to be set off against future positive taxable income. At each balance sheet date, it is considered whether sufficient taxable income is likely to arise in the future for the deferred tax asset to be used.

NOTE 13

Income statement classified by function

(DKK'000)	2021	2020
Income statement		
Revenue	3,631,971	2,838,590
Cost of services, incl. depreciation	-2,298,687	-1,683,372
Gross profit	**1,333,284**	**1,155,218**
Sales and marketing costs	-36,715	-17,104
Administrative costs, incl. depreciation, amortisation and special items	-592,552	-493,170
Other operating income	-184	0
Operating profit (EBIT)	**703,833**	**644,945**
Financial income	10,259	19,347
Financial expenses	-43,648	-66,306
Fair value adjustment of contingent consideration	78,906	-141,268
Income / loss from investment in joint venture	-21,732	-5,035
Profit before tax	**727,618**	**451,683**
Tax on the profit	-153,316	-129,766
Net profit for the year	**574,302**	**321,918**

Depreciation and amortisation have been presented as follows in the above income statement: (DKK'000)	2021	2020
Cost of services	-29,214	-15,777
Administrative costs	-109,987	-148,654
Depreciation and amortisation	**-139,201**	**-164,431**

Section 3

Invested capital

This section comprises tangible and intangible assets, showing in which assets Netcompany has invested capital

NOTE 14

Goodwill

DKK'000	2021	2020
Cost at 1 January	**2,264,065**	**2,264,065**
Additions, acquisition of subsidiaries	1,108,387	0
Cost at 31 December	**3,372,453**	**2,264,065**
Impairment at 1 January	**0**	**0**
Impairment at 31 December	**0**	**0**
Carrying amount at 31 December	**3,372,453**	**2,264,065**

DKK'000	2021	2020
Goodwill allocated to cash-generating units		
Netcompany A/S[1]	1,775,312	1,775,312
Netcompany Norway AS	118,676	118,676
Netcompany UK Ltd.[2]	214,700	214,700
Netcompany Netherlands B.V.	155,377	155,377
Netcompany-Intrasoft S.A.	1,108,387	0
Total goodwill allocated	**3,372,453**	**2,264,065**
Other intangibles allocated to cash-generating units		
Netcompany A/S[1]	118,057	126,639
Netcompany Norway AS	16,321	25,333
Netcompany UK Ltd.[2]	12,774	28,051
Netcompany Netherlands B.V.	3,758	7,046
Netcompany-Intrasoft S.A.	372,835	0
Total other intangibles allocated	**523,746**	**187,069**

Discount rates and growth rates in terminal period used as assumptions	2021	2020
Discount rate before tax:		
Netcompany A/S[1]	8.3%	9.3%
Netcompany Norway AS	10.0%	11.0%
Netcompany UK Ltd.[2]	10.5%	11.5%
Netcompany Netherlands B.V.	10.1%	11.0%
Netcompany-Intrasoft S.A.	12.4%	-
Growth rate in terminal period	1.0%	1.0%

[1] Including subsidiary Netcompany Poland Sp. Z o.o.
[2] Including subsidiary Netcompany Vietnam Company Ltd.

§ Accounting principles

Goodwill
On initial recognition, goodwill is recognised and measured as the difference between the total of the fair value of the consideration transferred, the value of non-controlling interests and fair value of previously equity interest, compared to the fair value of the acquired identifiable assets, liabilities and contingent liabilities adjusted for deferred tax. The recognised goodwill amount is allocated to the activities of the Group generating separate payments, which represents the lowest level of cash generating units (CGUs). Determination of CGUs complies with the management structure and management accounting and reporting of the Group.

Goodwill is not amortised but tested at least once a year for impairment. Goodwill derives from business acquisitions

Impairment
Goodwill acquired through business combinations are impairment tested at least annually and when circumstances indicate that the carrying amount may be impaired. The tests are performed at the lowest level of the CGUs representing different business acquisitions.

The carrying amount of intangible assets with definite useful life is examined at the balance sheet date in order

NOTE 14

Goodwill (continued)

to determine whether there is any indication of impairment. If this is the case, the recoverable amount of the asset is determined in order to determine the need for any write-down and the extent thereof.

If the asset does not generate cash flow independently of other assets, the recoverable amount is determined for the smallest CGUs of which the asset forms part.

The recoverable amount is determined as the higher of the asset's or the CGU's fair value, net of selling costs, and the value in use.

To determine the value in use, estimated future cash flows are discounted to net present value by applying a discount rate that reflects current market assessments of the time value of money and the particular risks related to the CGU, and for which no adjustments have been made in such estimated future cash flows.

If the recoverable amount of the asset is lower than the carrying amount, the carrying amount is written down to the recoverable amount. For CGUs, the write-down for impairment is allocated so that goodwill is written down first, and then any remaining impairment loss is allocated on the other assets of the unit, however, the individual asset may not be written down to an amount below its fair value net of any expected selling costs.

Impairment losses are recognised in the income statement. On any subsequent reversal of impairment losses for intangible assets arising from changes in the assumptions used to determine the recoverable amount, the asset's carrying amount is adjusted to the recoverable amount, however, not exceeding the carrying amount that the asset would have had if the impairment had not been made. Impairment losses of goodwill may not be reversed.

Impairment test

The tests performed at the end of 2021 showed the recoverable amounts were estimated to be higher than the carrying amounts of all CGUs and therefore no impairment loss has been recognised in 2021. The most significant assumptions are related to revenue and EBITDA-margins which are based on a combination of historical experience and external sources of information.

The value in use amounts were calculated as future free cash flows based on budgets for 2022 and forecasts for the following years incorporating the assumptions used in financial budgets, including the expected impact from business synergies.

For all CGUs, the forecast period comprise five years.

The discount rate applied for Netcompany-Intrasoft equals the internal rate of return used for the determination of the purchase price and does not reflect an increased risk within this specific CGU.

Cash flow projections beyond the five year forecast have been extrapolated using a steady 1.0% per annum growth rate. Management believes that the growth rate is reasonable based on IT services demand, and the continued digital conversion in the markets, and any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

Sensitivity analysis

Based on current assumptions we see no impairment indications, and our key assumptions are not sensitive to reasonable changes to an extent (eg. 10% change in discount rate) that will result in an impairment loss neither individually nor in combination.

Netcompany shares were priced at DKK 704.5 per share at 31 December 2021, equal to a market capitalisation of DKK 35,225 million, which was 13.2% higher than market capitalisation at 31 December 2020.

Significant judgements, estimates and assumptions

Goodwill is not amortised but tested at least once a year for impairment.

The determination of the recoverable amount of a CGU to which goodwill is allocated requires significant Management judgement in determining the various assumptions, such as cash flow projections, discount rate and terminal growth rates. The sensitivity of the estimated measurement of these assumptions, combined or individually, can be significant.

Furthermore, the use of different estimates or assumptions when determining the fair value of such assets may result in different values and could result in impairment in future periods.

NOTE 15

Other intangible assets

DKK'000	Technology and software	Trademark	Order back-log	Customer relationships	Total other intangible assets
Cost at 1 January 2021	**65,729**	**167,776**	**37,514**	**350,658**	**621,678**
Additions, acquisition of subsidiaries	89,158	35,526	38,677	213,436	376,796
Additions	11,304	0	0	0	11,304
Disposals	-52,909	0	-31,481	-205,461	-289,851
Cost at 31 December 2021	**113,282**	**203,302**	**44,710**	**358,633**	**719,927**
Amortisation at 1 January 2021	**-65,698**	**-41,288**	**-34,766**	**-292,856**	**-434,609**
Amortisation for the year	-3,516	-10,405	-4,742	-32,761	-51,424
Disposal	52,909	0	31,481	205,461	289,851
Amortisation at 31 December 2021	**-16,305**	**-51,693**	**-8,027**	**-120,157**	**-196,181**
Carrying amount at 31 December 2021	**96,976**	**151,609**	**36,684**	**238,476**	**523,746**

DKK'000	Technology and software	Trademark	Order back-log	Customer relationships	Total other intangible assets
Cost at 1 January 2020	**65,729**	**167,776**	**37,514**	**350,658**	**621,678**
Cost at 31 December 2020	**65,729**	**167,776**	**37,514**	**350,658**	**621,678**
Amortisation at 1 January 2020	**-54,559**	**-32,857**	**-23,730**	**-224,036**	**-335,183**
Amortisation for the year	-11,139	-8,431	-11,036	-68,821	-99,426
Amortisation at 31 December 2020	**-65,698**	**-41,288**	**-34,766**	**-292,856**	**-434,609**
Carrying amount at 31 December 2020	**31**	**126,488**	**2,749**	**57,802**	**187,069**

§ **Accounting principles**

Developed software

The cost of developed software comprises costs such as salaries, depreciation and amortisation that are directly attributable to the development projects, recognised from the time at which the development project first qualifies for recognition as an asset.

Amortisation is recognised on a straight-line basis over their estimated useful lives:

- Software: 3-5 years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Other intangible assets

Other intangible assets acquired in a business combination consists of technology, order back-log, customer relationships and trademark. Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the

NOTE 15

Other intangible assets (continued)

acquisition date (which is regarded as their cost). Subsequently to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful lives:

- Technology: 5 years
- Trademark: 3-20 years
- Order back-log: 2-5 years
- Customer relationships: 5-7 years

Impairment and impairment test

Other intangibles acquired through business combinations are impairment tested at least annually and when circumstances indicate that the carrying amount may be impaired. The tests are performed at the lowest level of the CGUs representing different business acquisitions.

The tests performed at the end of 2021 estimated the recoverable amounts to be higher than the carrying amount of all CGUs and therefore no impairment loss has been recognised in 2021. For further accounting principles regarding impairment and impairment tests, please refer to accounting principles in note 14 Goodwill.

Significant judgements, estimates and assumptions

The determination of the recoverable amount of a CGU to which other intangible assets is allocated requires significant Management judgement in determining the various assumptions, such as cash flow projections, discount rate and terminal growth rates. The sensitivity of the estimated measurement of these assumptions, combined or individually, can be significant.

Furthermore, the use of different estimates or assumptions when determining the fair value of such assets may result in different values and could result in impairment in future periods.

NOTE 16

Business Combinations

Acquisitions in 2021

On October 31 2021, the Group acquired the entire share capital of Intrasoft (Netcompany-Intrasoft S.A.) at a price of DKK 1,748.9 million on a debt-free basis. As debt was recognised to DKK 373.6 million the purchase price was agreed to DKK 1,375.2 million.

Of the total consideration, DKK 1,144.3 million was paid in cash, DKK 133.5 million are paid in shares and DKK 97.5 million was initially accrued according to holdback options. DKK 37.5 million of the holdback was released in December 2021, while the remaining part will be settled in cash in 2022.

The determination of the preliminary purchase price and the purchase price allocation is not considered final. Uncertainty mainly relates to contract work in progress

Based on the measurement of identifiable assets and liabilities at their fair values, the difference between the total consideration and the fair value of the identified net assets was calculated at DKK 1,108.4 million, which represents the goodwill from the acquisition of Netcompany-Intrasoft.

In addition, the consideration paid for the business combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Netcompany-Intrasoft. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Asset and liabilitites recognised have been calculated using the subsidiary's results and adjusting them for differences in the accounting policies between the Group and the subsidiary. Please refer to next page.

Acquisitions in 2020

The Group made no acquisitions during 2020, however, fair value adjustments of the contingent consideration following IFRS 3 regards the acquisition of Netcompany Netherlands B.V. in 2019 and has been recognised with DKK 78.9 million in 2021 (DKK -141.3 million). In addition, DKK 89.4 milllion was settled in 2021 according to the earnout agreement of Netcompany Netherlands B.V.

Special items

The Group has incurred acquisition costs of DKK 37.7 million in 2021, which are included in special items.

NOTE 16

Business Combinations (continued)

Assets and liabilities recognised (DKK'000)		**Intrasoft International S.A.**
Non-current assets	Intangible assets	376,796
	Tangible assets	107,102
	Financial assets	11,974
Current assets	Trade receivables	362,125
	Contract work in progress	625,785
	Intercompany receivables	29,253
	Tax receivables	32,055
	Other receivables	11,346
	Prepayments	17,854
	Cash	132,415
Equity	Non-controlling interest	-8,221
Non-current liabilities	Bank debt and borrowings	295,261
	Pension obligations	17,797
	Leasing liabilities	57,858
	Other payables	1,005
	Deferred tax liability	91,948
Current liabilities	Bank debt and borrowings	205,192
	Leasing liabilties	25,603
	Prebilled invoices	298,139
	Trade payables	159,129
	Other debts	259,755
	Provisions	12,118
	Income tax payable	7,836
Net assets taken over		**266,844**
Goodwill		1,108,387
Total consideration		**1,375,232**
Cash payment		1,144,253
Share payment		133,473
Holdback		97,506
Total consideration		**1,375,232**

Identified assets and liabilities

Technology and software, DKK 89.2 million

A part of Intrasoft revenue is based on strong platforms developed within Banking, Customs, Compliance, Social Security and Taxation. The fair value of the platforms has been assessed based on the relief from the royalty method. The royalty method has been based on the next 5 years sales forecast, using a deemed license fee rate of 15% and discounted with the internal required rate of return of 9.4% p.a. The calculated fair value has been increased with a tax amortisation benefit factor of 1.2.

Trademark, DKK 35.5 million

Trademark relates to the "Intrasoft" name. The fair value of the trademark has been determined on the relief from royalty method on basis of forecast sales for the next 5 years and using a royalty rate of 1%, discounted with the internal required rate of return of 9.4% p.a. The calculated fair value has been increased with a tax amortisation benefit factor of 1.2.

Order back-log, DKK 38.7 million

Fair value of order back-log has been determined on the basis of Net Operating Profit Less Adjusted Taxes (NOPLAT) from the order back-log at the acquisition date, adjusted for amounts already included in the recognition of fair value of other identified intangible assets, and discounted with the internal required rate of return of 7.4% p.a. The calculated fair value has been increased with tax amortisation benefit factors between 1.2 and 1.3.

Customer relationships, DKK 213.4 million

Fair value of customer relationships has been determined on the basis of forecasted NOPLAT from acquisition date in October 2021 to 2028 adjusted for an expected churn-rate and discounted with the internal required rate of return of 9.4% p.a. The calculated fair value has been increased with tax amortisation benefit factors between 1.2 and 1.3.

Deferred tax liability, DKK 91.9 million

Deferred tax of DKK 90.1 million relates to the re-measurement of technology and software, trademark, order back-log and customer relationships reflects and is equal to the total increase in the fair values as a result of increasing the fair values with the tax amortisation benefit factor. Further DKK 1.8 million relates to opening balance.

NOTE 16

Business Combinations (continued)

Impact on revenue and profit / loss from acquired business in 2021 (DKK'000)	Revenue	Profit
Intrasoft International S.A. (since acquisition date, 31 October 2021)	285,584	10,101
Intrasoft International S.A. (estimated full year)	1,541,961	27,351

Accounting principles

Acquisitions of businesses are accounted for using the acquisition method. The cost of an acquisition is measured as the consideration transferred for assets acquired and liabilities assumed in the business combination measured at fair value on acquisition date. Deferred tax related to the revaluations is recognised.

The most significant assets acquired generally comprise goodwill, technology and software, trademark, order back-log and customer relationships. Management estimates the fair value, as no active market exists for the majority of acquired assets, liabilities and contingent liabilities.

The consideration paid for a business consists of the fair value of the agreed-consideration in the form of the assets transferred, equity instruments issued, and liabilities assumed at the date of acquisition. If part of the consideration is contingent on future events, such consideration is recognised at fair value. Subsequent changes in the fair value of contingent consideration are recognised in the income statement.
A positive excess (goodwill) of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill.
If uncertainties regarding identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration transferred exist at the acquisition date, initial recognition will be based on provisional values. Any adjustments in the provisional values, including goodwill, are adjusted retrospectively, until 12 months after the acquisition date, and comparative figures are restated.

Any adjustments after 12 months has been and will be recognised in comprehensive income as a fair value adjustment of the consideration payable.

Significant judgements, estimates and assumptions

Key assumptions for the methods applied in determining the fair value is based on the present value of future cash flows, churn rates or the expected cash flows related to the specific asset. Estimates and methodologies used, can have a material impact on the respective values and ultimately the amount of the fair values recognised for identifiable assets and liabilities of the acquired business.

NOTE 17

Fixed assets

DKK'000	Leasehold improve-ments	Equipment	Right of use assets	Total
Cost at 1 January 2021	**28,841**	**94,740**	**165,381**	**288,962**
Additions, acquisition of subsidiaries	10,387	13,077	78,033	101,497
Remeasurements	0	0	34,965	34,965
Additions	13,009	33,237	84,783	131,029
Disposals	-2,981	-5,852	-35,897	-44,729
Exchange rate adjustments	484	460	4,102	5,046
Cost at 31 December 2021	**49,741**	**135,662**	**331,368**	**516,771**
Depreciation at 1 January 2021	**-14,597**	**-62,620**	**-76,424**	**-153,641**
Depreciation for the year	-5,586	-27,758	-54,433	-87,777
Disposals	74	5,444	35,897	41,414
Exchange rate adjustments	-193	-419	-1,737	-2,349
Depreciation at 31 December 2021	**-20,302**	**-85,354**	**-96,698**	**-202,353**
Carrying amount at 31 December 2021	**29,439**	**50,308**	**234,670**	**314,418**

DKK'000	Leasehold improve-ments	Equipment	Right of use assets	Total
Cost at 1 January 2020	**20,430**	**81,805**	**155,221**	**257,456**
Correction	4,063	-4,063	0	0
Remeasurements	0	0	3,504	3,504
Additions	4,853	19,016	30,042	53,911
Disposals	-48	-1,153	-19,001	-20,203
Exchange rate adjustments	-457	-864	-4,385	-5,706
Cost at 31 December 2020	**28,841**	**94,740**	**165,381**	**288,962**
Depreciation at 1 January 2020	**-9,407**	**-47,454**	**-54,371**	**-111,233**
Correction	-1,243	1,243	0	0
Depreciation for the year	-4,125	-18,385	-42,495	-65,005
Disposals	32	1,153	19,001	20,187
Exchange rate adjustments	146	823	1,440	2,409
Depreciation at 31 December 2020	**-14,597**	**-62,620**	**-76,424**	**-153,641**
Carrying amount at 31 December 2020	**14,245**	**32,120**	**88,956**	**135,321**

NOTE 17

Fixed asssets (continued)

Accounting principles

Equipment and leasehold improvement
Equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the estimated useful lives of the assets:

- Equipments: 3-5 years
- Leasehold improvements: 5-7 years

Depreciation methods, useful lives and residual values are reviewed annually.

Gains and losses from the sale of equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Gains or losses are recognised in the income statement in the functions to which the assets relate.

Right of use assets
Right of use assets are measured at cost less accumulated depreciation and impairment losses adjusted for any re-measurements of the lease liability where initial cost is equal to the initial amount of the related lease liability.

Depreciation is straight-line on the basis of the underlying contracts which are 1-10 years.

Short term and low-value assets
The Group has entered into leasing contracts regarded as low-value and short term, all expiring within 6 months. Total commitments relating to the non-cancelling period is DKK 0.9 million (DKK 0.2 million). All other lease contracts are recognised on the statement of financial position according to IFRS 16.

Future cash outflow
The Group has entered into leasing contract in 2021 starting in 2022. The future cash flow for these lease contracts amount to DKK 47.7 million.

NOTE 18

Investment properties

DKK'000	2021	2020
Addition, acquisition of subsidiaries	5,605	0
Transfer to held for sale	-3,126	0
Exchange rate adjustments	-2	0
Cost at 31 December 2021	**2,477**	**0**
Carrying amount at 31 December 2021	**2,477**	**0**

At the time of the acquisition of Intrasoft, Intrasoft owned one building in Bulgaria and land in Greece. The building in Bulgaria is held for sale. For further details please refer to note 21.

Accounting principles

Investment property, principally comprising land is held by the Group for long term rental yields. Investment property is measured at cost less impairment losses. When the carrying amounts of the investment property exceed their recoverable amounts, the difference (impairment) is charged directly in profit or loss.

The land classified as investment property is not depreciated.

The building classified as investment property was depreciated using the straight-line method by equal annual charges over the estimated useful life of the building.

NOTE 19

Investment in joint venture

DKK'000	2021	2020
Cost at 1 January	75,000	0
Additions	55,000	75,000
Cost at 31 December	**130,000**	**75,000**
Revaluation at 1 January	-5,035	0
Net profit / loss for the year	-4,061	-399
Calculated elimination of unrealised internal profit	-17,671	-4,636
Revaluations at 31 December	**-26,767**	**-5,035**
Carrying amount at 31 December	**103,233**	**69,965**

Joint Venture: (DKK'000)	Form of enterprise	Ownership	Equity	Result
Smarter Airports A/S, Copenhagen, Denmark	A/S	50%	251,080	-8,121

[1] The final and audited financial figures for 2020/21 are not yet published by Smarter Airports.

Financial information for Smarter Airports (DKK'000)[1]	2021[2]
Financial income and expenses	-264
Tax on profit of the year	2,291
Non-current assets (Asset under construction)	197,538
Current assets	58,594
Current assets (cash)	56,512
Non-current liabilities	0
Current liabilities (excluding trade payables)	4,143

[1] The information disclosed reflects the amounts presented in Smarter Airports A/S and not Netcompanys share of those amounts

[2] No comparative figures have been included as no public data is available for 2020 due to the period of business in Smarter Airports A/S only being 9 October 2020 until 31 December 2020 as well as limited activities in the period.

Smarter Airports A/S was founded by Netcompany A/S and Københavns Lufthavne A/S on 9 October 2020.

Netcompany has agreed that the initial DKK 12 million of dividends will be distributed as preferred dividends to the other shareholder of Smarter Airports A/S.

Accounting principles

The joint venture is recognised using the equity method so that the carrying amount of the joint venture constitutes the Group's proportional share of the net assets of the enterprise less unrealised internal profit. Profit after tax of the joint venture has been recognised as a separate line in the statement of comprehensive income. Joint venture with negative net asset value is included without any value.

The carrying amount of investment in joint venture is examined at the balance sheet date in order to determine if there is any indication of impairment.

Impairment test and investments
Impairment tests are performed if indications of impairment are present. If the carrying amount is found to be greater than the implied fair value, then impairment has occurred, and the book value of the joint venture is written down to its recoverable amount. The recoverable amount is the higher of the net selling price and value in use.

Significant judgements, estimates and assumptions

The classification of the joint venture is based on an assessment of the contractual and operational relationship between the parties. This includes assessing the conditions in shareholder agreements, contracts etc. Consideration is also given to the extent to which each party can govern the financial and operating policies of the entity, how the operation of the entity is designed, and which party possesses the relevant knowledge and competences to operate the entity.

Another factor relevant to this assessment is the extent to which each of the parties can direct the activities and affect the returns, for example by means of rights, reserved matters, or casting votes.

NOTE 20

Financial assets at fair value through other comprehensive income

DKK'000	2021	2020
Unlisted securities:		
Edap-Etep Kritis	79	0
Akropolis Park	0	0
Marathon II Aedakes	372	0
Odyssey Partnes S.C.A. SICAR	1,652	0
Total unlisted securities at 31 December	**2,102**	**0**
Gains/losses recognised in other comprehensive income	0	0

Accounting policies

The Group has a number of investments in listed and unlisted entities, which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets.

Information about the method and assumptions used in determining fair value is provided in note 34.

All the financial assets at fair value through other comprehensive income are denominated in Euro.

NOTE 21

Asset held for sale

DKK'000	2021	2020
Transfer from investment properties	3,126	0
Exchange rate adjustments	-3	
Carrying amount of assets classified as held for sale	**3,123**	**0**
Other liabilities	0	0
Liabilities directly associated with assets classified as held for sale	**0**	**0**
Net assets classified as held for sale	**3,123**	**0**

The above assets and liabilities were classified as held for sale at 31 December 2021.

Upon reclassifying the assets and liabilities to held for sale, the net asset held for sale have been revalued at fair value less cost to sell.

Accounting principles

On-current assets as well as assets and liabilities expected to be sold as a group in a single transaction are classified as held for sale, if their carrying value is likely to be recovered by sale within 12 months in accordance with a formal plan.

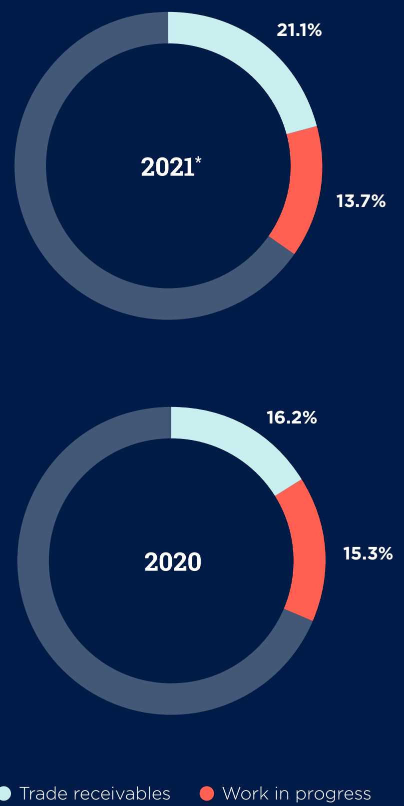
Assets held for sale are measured at the lower of the carrying value and the fair value less costs to sell. Assets are not depreciated from the time they are reclassified to held for sale.

Section 4

Working capital & Capital structure

This section comprises notes related to Netcompany's working capital and capital structure

Trade receivables and work in progress compared to revenue (%)



* Percentages is based on full year revenue, also for acquired companies

NOTE 22

Trade receivables

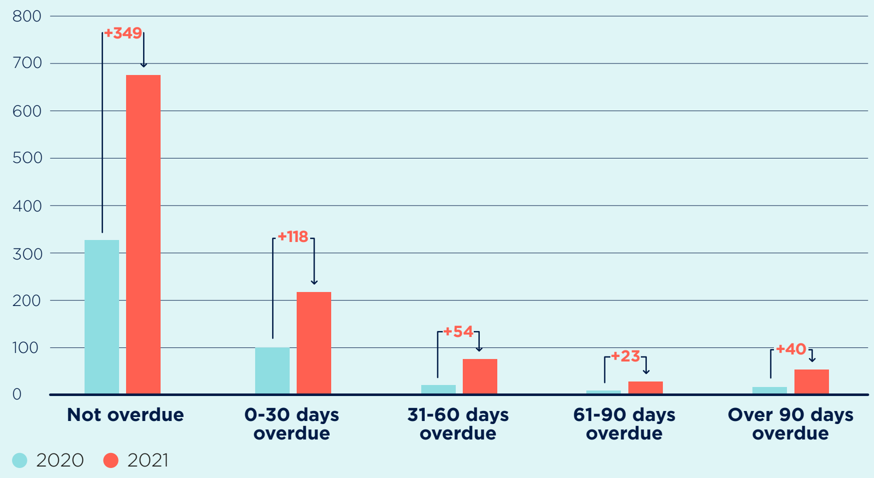
DKK'000	2021	2020
Trade receivables	**1,031,880**	**458,774**

Aging of trade receivables (DKK'000)	**2021**	**2020**
Aging of receivables that are not impaired		
Trade receivables, not overdue	675,255	326,415
Trade receivables, 0-30 days overdue	217,253	99,180
Trade receivables, 31-60 days overdue	73,940	19,876
Trade receivables, 61-90 days overdue	27,954	4,572
Trade receivables, over 90 days overdue	54,398	14,562
Total trade receivables excl. expected credit loss	**1,048,800**	**464,605**
Expected credit loss	-16,920	-5,831
Total trade receivables	**1,031,880**	**458,774**

Split of trade receivables (DKK'000)	**2021**	**2020**
Trade receivables in Netcompany Core	695,589	458,774
Trade receivables in Netcompany-Intrasoft	336,292	0
Total trade receivables	**1,031,880**	**458,774**

Development in aging of trade receivables from 2020 to 2021

DKK million



The carrying amount of the trade receivables is assumed to approximate the fair value. For description of credit risk please refer to note 32.

At 31 December 2021, the Group has recognised expected credit loss of DKK 16.9 million (DKK 5.8 million) and credit losses of DKK 5.8 million have incurred during the year (DKK 0).

§ Accounting principles

Trade receivables include receivables from sales. Trade receivables are measured at fair value on initial recognition and subsequently at amortised cost, usually equalling nominal value less any expected credit losses.

NOTE 23

Contract work in progress

DKK'000	2021	2020
Selling price of work performed	2,594,288	1,083,501
Invoiced amount	-1,925,194	-648,646
Total contract work in progress	**669,094**	**434,856**

Net value - calculated on a contract-per-contract basis - is presented in the statement of financial position as follows: (DKK'000)	2021	2020
Contract work in progress	1,019,974	476,603
Prebilled invoices	-350,880	-41,747
Total contract work in progress	**669,094**	**434,856**

Split of contract work in progress (DKK'000)	2021	2020
Contract work in progress in Netcompany Core	345,614	434,856
Contract work in progress in Netcompany-Intrasoft	323,480	0
Total contract work in progress	**669,094**	**434,856**

At 31 December 2021, the Group has recognised a provision for project risks of DKK 2.1 million (DKK 0 million). Please refer to note 30.

Revenue recognised

Revenue recognised in the financial year that was included in the contract portfolio at the beginning of the year amounts to DKK 596.6 million (DKK 417.3 million).

The recognition of revenue is to some extent impacted by management estimates and judgement for contract work in progress in relation to determining stage of completion and expected profitability of the individual projects, and hence, revenue recognised in subsequent years may be impacted by changes in estimates to the revenue recognised in previous years. Besides one project in the Netherlands, revenue recognised from contract work in progress in 2021 and 2020 has not been impacted by any significant changes to the revenue recognised in previous years.

NOTE 23

Contract work in progress (continued)

	<1 year		1-5 years		>5 years	
DKK'000	2021	2020	2021	2020	2021	2020
Expected revenue recognition of future performance obligations	**1,271,788**	**218,069**	**560,882**	**164,144**	**4,536**	**0**

Future performance obligations

Future performance obligations derives solely from Fixed Price contracts. Future performance obligations represent contractual values less revenue recognised at 31 December 2021 for the Group's fixed price projects at year end. As of 31 December 2021, the Group has future performance obligations of DKK 1,837.2 million on open fixed price projects out of a total of DKK 4,431.5 million (DKK 382.2 million out of a total of DKK 1,465.7 million).

The assessment of the timing of expected revenue recognised from the future performance obligations is subject to some uncertainty.

§ Accounting principles

Contract work in progress consists of client related assets and liabilities
Contract work in progress is measured at the selling price of the work carried out less prepayments received at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources. For some projects where the consumption of resources cannot be applied as a basis, the ratio between completed and total sub-activities of the individual projects has been applied. If the selling price of a project cannot be made up reliably, it is measured at the lower of the costs incurred and net realisable value. If prepayments received exceed the selling price on a contract by contract basis, the excess amount is recognised as a liability in "Prebilled invoices".

Significant judgements, estimates and assumptions

Contract work in progress for Fixed Priced contracts is measured at the selling price of work completed at the balance sheet date, and the selling price is calculated on the basis of contracted income and the determined stage of completion. Stage of completion is determined making estimates of future hours and other project costs. The Group reviews its contract portfolio on a regular basis. If circumstances arise that change the original estimates of the selling price of the contracts or costs, revisions to estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in the income statement in the period in which the circumstances giving rise to the revisions become known by the Group.

The number of performance obligations (deliveries) of the contracts is decided by performing a judgement on each delivery with a judgement on whether a contract should be unbundled into separate performance obligations or more contracts should be combined and seen as one performance obligation.

NOTE 24

Cash and cash equivalents

DKK'000	2021	2020
Deposits at banks	458,779	358,996
Total cash and cash equivalents	**458,779**	**358,996**

Accounting principles

The carrying amounts for cash and cash equivalents assumed to equal the fair value. The Group's cash and cash equivalents consist of deposits in well-reputed banks. Therefore, cash and cash equivalents are not considered to be subject to specific credit risks.

NOTE 25

Share capital

	2021	2020
Number of shares	**50,000,000**	**50,000,000**
Number of votes	**50,000,000**	**50,000,000**

Number of treasury shares	2021	2020
Number of treasury shares 1 January	**899,813**	**899,813**
Purchase of own shares	143,970	0
Transfers related to acquisitions	-187,687	0
Transfers related to RSU programme	-28,986	0
Number of treasury shares 31 December	**827,110**	**899,813**

The share capital equals DKK 50,000,000 divided into shares of DKK 1 each or multiples thereof.

The company's shares are traded on Nasdaq OMX Copenhagen in denominations of DKK 1. No shares confer any special rights upon any shareholder. No shares are subject to restrictions on transferability or voting rights.

Purchase of own shares for the long term Incentive Programme is expected to occur on a yearly basis.

The first RSU programme vested and was settled during 2021, while the second programme vested end of year 2021 and will be settled in the beginning of 2022.

For a specification of granted RSU or treasury shares please refer to note 7.

NOTE 26

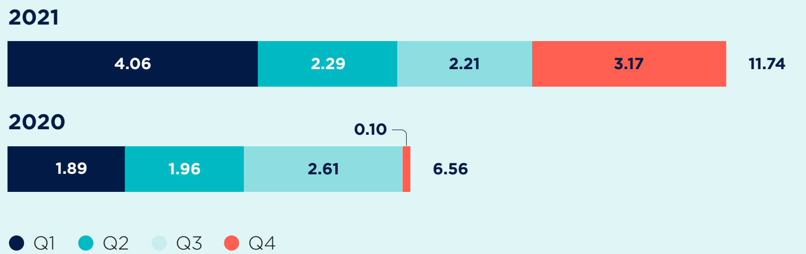
Earnings per share

DKK'000	2021	2020
Earnings per share - EPS (DKK)	**11.74**	**6.56**
Diluted earnings per share - EPS-D (DKK)	**11.60**	**6.53**
Profit	576,142	321,918
Average number of shares	50,000	50,000
Average number of treasury shares	906	900
Average number of shares in circulation	49,094	49,100
Average number of outstanding restricted stock units	582	215
Average number of diluted shares in circulation	49,676	49,316

It is proposed to the Annual General Meeting to redistribute DKK 100 million in cash to the shareholders by means of share buyback of DKK 100 million.

In 2021, DKK 150 million was distributed to shareholders by means of dividends of DKK 50 million and share buyback of DKK 100 million.

Earnings per share - EPS



In Q4 2021, Q1 2021 and Q4 2020, the earnings per share is affected by the fair value adjustment of the contingent consideration (note 16), and would have been 2.57, 3.06, and 2.98, respectively, equal to 10.13 for 2021 and 9.43 for 2020, if normalised for these adjustments.

NOTE 27

Borrowings

DKK'000	2021	2020
Non-current liabilities[1]	2,275,788	760,556
Current liabilities	74,497	0
Total borrowings	**2,350,286**	**760,556**

[1] According to the Group loan agreement, Netcompany has the opportunity to voluntarily make instalments at the Group's discretion before the loan matures in 2023.

DKK'000	Currency	Maturity	Type of interest	Amortised loan cost	Nominal value	Carrying amount
Bank loan	DKK	2023	Floating	2,712	1,080,000	1,077,288
Bank loan	DKK	2023	Floating	1,500	1,200,000	1,198,500
Bank loan	EUR	2022	Fixed	0	49,766	49,766
Bank loan	USD	2022	Fixed	0	15,968	15,968
Bank loan	JOD	2022	Fixed	0	8,764	8,764
2021				**4,212**	**2,354,497**	**2,350,286**

DKK'000	Currency	Maturity	Type of interest	Amortised loan cost	Nominal value	Carrying amount
Bank loans	DKK	2023	Floating	4,626	765,182	760,556
2020				**4,626**	**765,182**	**760,556**

The fair value of bank loans excluding capitalised loan costs is deemed to approximate the nominal value of the loans.

According to the loan agreement all distribution of dividend has to be approved by the lender.

§ **Accounting principles**

On initial recognition, borrowings are measured at fair value less related transactions costs paid. Subsequently to initial recognition, borrowings are measured at amortised costs using the effective interest method. Any difference between the proceeds initially received and the nominal value is recognised in financial expenses over the term of the loan.

NOTE 28

Pension obligations

Present value of obligation (DKK'000)	**2021**	**2020**
Interest on obligation	21	0
Service costs	394	0
Recognised in the income statement	**415**	**0**
Acquired in business combinations	17,797	0
Exchange rate adjustment	-14	0
Other changes	**17,783**	**0**
Value at 31 December	**18,198**	**0**

Acturarial assumptions applied	**2021**	**2020**
Discount rate	1,5%	-
Future salary increases	2,3%	-
Future pension increases	0,8%	-

Sensitivity analysis (DKK'000)	**2021**	**2020**
Defined benefit pension obligation	18,198	0
Discount rate		
Increase of 0.5 percentage point	16,719	0
Decrease of 0.5 percentage point	17,609	0
Salary increase		
Increase of 0.5 percentage point	17,521	0
Decrease of 0.5 percentage point	16,790	0

The table above illustrates the change in the gross obligation relating to defined benefit plans from a change in the key actuarial assumptions. The analysis is based on fairly probable changes, provided that the other parameters remain unchanged.

Netcompany contributes to defined benefits and contribution plans. On the defined contribution plans Netcompany have no further payment obligations once the contributions are paid. On the Group's defined benefit plans the responsibility for the pension obligation towards the employees rests with Netcompany.

Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in profit or loss.

Accounting principles

The regular contributions for defined contribution plans constitute net periodic costs for the year in which they are due and as such are included in staff costs. The liability in respect of defined benefit pension or retirement plans is the present value of the defined benefit obligation at the balance sheet date.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Significant judgements, estimates and assumptions

In determining pension obligations, management makes use of external and independent actuaries as the basis for the estimates applied in measuring the obligations.

NOTE 29

Other payables

DKK'000	2021	2020
Wages and salaries, payroll taxes, social security costs, etc.	166,026	53,235
Holiday pay obligation	92,197	144,836
VAT and duties	105,759	58,889
Contingent consideration	93,398	261,709
Holdback (note 16)	60,816	0
Other costs payable	22,308	48,482
Total other payable	**540,504**	**567,151**

The payable contingent consideration regards the acqusition of Netcompany Netherlands B.V. in 2019 and comprises of a contingent element and an earnout element. The contingent element was granted to the sellers in shares and amounts to DKK 72 million (equal to 305,085 shares according to the purchase agreement) and will vest in March 2023. The earnout related purchase price is maximum 5 times the 2020 normalised adjusted EBITA before HQ costs depending on performance criteria for the period 2020 to 2022. If revenue CAGR and adjusted EBITA before allocated HQ costs are above 25% on both metrics the maximum earnout will be paid equal to a value of DKK 107.5 million. The earnout purchase price is fully payable in shares based on the Netcompany share price at the time of the transaction.

§ Accounting principles

Other costs payable comprises short and long term, hence part of the holiday pay obligation was classified and presented as long term in 2020 due to the new Danish Holiday Act. For the split between current and non-current liabilities please refer to note 33.

Significant judgements, estimates and assumptions

Contingent consideration resulting from business combinations is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The key assumptions take the probability of meeting the performance target into consideration.

NOTE 30

Provisions

DKK'000	2021	2020
Other provisions at 1 January	**0**	**3,525**
Additions, acquisition of subsidiaries	12,131	0
Decrease in the year	-3,291	-3,525
Other provisions at 31 December	**8,839**	**0**

Based on the current project portfolio including monitoring of deliveries on projects, the Group has recognised a provision of DKK 8.8 million, covering legal claims and project related risks (DKK 0.0 million).

§ Accounting principles

Provisions represent potential commitments for onerous contracts or legal claims. An onerous contract is considered to exist when the Group has a contract under which the unavoidable costs of meeting the obligation under the contract exceed the economic benefits to be received from the contract, hence the recognised provision represents the Group's best estimate of the unavoidable loss to complete its contract obligations for the related contracts. Legal claims covers legal demands or assertion related to existing as well as already delivered projects.

Significant judgements, estimates and assumptions

As part of its regular review of the contract portfolio, the Group may identify contracts where the completion of a contract most likely will result in a negative contribution. In these circumstances, the Group will record a provision to cover the unavoidable loss. The estimates of the provision may be subject to significant Management judgement and uncertainty depending on project complexity and on whether there are any disputes with customers in relation to project performance, claims and counter claims, contract interpretation and alike.

NOTE 31

Working capital changes

DKK'000	2021	2020
Change in receivables	-146,947	-117,744
Change in payables	-42.303	14,495
Total working capital changes	**-189,249**	**-103,248**

NOTE 32

Financial risks and financial instruments

DKK'000	2021	2020
Categories of financial instruments		
Trade receivables	1,031,880	458,774
Other receivables	39,557	5,868
Financial assets measured at amortised cost	**1,071,438**	**464,642**
Other securities and investments	2,102	0
Cash	458,779	358,996
Financial assets measured at fair value through the statement of comprehensive income	**460,881**	**358,996**
Trade payables	328,496	39,875
Other payables excl. contingent consideration	447,106	305,442
Borrowings	2,350,286	760,556
Lease liabilities	246,624	92,769
Financial liabilities measured at amortised cost	**3,372,512**	**1,198,642**
Pension obligations	18,198	0
Contingent consideration	93,398	261,709
Financial liabilities measured at fair value	**111,596**	**261,709**

Policy for management of financial risks

There is no change in Netcompany's financial risk assessment compared to last year. The acquisition of Netcompany-Intrasoft has not affected the assessment. The Group's objective at all times is to limit the Group's financial risks.

The Group manages the financial risks and coordinates cash management and management of interest rate and currency risks based on financial risk policies agreed with the Board of Directors.

Liquidity risks

The Group attempts to maximise flexibility and minimise risks. At 31

NOTE 32

Financial risks and financial instruments (continued)

December 2021, the Group has unutilised credit facilities of a total of DKK 183.3 million (DKK 699.9 million) excluding an acquisition facility of DKK 400.0 million (DKK 400.0 million).

Credit risks

In 2021, the Group realised its first credit loss of DKK 5.8 million, which was recognised as a provision in 2020. Based on the customer composition and past history with limited credit losses, the credit risk is assessed to be limited and at 31 December 2021, the Group made a provision of DKK 16.9 million (DKK 5.8 million) for expected credit losses.

Currency risks

The Group is to a limited extent exposed to foreign currency risks. The main part of the Group's transactions is in Danish kroner and Euro, which implies limited foreign exchange risk due to the ultimate parent company's functional and reporting currency being in DKK.

The Group is exposed to exchange rate risk in the countries where the Group has it activities outside Denmark, which mainly consist of European countries using EUR, but also includes Norway and the United Kingdom. The currency risk related to transactions in EUR is limited, as the DKK in some extent are fixed to the EUR. With respect to subsidiaries situated outside Denmark, there are transactions with the subsidiaries, however, their extent and risk are not significant.

The main bank loans are in DKK. The Group has not entered into any hedging contracts regarding exchange rate risks during 2021 or 2020.

The Group's Policy is to hedge any exchange risk net exposure, that would yield a +2/-2 percentage points EBIT margin impact from a +10%/-10% change in the given currency.

Interest rate risks

Following the IPO in 2018, the Group entered into one overall bank agreement, and during 2021 the Group entered an additional agreement of DKK 1,200 million facilitating the acquisition of Intrasoft. Following the acquisition Netcompany terminated the main part of Netcompany-Intrasoft's external bank debt. The combined committed facilities constitutes a total amount of DKK 2,774.5 million, and an optional facility of DKK 400.0 million limited to acquisitions, whereof DKK 2,354.5 million (765.2 million) has been utilised on borrowings and DKK 236.7 million (DKK 34.9 million) on guarantees.

The Group's original bank loan carried floating interest rates between IBOR + 1.1% and IBOR + 2.1%, which is depending on the financial leverage, while the newly entered additional facility carried a fixed interest at IBOR + 0.7% until June 2022, and hereafter increases to IBOR + 1.15%.

Current interest rates at 1.1% and 0.7% (1.1%) on the main loans equals to yearly bank loan interest expenses of DKK 20.3 million (DKK 8.4 million) based on the current utilisation. However, the recent acquisition and thereby full utilisation of the newly entered additional facility agreement of DKK 1,200 million will increase interest rate on the original loan to 1.95% within the beginning of 2022, which leads to an expected increase in yearly bank loan expenses of DKK 9.2 million.

If the interest rate on the original bank loan changes 'one additional step up', due to changes in leverage, a new interest rate of 2.1% will be applicable equal to bank loan interest expenses of DKK 20.6 million, which leads to an additional increase in financial expenses of DKK 0.9 million.

The Group is to a limited extent exposed to interest rate risks relating to the cash balances, which bear negative interest due to the current low interest environment.

Optimisation of the capital structure

The Group regularly assesses whether its capital structure is in accordance with the Group's and the shareholders interests. The overall objective is to ensure a capital structure that supports long term growth whilst maximising returns for the Group's shareholders' by optimising the equity-to-debt ratio.

NOTE 33

Financial instruments - maturity analysis

	Current		Non-current			
	<1 year		1-5 years		>5 years	
DKK'000	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Borrowings	74,497	0	2,275,788	760,556	0	0
Pension obligations	0	0	5,070	0	13,129	0
Lease liabilities	98,645	35,392	112,462	54,424	35,517	2,953
Trade payables	328,496	39,875	0	0	0	0
Other payables	446,006	393,944	94,498	173,207	0	0
Total financial instruments	**947,644**	**469,211**	**2,487,818**	**988,187**	**48,646**	**2,953**

The Group's contractual maturity for its non-derivative financial liabilities, with agreed payment periods are shown above. The maturity analysis is based on undiscounted cash flows, and excluding interest payment.

For further details regarding the borrowings, please refer to note 27.

Part of other payables relates to the contingent consideration. For a description of the contingent consideration, please refer to note 29.

NOTE 34

Fair value hierarchy

DKK'000	2021 Level 3	2020 Level 3
Other securities and investments	2,102	0
Total financial assets	**2,102**	**0**
Pension obligation	18,198	0
Contingent consideration	93,398	261,709
Total financial liabilities	**111,596**	**261,709**

Financial instruments measured at fair value are measured on a recurring basis and categorised into the following levels of the fair value hierarchy.

Level 1: Observable market prices for identical instruments

Level 2: Valuation techniques primarily based on observable prices or traded prices for comparable instruments

Level 3: Valuation techniques primarily based on unobservable prices

Netcompany have no assets or liabilities in level 1 or level 2 and there has been no transfers between categories in the year.

Contingent consideration is measured at fair value through profit and loss. For details on the valuation input to the fair value, please refer to note 29.

Pension obligation is calculated annually by independent actuaries using the projected unit credit method.

Other securities and investment consists of unlisted securities and are measured at fair value through other comprehensive income.

The valuation is based on the latest quarterly reports.

Section 5

Other disclosures

This section covers other statutory notes, which are of secondary importance to the understanding of the financial performance of Netcompany

NOTE 35

Fee to the Group auditor

Fee to the Group auditor (DKK'000)	**2021**	**2020**
Statutory audit	3,846	2,620
Other assurance agreements	45	2,625
Tax and VAT advisory services	0	734
Other services	117	265
Total fee to the Group auditor	**4,008**	**6,244**

Fees for services other than the statutory audit of the financial statements provided by EY Godkendt Revisionspartnerselskab Denmark amounted to DKK 0.2 million including other assurance opinions and other services.

Fees for 2020 relates to the Group's former auditor Deloitte.

NOTE 36

Related parties

As at 31 December 2021 there are no shareholders with controlling interest.

Large shareholders (>5%) consists of
- AC NC Holding ApS: 10.30% (Denmark)
- BlackRock, Inc: 5.61% (USA)

Please refer to Shareholder Information in Management Commentary.

Related parties with significant influence are the company's Executive Management, Board of Directors, Other Key Management Personnel and their related parties. Furthermore, related parties are companies in which the above persons have significant interests, as well as joint venture to the Group. All transactions with related parties are made on arm's length terms.

In 2021, Netcompany recognised revenue from Smarter Airports A/S of DKK 101.6 million (DKK 20.5 million).

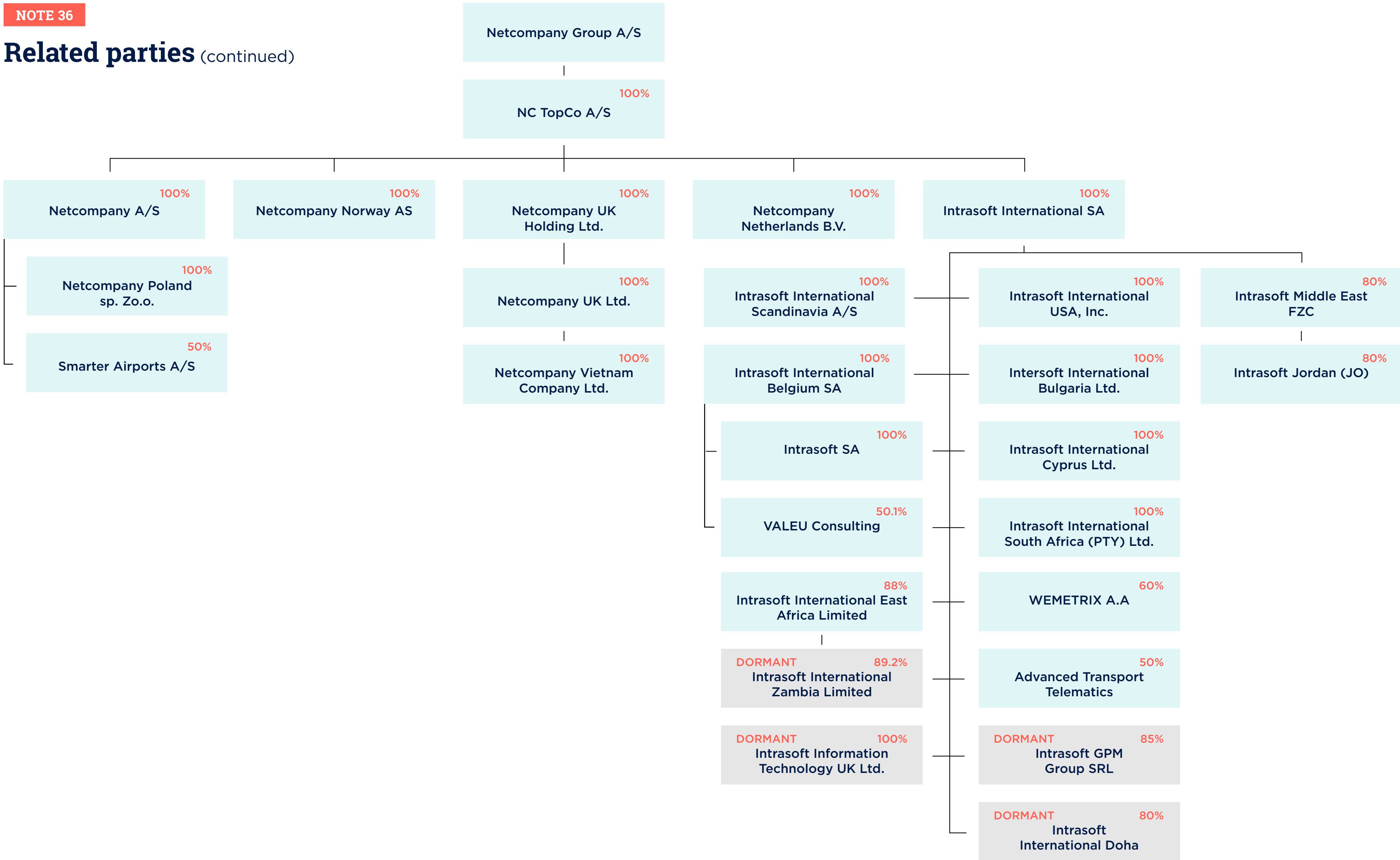
There were no other transactions with members of Executive Management, members of the Board of Directors of the Group or Other Key Management Personnel, other than remuneration, and furthermore, no loans were granted to the Board of Directors, Executive Management or Other Key Management Personnel in 2021 or 2020.

Ownership

The part of Netcompany Group A/S owned by Executive Management and the Board of Directors is specified in the Remuneration report.

NOTE 36

Related parties (continued)



NOTE 36

Related parties (continued)

Name of entity	Location	Currency	Ownership	Function
Netcompany Group A/S	Denmark	DKK		Parent
NC TopCo A/S	Denmark	DKK	100.00%	Subsidiary
Netcompany A/S	Denmark	DKK	100.00%	Subsidiary
Smarter Airport A/S	Denmark	DKK	50.00%	Joint venture
Netcompany Poland sp. Zo.o	Poland	PLN	100.00%	Subsidiary
Netcompany Norway AS	Norway	NOK	100.00%	Subsidiary
Netcompany Holding UK Ltd.	United Kingdom	GPB	100.00%	Subsidiary
Netcompany UK Ltd.	United Kingdom	GPB	100.00%	Subsidiary
Netcompany Vietnam Company Ltd.	Vietnam	VND	100.00%	Subsidiary
Netcompany Netherlands B.V.	Netherlands	EUR	100.00%	Subsidiary
Intrasoft International SA Luxembourg	Luxembourg	EUR	100.00%	Subsidiary
Intrasoft International Scandinavia A/S	Denmark	DKK	100.00%	Subsidiary
Intrasoft International USA, Inc.	Untied States	USD	100.00%	Subsidiary
Intersoft International Bulgaria Ltd.	Bulgaria	BGN	100.00%	Subsidiary
Intrasoft International Cyprus Ltd.	Cyprus	EUR	100.00%	Subsidiary
Intrasoft Information Technology UK Ltd.	United Kingdom	GPB	100.00%	Subsidiary
Intrasoft International South Africa (PTY) Ltd.	South Africa	ZAR	100.00%	Subsidiary
Intrasoft International Belgium SA	Belgium	EUR	100,00%	Subsidiary
Intrasoft SA	Greece	EUR	100.00%	Subsidiary
Intrasoft International East Africa Limited	Kenya	KES	88,00%	Subsidiary
Intrasoft International Zambia Limited	Zambia	ZMW	89,20%	Subsidiary
Intrasoft GPM Group SRL (Fyrom)	North Macedonia	MKD	85,00%	Subsidiary
Intrasoft Middle East FZC	United Arab Emirates	USD	80.00%	Subsidiary
Intrasoft Jordan	Jordan	JOD	80,00%	Subsidiary
Intrasoft International Doha	Qatar	QAR	80.00%	Subsidiary
Wemetrix A.E	Greece	EUR	60.00%	Subsidiary
Valeu Consulting	Belgium	EUR	50,10%	Subsidiary
Advanced Transport telematics	Greece	EUR	50.00%	Associated
Incelligent I.K.E	Greece	EUR	20.00%	Associated

The Group is not restricted on its ability to access or use assets, and settle liabilities, in any of the Group's entities.

NOTE 37

Collateral provided and contingent liabilities

As part of its contract commitments with customers, the Group has through its banks provided performance guarantees of DKK 512.2 million (DKK 34.9 million).

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

NOTE 38

Adoption of the Annual Report for publication

At a meeting held on 25 January 2022, the Board of Directors adopted the Annual Report for publication. The Annual Report is presented to the Shareholders of Netcompany Group A/S for adoption at the Annual General Meeting.

NOTE 39

Events after the balance sheet date

No events have occurred after the balance sheet date, which would influence the evaluation of this Annual Report.

Parent company financial statement

Content:

Notes to the parent financial statements:

Statement of comprehensive income for the Parent for 2021

DKK'000	Notes	2021	2020
Revenue		30,000	30,000
Gross profit		**30,000**	**30,000**
Sales and marketing costs		-1,253	-1,453
Administrative costs	2	-40,859	-37,774
Operating profit / loss (EBIT)		**-12,112**	**-9,277**
Financial income	5	20,987	25,030
Financial expenses	5	-32,998	-32,714
Profit / loss before tax		**-24,123**	**-16,911**
Tax on profit / loss for the year	6	5,205	3,647
Profit / loss for the year		**-18,918**	**-13,263**
Other comprehensive income / loss		0	0
Comprehensive income for the year / loss		**-18,918**	**-13,263**

Statement of financial position of the Parent at 31 December 2021

DKK'000	Notes	2021	2020
Right of use assets	7	1,168	588
Tangible assets		**1,168**	**588**
Investment in subsidiary	8	3,017,516	1,618,705
Other receivables		326	217
Deferred tax		3,820	2,914
Financial assets		**3,021,663**	**1,621,836**
Non-current assets		**3,022,831**	**1,622,424**
Receivables from Group entities		1,752,501	1,266,946
Tax receivables		145,322	101,947
Other receivables		0	107
Prepayments		1,157	963
Receivables		**1,898,980**	**1,369,963**
Cash	9	**7,152**	**8,685**
Current assets		**1,906,132**	**1,378,648**
Assets		**4,928,963**	**3,001,072**

DKK'000	Notes	2021	2020
Share capital	10	50,000	50,000
Treasury shares		-241,409	-175,000
Share-based remuneration		70,177	42,478
Retained earnings		1,537,078	1,501,305
Equity		**1,415,846**	**1,418,783**
Borrowings	11	2,275,788	760,556
Lease liability		584	194
Non-current liabilities		**2,276,372**	**760,750**
Lease liability		586	397
Trade payables		429	594
Payables to Group entities		1,164,975	812,727
Other payables	12	70,755	7,821
Current liabilities		**1,236,745**	**821,539**
Liabilities		**3,513,117**	**1,582,289**
Equity and liabilities		**4,928,963**	**3,001,072**

Statement of changes in equity for the Parent for 2021

DKK'000	Share capital	Treasury shares	Share-based remuneration	Retained earnings	Total
Equity at 1 January 2021	**50,000**	**-175,000**	**42,478**	**1,501,305**	**1,418,783**
Profit / loss for the year	0	0	0	-18,918	-18,918
Total comprehensive income	**0**	**0**	**0**	**-18,918**	**-18,918**
Treasury shares acquired in the year	0	-99,993	0	0	-99,993
Treasury shares used in business combinations	0	29,091	0	103,791	132,882
Share-based remuneration for the year	0	4,493	27,699	0	32,192
Dividend paid	0	0	0	-50,000	-50,000
Dividend on treasury shares	0	0	0	900	900
Total transactions with owners	**0**	**-66.409**	**27,699**	**54,691**	**15,981**
Equity at 31 December 2021	**50,000**	**-241,409**	**70,177**	**1,537,078**	**1,415,846**

DKK'000	Share capital	Treasury shares	Share-based remuneration	Retained earnings	Total
Equity at 1 January 2020	**50,000**	**-175,000**	**17,724**	**1,514,568**	**1,407,292**
Profit / loss for the year	0	0	0	-13,263	-13,263
Total comprehensive income	**0**	**0**	**0**	**-13,263**	**-13,263**
Share-based remuneration for the year	0	0	24,754	0	24,754
Total transactions with owners	**0**	**0**	**24,754**	**0**	**24,754**
Equity at 31 December 2020	**50,000**	**-175,000**	**42,478**	**1,501,305**	**1,418,783**

Cash flow statement for the Parent for 2021

DKK'000	Notes	2021	2020
Operating profit (EBIT)		-12,112	-9,227
Depreciation		484	388
Non-cash		6,452	7,731
Working capital changes	13	1,865	335
Cash flows from operating activities		**-3,311**	**-773**
Cash outflow on acquisition of subsidiaries		-1,181,533	0
Other receivables (deposits)		-109	138
Cash flows from investing activities		**-1,181,642**	**138**
Income taxes paid on behalf of the Group		-183,890	-116,426
Financial income received		20,987	25,030
Financial expenses paid		-30,415	-30,788
Paid dividend		-49,100	0
Net loan to Group entities		11,506	316,703
Payment of share buybacks		-99,993	0
Proceeds from borrowings		1,700,000	0
Repayment of borrowings		-185,182	-200,000
Repayment of leasing debt		-493	-403
Cash flows from financing activities		**1,183,420**	**-5,884**
Increase in cash and cash equivalents		**-1,533**	**-6,519**
Cash and cash equivalents at 1 January		8,685	15,203
Cash and cash equivalents at 31 December	9	**7,152**	**8,685**

Reconciliation of liabilities arising from financing activities (DKK'000)	Borrowings (note 11)	Leasing	Total
Opening balance 1 January 2021	**760,556**	**591**	**761,147**
Proceeds from borrowings	1,700,000	0	1,700,000
Repayment of borrowings	-185,182	-493	-185,675
Amortisation of loan costs (non-cash)	414	0	414
Leasing (non-cash)	0	1,071	1,071
Closing balance 31 December 2021	**2,275,788**	**1,170**	**2,276,958**

Reconciliation of liabilities arising from financing activities (DKK'000)	Borrowings (note 11)	Leasing	Total
Opening balance 1 January 2020	**958,642**	**473**	**959,115**
Repayment	-200,000	-403	-200,403
Amortisation of loan costs (non-cash)	1,914	0	1,914
Leasing (non-cash)	0	521	521
Closing balance 31 December 2020	**760,556**	**591**	**761,147**

NOTE 1

Accounting policies

Netcompany Group A/S presents its Parent financial statements in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for financial statements governing reporting class D, see the Danish Executive Order on IFRS issued according to the Danish Financial Statements Act.

Netcompany Group A/S is an entity with its registered office in Denmark.

The financial statements are presented in DKK, which is considered the functional currency of the Parent's activities.

Totals in the financial statements have been calculated on the basis of actual amounts in accordance with the correct mathematical method. A recalculation of totals may in some cases result in rounding differences caused by the underlying decimals not disclosed to the reader.

The Parent generally applies the same accounting policies for recognition and measurement as the Group. Cases in which the Parent's accounting policies differ from those of the Group are described under the relevant notes.

For a detailed specification of the Parent's accounting policies, please see relevant notes in the consolidated financial statements.

NOTE 2

Administrative costs

DKK'000	2021	2020
Administrative costs	8,237	8,612
Staff costs (note 3)	32,138	28,773
Depreciation	484	388
Total administrative costs	**40,859**	**37,774**

NOTE 3

Staff costs and remuneration

DKK'000	2021	2020
Salary and wages	32,119	28,756
Other social security costs	19	17
Total staff costs	**32,138**	**28,773**
Staff costs presented under following account balances		
Administrative costs	32,138	28,773
Total staff costs	**32,138**	**28,773**
Average number of employees	**3**	**3**

NOTE 3

Staff costs and remuneration (continued)

DKK'000	2021	2020
Remuneration to the Board of Directors[1]		
Bo Rygaard	1,050	1,050
Juha Christensen	788	698
Scanes Bentley	438	476
Hege Skryseth	350	128
Åsa Riisberg	525	192
Robbert Kuppens	0	278
Pernille Fabricius	0	172
Total remuneration to the Board of Directors	**3,150**	**2,993**
Remuneration to the Executive Management[1]		
André Rogaczewski	8,167	7,159
Claus Jørgensen	8,226	6,909
Thomas Johansen	4,734	4,002
Total short term remuneration	**21,128**	**18,070**
André Rogaczewski	3,370	3,025
Claus Jørgensen	3,370	3,025
Thomas Johansen	1,872	1,681
Total share-based remuneration expensed	**8,613**	**7,731**
Total remuneration to the Executive Management	**29,741**	**25,801**

[1] Remuneration to Executive Management and Board of Directors is recognised as administrative costs.

DKK'000	2021	2020
Share-based remuneration		
Executive Management	8,613	7,731
Other Group Key Management Personnel (note 8)	581	1,710
Group employees (note 8)	22,998	15,313
Total share-based remuneration	**32,192**	**24,754**

NOTE 3

Staff costs and remuneration (continued)

Restricted stock units in Netcompany shares	Outstanding 1 Jan 2021	Issued	Lapsed	Transferred	Outstanding 31 Dec 2021	Grant value at 31 Dec 2021	Market value at 31 Dec 2021	Vesting date
	No.	No.	No.	No.	No.	DKK´000	DKK´000	
Allocated to:								
Executive Management, 2018	33,637	0	-1,390	-28,986	3,261	505	2,297	30 June 2021[1]
Executive Management, 2019	44,605	0	-7,342	0	37,263	7,686	26,252	31 December 2021
Executive Management, 2020	26,161	0	0	0	26,161	9,200	18,430	31 December 2022
Executive Management, 2021	0	16,368	0	0	16,368	9,431	11,531	31 December 2023
Employees[2], 2018	102,969	0	-706	0	102,263	16,146	72,045	31 December 2021
Employees[2], 2019	56,914	0	-726	0	56,188	11,589	39,584	31 December 2021
Employees[2], 2020	68,123	0	-992	0	67,131	23,609	47,294	31 December 2022
Employees[2], 2021	0	43,100	-565	0	42,535	24,508	29,966	31 December 2023
Total allocated shares	**332,409**	**59,468**	**-11,721**	**-28,986**	**351,170**	**102,675**	**247,400**	

Restricted stock units in Netcompany shares	Outstanding 1 Jan 2020	Issued	Lapsed	Transferred	Outstanding 31 Dec 2020	Grant value at 31 Dec 2020	Market value at 31 Dec 2020	Vesting date
	No.	No.	No.	No.	No.	DKK´000	DKK´000	
Allocated to:								
Executive Management, 2018	33,637	0	0	0	33,637	5,214	20,939	30 June 2021
Executive Management, 2019	44,605	0	0	0	44,605	9,200	27,767	31 December 2021
Executive Management, 2020	0	26,161	0	0	26,161	9,200	16,285	31 December 2022
Employees[2], 2018	106,482	0	-3,513	0	102,969	16,256	64,099	31 December 2021
Employees[2], 2019	59,587	0	-2,673	0	56,914	12,554	35,429	31 December 2021
Employees[2], 2020	0	70,580	-2,457	0	68,123	24,822	42,407	31 December 2022
Total allocated shares	**244,311**	**96,741**	**-8,643**	0	**332,409**	**77,246**	**206,925**	

[1] The outstanding shares from the 2018 programme to Executive will be settled together with the 2019 programme.
[2] Group Employees consists of Other Key Management Personnel and Other Group Employees.

NOTE 3

Staff costs and remuneration (continued)

During 2021, 59,468 RSUs (96,741 RSUs) were granted of which 16,368 (26,161) were granted to Executive Management and 43,100 (70,580) were granted to Other Key Management Personnel and other employees.

The fair value of total granted RSUs at grant date was DKK 102.7 million (DKK 77.2 million). The cost associated herewith is expensed over the vesting period with DKK 32.2 million in 2021 (DKK 24.8 million).

The number of shares granted is determined by the stock price on the grant day, measured against the value of grant for each person.

The share-based incentive programme based on RSUs will continue in 2022. The company's share-based incentive schemes are further detailed in the Group's Remuneration report.

The cost related to Group employees is expensed in the financial statements of subsidiaries.

NOTE 4

Depreciation

DKK'000	2021	2020
Depreciation		
Right of use assets	484	388
Total Depreciation	**484**	**388**
Depreciation presented as follows in the income statement:		
Administrative costs	484	388
Total Depreciation	**484**	**388**

NOTE 5

Financial income and expenses

DKK'000	2021	2020
Financial income		
Intra-group interest income	20,924	25,030
Other finance income	63	0
Total Financial income	**20,987**	**25,030**
Financial expenses		
Intra-group interest expenses	15,751	14,733
Interest expenses, leasing	8	12
Interest expenses on bank loan	10,733	13,661
Other finance charges	6,506	4,308
Total Financial expenses	**32,998**	**32,714**

NOTE 6

Tax

DKK'000	2021	2020
Current tax	-4,263	-1,947
Adjustment to prior year	23	0
Change in deferred tax	-906	-1,700
Total current tax	**-5,146**	**-3,647**
Profit / loss before tax	-23,854	-16,911
Tax at a rate of 22%	-5,248	-3,720
Adjustment to prior year	23	0
Tax-based value of non-deductible expenses	79	73
Total current tax	**-5,146**	**-3,647**
Effective tax rate	**21.6%**	**21.6%**

NOTE 7

Right of use assets

DKK'000	2021	2020
Cost at 1 January	**682**	**715**
Remeasurement	-392	153
Additions	1,456	356
Disposals	-511	-542
Cost at 31 December	**1,236**	**682**
Depreciation at 1 January	**-94**	**-248**
Disposals	511	542
Depreciation for the year	-484	-388
Depreciation at 31 December	**-67**	**-94**
Carrying amount at 31 December	**1,168**	**588**

NOTE 8

Investments in subsidiaries

DKK'000	2021	2020
Cost at 1 January	**1,618,705**	**1,601,682**
Acquisition of subsidiary	1,375,232	0
Capital contribution	1,375,232	0
Transfer of subsidiary (push down)	-1,375,232	0
Share-based remuneration additions	23,579	17,023
Cost at 31 December	**3,017,516**	**1,618,705**
Carrying amount at 31 December	**3,017,516**	**1,618,705**

NOTE 8

Investments in subsidiaries (continued)

Subsidiaries: (DKK'000)	Form of enterprise	Ownership	Equity	Result
NC TopCo A/S, Copenhagen, Denmark[2]	A/S	100 %	1,721,311	-171,249

[2] Annual Report 2020

In 2021, the Parent acquired Intrasoft, and immediately pushed down the acquired entity to NC TopCo A/S through a capital contribution.

Share-based remuneration additions to investments in subsidiaries incurred by the Parent on behalf of staff employed in subsidiaries (note 3) and are not recognised in the Parent income statement.

§ Accounting principles

Investments in subsidiaries are recognised and measured at cost. Dividend is recognised as income when the right is finally obtained.

The carrying amount of investments in subsidiaries is examined at the balance sheet date in order to determine if there is any indication of impairment.

Impairment test for investments
The subsidiaries of the Parent are considered independent cash-generating entities. In the event of any indication of impairment of the carrying amount (cost) of investments in subsidiaries, any impairment loss is determined based on a calculation of the value in use of the relevant subsidiary.

If dividends distributed exceed the subsidiary's comprehensive income in the period for which dividend is distributed, this is considered an indication of impairment.

In 2021, all subsidiaries are performing according to the plan with satisfactory earnings, and hence Management has concluded that there are no impairment indicators that require a detailed impairment test to be performed.

NOTE 9

Cash and cash equivalents

DKK'000	2021	2020
Deposits at banks	7,152	8,685
Total cash and cash equivalents	**7,152**	**8,685**

NOTE 10

Share capital

	2021	2020
Number of shares	**50,000,000**	**50,000,000**
Number of votes	**50,000,000**	**50,000,000**

Number of treasury shares	2021	2020
Number of treasury shares 1 January	**899,913**	**899,813**
Purchase of own shares	143,970	0
Transfers related to acquisitions	-187,687	0
Exercise of RSU programme	-28,986	0
Number of treasury shares 31 December	**827,110**	**899,813**

The share capital equals DKK 50,000,000 divided into shares of DKK 1 each or multiples thereof.

The company's shares are traded on Nasdaq OMX Copenhagen in denominations of DKK 1. No shares confer any special rights upon any shareholder. No shares are subject to restrictions on transferability or voting rights.

Purchase of own shares for the Long Term Incentive Programme is expected to occur on a yearly basis.

The first RSU programme vested and was settled during 2021, while the second programme vested end of year 2021 and will be transferred in the beginning of 2022.

For a specification of granted RSU or treasury shares please refer to note 3.

NOTE 11

Borrowings

DKK'000	2021	2020
Non-current liability[1]	2,275,788	760,556
Current liability	0	0
Total borrowings	**2,275,788**	**760,556**

[1] According to the Group loan agreement, Netcompany has the opportunity to voluntarily make instalments at the Group's discretion before the loan matures in 2023.

DKK'000	Currency	Maturity	Type of interest	Amortised loan cost	Nominal value	Carrying amount
Bank loans	DKK	2023	Floating	2,712	1,080,000	1,077,288
Bank loans	DKK	2023	Floating	1,500	1,200,000	1,198,500
2021				**4,212**	**2,280,000**	**2,275,788**

DKK'000	Currency	Maturity	Type of interest	Amortised loan cost	Nominal value	Carrying amount
Bank loans	DKK	2023	Floating	4,626	765,182	760,556
2020				**4,626**	**765,182**	**760,556**

NOTE 12

Other payables

DKK'000	2021	2020
Wages and salaries, payroll taxes, social security costs, etc. payable	7,500	5,767
VAT and duties	1,506	1,588
Holdback (note 16 in Group)	60,816	0
Other costs payable	933	466
Total other payables	**70,755**	**7,821**

NOTE 13

Working capital changes

DKK'000	2021	2020
Change in receivables	-88	594
Change in payables	1,953	-258
Total working capital changes	**1,865**	**335**

NOTE 14

Financial risks and financial instruments

DKK'000	2021	2020
Categories of financial instruments		
Receivables from Group entities	1,752,501	1,266,946
Financial assets measured at amortised cost	**1,752,501**	**1,266,946**
Cash	7,152	8,685
Financial assets measured at fair value	**7,152**	**8,685**
Borrowings	2,275,788	760,556
Lease liabilities	1,170	591
Trade payables	429	594
Payables to Group entities	1,164,975	812,727
Other payables	70,755	7,821
Financial liabilities measured at amortised cost	**3,513,117**	**1,582,289**

NOTE 14

Financial risks and financial instruments (continued)

Policy for management of financial risks

The Parent's objective at all times is to limit the Parent's financial risks.

The Parent manages the financial risks and coordinates cash management and management of interest rate and currency risks based on financial risk policies agreed with the Board of Directors.

Liquidity risks

The Parent attempts to maximise flexibility and minimise risks. At 31 December 2021, the Parent has unutilised credit facilities of a total of DKK 183.3 million (DKK 699.9 million) excluding an acquisition facility of DKK 400.0 million (DKK 400.0 million).

Credit risks

In 2021, the Parent has not realised any credit losses. At 31 December 2021, the credit risk is primarily relating to intercompany receivables where the credit risk is considered remote and the Parent has made a provision of DKK 0 for expected credit losses.

Currency risks

The Parent is only to a limited extent exposed to foreign currency risks. The main part of the Parent's transactions is in DKK.

Interest rate risks

Following the IPO in 2018, the Parent entered into one overall bank agreement, and during 2021 the Parent entered an additional agreement of DKK 1,200 million facilitating the acquisition of Intrasoft. The combined committed facilities constitutes a total amount of DKK 2,700.0 million, and an optional facility of DKK 400.0 million limited to acquisitions, whereof DKK 2,280 million (765.2 million) has been utilised on borrowings and DKK 236.7 million (DKK 34.9 million) on guarantees.

The Parent's original bank loan carried floating interest rates between IBOR + 1.1% and IBOR + 2.1%, which is depending on the financial leverage, while the newly entered additional facility carried a fixed interest at IBOR + 0.7% until June 2022, and hereafter increases to IBOR + 1.15%.

Current interest rates at 1.1% and 0.7% (1.1%) equals to yearly bank loan interest expenses of DKK 20.3 million (DKK 8.4 million) based on the current utilisation. However, the recent acquisition and thereby full utilisation of the newly entered additional facility agreement of DKK 1,200 million will increase interest rate on the original loan to 1.95% within the beginning of 2021, which leads to an expected additional increase in yearly bank loan expenses of DKK 9.2 million only due to increase in interest.

If the interest rate on the original bank loan changes 'one additional step up', due to changes in leverage, a new interest rate of 2.1% will be applicable equal to bank loan interest expenses of DKK 20.6 million, which leads to an additional increase in financial expenses of DKK 0.9 million.

Optimisation of the capital structure

The Parent regularly assesses whether its capital structure is in accordance with the Parent's and the Shareholders' interest. The overall objective is to ensure a capital structure that supports long term growth whilst maximising returns for the Parent's owners by optimising the equity-to-debt ratio.

NOTE 15

Related parties

As at 31 December 2021, there are no shareholders with controlling interest.

Large shareholders (>5%) consists of
- AC NC Holding ApS: 10.30% (Denmark)
- BlackRock, Inc: 5.61% (USA)

Please refer to Shareholder Informaton in Management Commentary.

Related parties with significant influence are the company's Executive Management, Board of Directors, and their related parties. Furthermore, related parties are companies in which the above persons have significant interests, as well as subsidiaries and joint venture to the Group. All transactions with related parties are made on arm's length terms. The Parent earns fee income from subsidiaries in relation to administrative services amounting to DKK 30.0 million (DKK 30.0 million).

There were no transactions with members of Executive Management or members of the Board of Directors of the Group, other than remuneration, and furthermore no loans were granted to the Board of Directors or Executive Management in 2021 and 2020.

Ownership

The part of Netcompany Group A/S owned by Executive Management and the Board of Directors is specified in the Remuneration report.

NOTE 16

Collateral provided and contingent liabilities

Netcompany Group A/S will provide continuing financial support to Netcompany Holdings UK Limited, Netcompany UK Limited and Netcompany Netherlands B.V. for a period up until February 2023.

The Parent has provided collateral for bank guarantees initiated by its subsidiaries towards its customers amounting DKK 236.7 million (DKK 34.9 million).

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

NOTE 17

Joint taxation

As of 16 April 2018, the Parent joined the national taxation arrangement and became the administrative company of the Danish subsidiaries. The current income tax is allocated among the jointly taxed companies in proportion to their taxable income ("full allocation method").

NOTE 18

Events after the balance sheet date

No events have occurred after the balance sheet date, which would influence the evaluation of this Annual Report.

Board of Directors and Executive Management statement

The Board of Directors and the Executive Management have today considered and approved the Annual Report of Netcompany Group A/S for the financial year 1 January - 31 December 2021 for the Group and the Parent. The Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for Annual Reports and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2021 and of the results of their operations and cash flows for the financial year 1 January - 31 December 2021 for the Group and the Parent.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

In our opinion, the Annual Report for Netcompany Group A/S with the file name NetcompanyGroup-2021-12-31.zip for the financial year 1 January - 31 December 2021 for the Group and the Parent is conducted in compliance with the ESEF regulation.

We recommend the Annual Report for adoption at the Annual General Meeting.

Copenhagen, 25 January 2022

Executive management

André Rogaczewski
Chief Executive Officer

Claus Jørgensen
Chief Operating Officer

Thomas Johansen
Chief Financial Officer

Board of Directors

Bo Rygaard
Chairman

Juha Christensen
Vice Chairman

Scanes Bentley

Hege Skryseth

Åsa Riisberg

Independent auditor's report

To the shareholders of Netcompany Group A/S

Report on the audit of the Consolidated Financial Statements and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Netcompany Group A/S for the financial year 1 January – 31 December 2021, which comprise statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

We were initially appointed as auditor of Netcompany Group A/S on 9 March 2021 for the financial year 2021.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2021. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.
We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Revenue recognition, including the measurement and recognition of work in progress

The accounting principles and disclosures on revenue recognition related to projects are included in note 23 to the consolidated financial statements. At 31 December 2021, the carrying value of the Group's work in progress amounted to DKK 1,020 million. Significant judgement is required by Management in determining the stage of completion and expected profit on fixed price projects, including assessment of specific project risks and assessment of potential onerous contracts. In addition, the Group's accounting for arrangements with multiple performance obligations is subject to complexity, as the total contract value is allocated to each

Independent auditor's report (continued)

identified performance obligation and recognized as revenue as the services are delivered.

Due to the complexity in the judgements combined with the significance of revenue and work in progress, we consider revenue recognition, including the measurement and recognition of work in progress to be a key audit matter.

How our audit addressed the key audit matter

As part of our audit, we obtained an understanding of the Group's processes for assessment of time and cost-to-complete estimates, the processes for identification and assessment of performance obligations and the processes for identification and assessment of project related risks including the risk of projects changing into onerous contracts.

We assessed the internal controls relating to monitoring of project development, time registration, estimation of time and cost-to-complete and identification and assessment of project risks and potential onerous contracts.

We obtained an overview of the Group's projects in progress at 31 December 2021. On basis of risk and materiality we selected a sample of projects. For the selected sample, we tested Management's assumptions for assessment of stage of completion, estimates of expected time and cost-to-complete and expected profits. To assess the accuracy of Management's assumptions and estimates we performed look-back analysis by comparing the actual profit of completed projects with the expected profit from budgets. We analysed the budget deviations and discussed with Management the possible risk of similar deviations on projects in progress at 31 December 2021.

We tested the identification and accounting of arrangements with multiple performance obligations by testing a sample of recognised arrangements to supporting customer contracts and amendments. We tested the identification, assessment and accounting of project risks, potential onerous contracts, and warranty issues by application of data analysis and examination of supporting documentation.

Purchase price allocation ("PPA") for the acquisition of Intrasoft International S.A. in the consolidated financial statements and opening balance

On 31 October 2021, Intrasoft International S.A. was acquired by the Group for a total consideration of DKK 1.375 million of which DKK 1.144 million was paid in cash, DKK 134 million was paid in shares in Netcompany Group A/S and DKK 97 million was accrued.

Management prepared a purchase price allocation for the acquisition with a separate recognition of the fair value of the assets and liabilities in the opening balance. For details on the acquisition reference is made to note 16 in the consolidated financial statements.

Management has in connection with the PPA used the Group's valuation methodologies, when determining the fair value of the separately identified assets and liabilities in the business combination. The valuation methodologies are based on various separate assumptions. The significant judgements and estimates involved in the PPA and opening balance mainly relate to assessing the fair value of the acquired technology and software, trademark, order backlog and customer relationships.

Due to the complexity and the significant level of judgement involved in the purchase price allocation including the assessment of fair value of the acquired assets and liabilities, we consider the fair value assessment of acquired assets and liabilities to be a key audit matter.

How our audit addressed the key audit matter

As part of our audit, we have assessed whether the Group's valuation methodologies, has been used when determining the fair value of the separately identified assets and liabilities in the business combination.

We performed audit procedures to verify the assets and liabilities recognized in the opening balance. Among the performed audit procedures, we tested a selected sample of contract work in progress and tested Management's assumptions for assessment of stage of completion, estimates of expected time and cost-to-complete and expected profit. We tested the classification between contract work in progress and prebilled invoices. We obtained on sample basis external confirmations of trade receivables and tested Management's assumptions for

Independent auditor's report (continued)

their assessment of expected credit loss. We tested bank reconciliations and bank debt facilities and borrowings to supporting documentation and external confirmations.

We compared the forecasts from the business case of the acquisition to assumptions applied in the identification and calculation of fair value of acquired assets and liabilities. We involved our internal specialists in assessing the valuation methodologies used by Management when assessing the fair value of the acquired assets and liabilities including the calculation of the fair value of acquired technology and software, trademark, orderback and customer relationships.

We assessed and tested the key assumptions applied by Management by comparing these to available market data, underlying accounting records, supporting documentation, past performance of the acquired businesses and our experience from comparable transactions.

We considered and tested the adequacy of disclosures provided by Management related to the acquisition of Intrasoft International S.A. including disclosures related to key assumptions in the assessment of the fair value of acquired assets and liabilities compared to applicable accounting standards.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor´s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are 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 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 the financial statements.

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

Independent auditor's report (continued)

- Identify and assess the risks of material misstatement of the financial statements, 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.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain. sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the financial statements of Netcompany Group A/S we performed procedures to express an opinion on whether the annual report for the financial year 1 January – 31 December 2021 with the file name NetcompanyGroup-2021-12-31.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

Independent auditor's report (continued)

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report for the financial year 1 January – 31 December 2021 with the file name NetcompanyGroup-2021-12-31.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 25 January 2022

EY
Godkendt
Revisionspartnerselskab
Business
Registration
No 30 70 02 28

Mikkel Sthyr
State Authorised Public Accountant
mne26693

Morten Weinreich Larsen
State Authorised Public Accountant
mne42791

Formulas

Organic revenue = Revenue not classified as non-organic revenue

Non-organic revenue = Revenue from acquired businesses the first 12 months after acquisition

Organic Growth[1] = $\frac{\text{Organic revenue current year x 100}}{\text{Revenue last year}}$

Gross profit margin[1,2] = $\frac{\text{Gross profit x 100}}{\text{Revenue}}$

EBITA[1,2] = Operating profit + Amortisation

EBITA margin[1,2] = $\frac{\text{EBITA x 100}}{\text{Revenue}}$

Adjusted EBITA = EBITA + Special items + Other operating income

Adjusted EBITA margin = $\frac{\text{Adjusted EBITA x 100}}{\text{Revenue}}$

Operating profit margin[1] = $\frac{\text{Operating profit x 100}}{\text{Revenue}}$

EBITDA[1,2] = EBIT + Depreciation and amortisation

EBITDA margin = $\frac{\text{EBITDA x 100}}{\text{Revenue}}$

Adjusted EBITDA = EBITDA + Special items + Other operating income

Adjusted EBITDA margin = $\frac{\text{Adjusted EBITDA x 100}}{\text{Revenue}}$

EPS[1] = $\frac{\text{Net profit}}{\text{Average outstanding shares}}$

EPS diluted[1] = $\frac{\text{Net profit}}{\text{Average outstanding shares + Diluted shares}}$

Free cash flow[1,2] = Cash flow from operating activities - Capex

Capex[1,2] = Cost spent to buy intangible and tangible assets, excluding impact from business acquisitions.

Cash conversion ratio[1,2] = $\frac{\text{Free cash flow x 100}}{\text{Net profit - Amortisation and deferred tax of amortisation}}$

Days sales outstanding[1,2] = $\frac{\text{Trade receivables x days}}{\text{Revenue}}$

Return on equity[2] = $\frac{\text{Net profit for the period x 100}}{\text{Average equity}}$

Return on invested capital (ROIC)[1,2] = $\frac{\text{Net profit x 100}}{\text{Average invested capital}}$

ROIC (Adjusted for Goodwill)[1] = $\frac{\text{Net profit x 100}}{\text{Average invested capital – average Goodwill}}$

Solvency (equity ratio)[1] = $\frac{\text{Equity x 100}}{\text{Total assets}}$

Equity per share[2] = $\frac{\text{Equity excluding non-controlling interest at year-end}}{\text{Number of circulating shares at year-end}}$

Price/book value[2] = $\frac{\text{Share price at year-end}}{\text{Equity per share at year-end}}$

Market value[1] = Number of shares, excluding treasury shares, year-end x share price at year-end

Dividend return = $\frac{\text{Paid dividend per share}}{\text{Share price at beginning of year}}$

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

[1] Key figures defined according to IFRS.
[2] Key figures defined according to Recommendations & Financial Ratios" issued by the Danish Finance Society.

Company information

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Annual Report 2021

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