

# netcompany

# Q3 | 21

Company Announcement  
Nine months ended 30 September 2021

**Netcompany continues to grow  
revenue and realised margin  
above 25% in Q3 2021.**

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# Summary

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In Q3 2021, Netcompany grew revenue in constant currencies to DKK 790.7m – 13.8% compared to the same period last year. In reported currencies revenue grew 14.9%.

Adjusted EBITA grew 2.3% to DKK 199.9m compared to DKK 195.5m in Q3 2020, corresponding to an adjusted EBITA margin of 25.1%.

Average number of full-time employees grew by 558 from 2,827 in Q3 2020 to 3,385 in Q3 2021, corresponding to a growth of 19.8% - all organic.

Free cash flow remained strong and improved by 22% from DKK 149.9m in Q3 2020 to DKK 182.9m in Q3 2021. As a consequence of the strong cash flow Netcompany reduced bank debt by DKK 150m in Q3 2021.

At the beginning of October 2021, revenue visibility for the full year of 2021 was DKK 3,273.8m compared to DKK 2,719.9m at the same time in 2020.

For 2021, Netcompany maintains expectations to organic revenue growth in constant currencies of between 18%-20% and adjusted EBITA margin for the organic business in constant currencies to be around 23-25%. Netcompany expects adjusted EBITDA margin for the organic business in constant currencies to be around 25-27%.

Based on current expectations for full year performance and cash flow, Netcompany will initiate a share buyback programme of DKK 50m to be executed during the remaining part of 2021, which will bring the total cash redistribution to shareholders to DKK 150m in 2021.

At 31 October 2021, Netcompany completed the acquisition of Intrasoft International S.A. at an enterprise value of EUR 235m on a debt-free basis, which brings the debt leverage to around 2.7x. The acquisition is expected to increase Netcompany's non-organic revenue growth with around 9-10 percentage points and to have a dilutive impact on total adjusted EBITDA and total adjusted EBITA margins of 1-2 percentage points.

"We realised revenue growth of 15% during Q3 2021 based on continued strong momentum in Denmark, UK and Norway and we increased our margins to above 25% for the quarter.

We welcomed more than 450 new Netcompany employees during the quarter and it makes me proud that we are able to attract new talent to our family that continues to grow.

The growth was accelerated in October where we completed the acquisition of Intrasoft International S.A., which will elevate Netcompany into a leading position in Europe. The combined company will have more than 6,000 employees and be a strong IT services company with leading platforms for public and private sectors including a leading presence in the EU institutions.

I am excited to welcome all Intrasoft employees and customers to our family and thrilled about the growth opportunities this presents for the future."



**André Rogaczewski**

NETCOMPANY CEO AND CO-FOUNDER

# Performance highlights Q3

## Financial overview

DKK million	Q3 2021 (reported)	Q3 2021 (constant)*	Q3 2020	% change (reported)	% change (constant)*
Revenue	798.0	790.7	694.7	14.9%	13.8%
Gross profit	328.4	325.8	293.3	12.0%	11.1%
Adjusted EBITDA	221.1	219.4	212.0	4.3%	3.5%
<i>Adjusted EBITDA margin</i>	27.7%	27.7%	30.5%	-2.8pp	-2.8pp
Adjusted EBITA	199.9	198.4	195.5	2.3%	1.5%
<i>Adjusted EBITA margin</i>	25.1%	25.1%	28.1%	-3.1pp	-3.0pp
EBITA	169.9	168.4	195.5	-13.1%	-13.9%
<i>EBITA margin</i>	21.3%	21.3%	28.1%	-6.8pp	-6.8pp
Operating profit	160.9	159.4	170.2	-5.5%	-6.3%
<i>Operating profit margin</i>	20.2%	20.2%	24.5%	-4.3pp	-4.3pp
Net profit / loss	108.6	107.1	128.1	-15.2%	-16.4%
Free cash flow	182.9	N/A	149.9	22.0%	N/A
Cash conversion rate	158.3%	N/A	101.4%	56.8pp	N/A

\*Constant currencies measured using average exchange rates for Q3 2020

- Revenue increased by 14.9% to DKK 798m in reported currencies and by 13.8% in constant currencies.
- Gross profit margin was 41.2% against 42.2% in Q3 2020.
- Adjusted EBITA margin was 25.1% against 28.1% in Q3 2020.
- Free cash flow remained strong and improved by 22% to DKK 182.9m.
- Cash conversion rate was 158.3% and normalised for tax payment conversion rate was 118.5%.
- Debt leverage to 12 months rolling adjusted EBITA was 0.7x.
- Strong free cash flow was used to reduce bank debt with DKK 150m.

# Performance highlights 9 months

## Financial overview

DKK million	YTD 2021 (reported)	YTD 2021 (constant)*	YTD 2020	% change (reported)	% change (constant)*	Total 2020
Revenue	2,479.8	2,465.1	2,065.8	20.0%	19.3%	2,838.6
Gross profit	947.4	940.8	827.6	14.5%	13.7%	1,155.2
Adjusted EBITDA	642.5	637.2	569.2	12.9%	11.9%	809.4
<i>Adjusted EBITDA margin</i>	25.9%	25.9%	27.6%	-1.6pp	-1.7pp	28.5%
Adjusted EBITA	582.9	577.7	520.9	11.9%	10.9%	744.4
<i>Adjusted EBITA margin</i>	23.5%	23.4%	25.2%	-1.7pp	-1.8pp	26.2%
EBITA	552.9	547.7	520.9	6.1%	5.2%	744.4
<i>EBITA margin</i>	22.3%	22.2%	25.2%	-2.9pp	-3.0pp	26.2%
Operating profit	525.7	520.6	445.0	18.1%	17.0%	644.9
<i>Operating profit margin</i>	21.2%	21.1%	21.5%	-0.3pp	-0.4pp	22.7%
Net profit / loss	420.5	415.5	316.9	32.7%	31.1%	321.9
Free cash flow	273.3	N/A	348.1	-21.5%	N/A	557.0
Cash conversion rate	61.9%	N/A	92.6%	-30.7pp	N/A	139.4%

\*Constant currencies measured using average exchange rates for 2020

- Revenue increased by 20% to DKK 2,479.8m in reported currencies and by 19.3% in constant currencies.
- Gross profit margin was 38.2% against 40.1% for the same period in 2020.
- Adjusted EBITA yielded a margin of 23.5% against 25.2% for the same period in 2020.
- Free cash flow was negatively impacted by a one-off payment to the Danish Vacation Fund of DKK 96.9m.
- Fair value adjustment of the investment in the Netherlands reflects a decrease of the total purchase price and impacted net profit positively by DKK 49.5m in Q1 2021.
- Free cash flow was DKK 273.3m for the first nine months of 2021 compared to DKK 348.1m for the first nine months of 2020. Adjusted for the payment to the Danish Vacation Fund free cash flow was DKK 370.3m
- Normalised cash conversion rate was 59.2%. Adjusted for the payment to the Danish Vacation Fund, the fair value adjustment to the contingent purchase price and on account income tax payments cash conversion rate was 91.4%

# Conference call details

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In connection with the publication of the results for Q3 2021, Netcompany will host a conference call on 4 November 2021 at 11.00 CEST.

The conference call will be held in English and can be followed live via the company's website; [www.netcompany.com](http://www.netcompany.com)

## Dial-in details for investors and analysts

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## Confirmation code

56435484

## Webcast Player URL

<https://streams.eventcdn.net/netcompany/2021q3>

## Additional information

### André Rogaczewski, CEO

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### Thomas Johansen, CFO

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# Financial highlights and key figures

DKK million	Q3 2021	Q3 2020	% change Q3	YTD 2021	YTD 2020	% change YTD
<b>Income statement</b>						
Revenue						
Public	461.6	436.3	5.8%	1,451.9	1,311.8	10.7%
Private	336.4	258.4	30.2%	1,028.0	754.0	36.3%
<i>Revenue by segments, total</i>	798.0	694.7	14.9%	2,479.8	2,065.8	20.0%
Development	488.4	380.1	28.5%	1,519.1	1,083.3	40.2%
Maintenance	309.6	314.6	-1.6%	960.7	982.6	-2.2%
<i>Revenue by types, total</i>	798.0	694.7	14.9%	2,479.8	2,065.8	20.0%
Organic	798.0	694.7	14.9%	2,479.8	2,039.7	21.6%
Acquisition	0.0	0.0	N/A	0.0	26.2	-100.0%
<i>Revenue by growth, total</i>	798.0	694.7	14.9%	2,479.8	2,065.8	20.0%
Special items	-30.0	0.0	N/A	-30.0	-0.0	N/A
Adjusted EBITDA	221.1	212.0	4.3%	642.5	569.2	12.9%
Adjusted EBITA	199.9	195.5	2.3%	582.9	520.9	11.9%
EBITA	169.9	195.5	-13.1%	552.9	520.9	6.1%
Operating profit (EBIT)	160.9	170.2	-5.5%	525.7	445.0	18.1%
Net financials	-6.2	-6.2	-1.5%	-19.5	-41.5	-53.0%
Net profit / loss	108.6	128.1	-15.2%	420.5	316.9	32.7%
<b>Financial position</b>						
Capex	-7.1	-5.3	35.3%	-30.3	-20.2	50.4%
Total assets	4,127.7	3,875.9	6.5%	4,127.7	3,875.9	6.5%
Equity	2,781.8	2,413.8	15.2%	2,781.8	2,413.8	15.2%
Dividends Paid	0.0	0.0	N/A	-49.1	0.0	N/A
Net increase in cash and cash equivalents	16.3	-62.7	-126.0%	-167.9	113.1	-248.4%
Free cash flow	182.9	149.9	22.0%	273.3	348.1	-21.5%
Free cash flow (tax normalised)	136.9	115.0	19.1%	261.5	326.8	-20.0%

**CONTINUED FINANCIAL HIGHLIGHTS AND KEY FIGURES**

DKK million	Q3 2021	Q3 2020	% change Q3	YTD 2021	YTD 2020	% change YTD
<b>Earnings per share</b>						
Earnings per share (DKK)	2.21	2.61	-15.1%	8.57	6.45	32.8%
Diluted earnings per share (DKK)	2.19	2.60	-15.7%	8.47	6.43	31.7%
<b>Employees</b>						
Average number of full-time employees	3,385	2,827	19.8%	3,244	2,691	20.5%
<b>Financial ratios</b>						
Revenue growth	14.9%	17.3%	-2.5pp	20.0%	15.9%	4.2pp
Gross profit margin	41.2%	42.2%	-1.1pp	38.2%	40.1%	-1.9pp
Adjusted EBITDA margin	27.7%	30.5%	-2.8pp	25.9%	27.6%	-1.6pp
Adjusted EBITA margin	25.1%	28.1%	-3.1pp	23.5%	25.2%	-1.7pp
EBITA margin	21.3%	28.1%	-6.8pp	22.3%	25.2%	-2.9pp
Operating profit margin	20.2%	24.5%	-4.3pp	21.2%	21.5%	-0.3pp
Effective tax rate	27.2%	21.9%	5.3pp	22.0%	21.5%	0.5pp
Return on equity	4.2%	5.9%	-1.7pp	16.2%	14.5%	1.7pp
Solvency ratio	67.4%	62.3%	5.1pp	67.4%	62.3%	5.1pp
ROIC	3.6%	4.4%	-0.8pp	13.8%	10.9%	2.9pp
ROIC (Adjusted for Goodwill)	13.8%	19.8%	-6.0pp	53.5%	49.1%	4.4pp
Cash conversion rate	158.3%	101.4%	56.8pp	61.9%	92.6%	-30.7pp
Cash conversion rate (tax normalised)	118.5%	77.8%	40.7pp	59.2%	86.9%	-27.7pp



# Performance overview Q3

DKK million	Q3 2021 (reported)	Q3 2021 (constant)*	Q3 2020	% change (reported)	% change (constant)*
Revenue	798.0	790.7	694.7	14.9%	13.8%
Cost of services	-469.6	-464.9	-401.4	17.0%	15.8%
<b>Gross profit</b>	<b>328.4</b>	<b>325.8</b>	<b>293.3</b>	<b>12.0%</b>	<b>11.1%</b>
<i>Gross profit margin</i>	41.2%	41.2%	42.2%	-1.1pp	-1.0pp
Sales and marketing costs	-5.7	-5.6	-4.3	32.5%	31.4%
Administrative costs	-122.8	-121.7	-93.6	31.3%	30.1%
<b>Adjusted EBITA</b>	<b>199.9</b>	<b>198.4</b>	<b>195.5</b>	<b>2.3%</b>	<b>1.5%</b>
<i>Adjusted EBITA margin</i>	25.1%	25.1%	28.1%	-3.1pp	-3.0pp
Special items	-30.0	-30.0	0.0	N/A	N/A
<b>EBITA</b>	<b>169.9</b>	<b>168.4</b>	<b>195.5</b>	<b>-13.1%</b>	<b>-13.9%</b>
<i>EBITA margin</i>	21.3%	21.3%	28.1%	-6.8pp	-6.8pp
Amortisation	-9.0	-9.0	-25.3	-64.4%	-64.4%
<b>Operating profit (EBIT)</b>	<b>160.9</b>	<b>159.4</b>	<b>170.2</b>	<b>-5.5%</b>	<b>-6.3%</b>
<i>Operating profit margin</i>	20.2%	20.2%	24.5%	-4.3pp	-4.3pp
Net financials	-6.2	-6.1	-6.2	-1.5%	-1.7%
Income / loss from investment in joint venture	-5.6	-5.6	0.0	N/A	N/A
<b>Profit / loss before tax</b>	<b>149.2</b>	<b>147.7</b>	<b>163.9</b>	<b>-9.0%</b>	<b>-9.9%</b>
Tax	-40.6	-40.5	-35.9	13.2%	13.0%
<i>Effective tax rate</i>	27.2%	27.5%	21.9%	5.3pp	5.6pp
<b>Net profit / loss</b>	<b>108.6</b>	<b>107.1</b>	<b>128.1</b>	<b>-15.2%</b>	<b>-16.4%</b>

\*Constant currencies measured using average exchange rates for Q3 2020

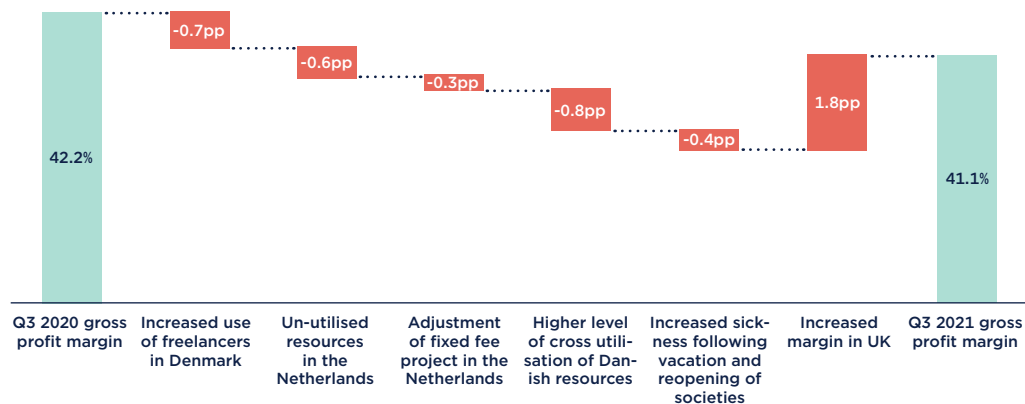
Reported revenue grew 14.9% (constant 13.8%) in Q3 2021 to DKK 798m, of which all was organic. Growth was driven by all units except the Netherlands.

Client facing FTEs grew by 19.8% as a consequence of continued strong underlying client activity in all business units apart from the Netherlands – as also seen in Q2 2021. Utilisation remained at a satisfying high level during the quarter.

In line with expectations, deferred vacation from the first half of 2021 was to a large extent held during Q3 2021, which offset the revenue growth by around 2%. In addition, gradual reopening of the countries, in which Netcompany operates, continued to increase the number of face-to-face employee activities, which led to increased administrative costs, as expected.

Gross profit margin was 41.2% in Q3 2021, which was slightly lower than the same period last year where gross profit margin was 42.2%. As in Q2 2021, the amount of

**CONTINUED PERFORMANCE OVERVIEW Q3**



freelancers used in Denmark and the cross utilisation of Danish resources on international projects, both impacted margins negatively, however, at a lower rate than in Q2. The delay of decisions on a number of large tenders in the Netherlands and an adjustment to one fixed fee project impacted the margin negatively too. However, the strong performance in the UK operation somewhat offset these negative margin impacts.

Sales and marketing costs increased by 32.5% from DKK 4.3m in Q3 2020 to DKK 5.7m in Q3 2021 as a result of increased

marketing activities especially outside of Denmark.

Administrative costs increased by 31.3% as a natural consequence of the gradual reopening of the countries where Netcompany operates, which was fully in line with our expectations. Additionally, the relocation to the new office in Oslo increased administration costs further compared to the same quarter last year. In addition, a higher than normal recruitment of “partner level” resources increased recruitment costs.

Adjusted EBITA increased by DKK 4.4m equal to 2.3% in Q3 2021. From Q2 2021 to Q3 2021, adjusted EBITA margin increased by 4.9 percentage points compared to an increase of 4.2 percentage points for the same sequential period last year.

Special items of DKK 30m related to the acquisition of Intrasoft International S.A. and covered accrued estimated costs for due diligence work performed, and additional work related to the preparation of the purchase price allocation and audit hereof as well as other costs related to the transaction.

from investment in joint venture related to the internally calculated profit on the revenue generated under the development phase in the JV “Smarter Airports” and was in line with previous quarters.

Net profit for the period was lower than the same period last year, negatively impacted by special items of DKK 30m, which explains the higher tax rate as special items are non-tax deductible. Net profit margin was 13.6%. Normalised net profit margin was 18.2% compared to 18.4% for the same period in 2020.

**Adjusted EBITA margin was**

**25.1%**

Amortisation of DKK 9m was in line with the level of amortisation in Q2 2021.

Net financial costs of DKK 6.2m was in line with the same period last year. The loss

# Performance overview 9 months

DKK million	YTD 2021 (reported)	YTD 2021 (constant)*	YTD 2020	% change (reported)	% change (constant)*	Total 2020
Revenue	2,479.8	2,465.1	2,065.8	20.0%	19.3%	2,838.6
Cost of services	-1,532.4	-1,524.3	-1,238.3	23.8%	23.1%	-1,683.4
<b>Gross profit</b>	<b>947.4</b>	<b>940.8</b>	<b>827.6</b>	<b>14.5%</b>	<b>13.7%</b>	<b>1,155.2</b>
<i>Gross profit margin</i>	<i>38.2%</i>	<i>38.2%</i>	<i>40.1%</i>	<i>-1.9pp</i>	<i>-1.9pp</i>	<i>40.7%</i>
Sales and marketing costs	-17.9	-17.8	-12.5	43.2%	42.5%	-171
Administrative costs	-346.6	-345.2	-294.2	17.8%	17.4%	-393.7
<b>Adjusted EBITA</b>	<b>582.9</b>	<b>577.7</b>	<b>520.9</b>	<b>11.9%</b>	<b>10.9%</b>	<b>744.4</b>
<i>Adjusted EBITA margin</i>	<i>23.5%</i>	<i>23.4%</i>	<i>25.2%</i>	<i>-1.7pp</i>	<i>-1.8pp</i>	<i>26.2%</i>
Special items	-30.0	-30.0	-0.0	N/A	N/A	-0.0
<b>EBITA</b>	<b>552.9</b>	<b>547.7</b>	<b>520.9</b>	<b>6.1%</b>	<b>5.2%</b>	<b>744.4</b>
<i>EBITA margin</i>	<i>22.3%</i>	<i>22.2%</i>	<i>25.2%</i>	<i>-2.9pp</i>	<i>-3.0pp</i>	<i>26.2%</i>
Amortisation	-27.2	-27.2	-75.9	-64.2%	-64.2%	-99.4
<b>Operating profit (EBIT)</b>	<b>525.7</b>	<b>520.6</b>	<b>445.0</b>	<b>18.1%</b>	<b>17.0%</b>	<b>644.9</b>
<i>Operating profit margin</i>	<i>21.2%</i>	<i>21.1%</i>	<i>21.5%</i>	<i>-0.3pp</i>	<i>-0.4pp</i>	<i>22.7%</i>
Net financials	-19.5	-19.5	-41.5	-53.0%	-53.1%	-47.0
Fair value adjustment of contingent consideration	49.5	49.5	0.0	N/A	N/A	-141.3
Income / loss from investment in joint venture	-16.8	-16.8	0.0	N/A	N/A	-5.0
<b>Profit / loss before tax</b>	<b>538.9</b>	<b>533.7</b>	<b>403.4</b>	<b>33.6%</b>	<b>32.3%</b>	<b>451.7</b>
Tax	-118.4	-118.2	-86.5	36.8%	36.6%	-129.8
<i>Effective tax rate</i>	<i>22.0%</i>	<i>22.1%</i>	<i>21.5%</i>	<i>0.5pp</i>	<i>0.7pp</i>	<i>28.7%</i>
<b>Net profit / loss</b>	<b>420.5</b>	<b>415.5</b>	<b>316.9</b>	<b>32.7%</b>	<b>31.1%</b>	<b>321.9</b>

\*Constant currencies measured using average exchange rates for 2020

Reported revenue grew by 20.0% (constant 19.3%) to DKK 2,479.8m in the first nine months of 2021, which was all organic. Revenue was driven by high activity level throughout the Group apart from the Netherlands where the delay of forming a new government delayed the decision making on new large IT projects, impacting Netcompany Netherlands negatively.

Gross profit margin was 38.2%, which was slightly lower than the same period last year driven by higher usage of Danish resources on international projects, higher usage of freelancers in Denmark and a combination of underutilisation of resources in the Netherlands and an adjustment to a specific fixed fee project in the Netherlands too. Sales and marketing and administrative costs increased by 43.2% and 17.8%, respectively, as a result of increased awareness campaigns outside of Denmark and more face-to-face activities following the gradual reopening of societies after easing of COVID-19 related restrictions.

Adjusted EBITA margin was 23.5% and special items of DKK 30m was accrued related to the acquisition of Intrasoft International S.A.

# Business Segments Q3

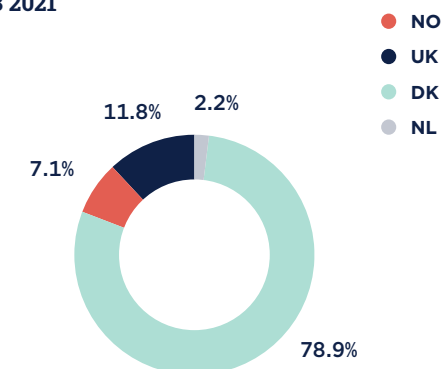
## Segment information related to operating entities

DKK million Constant (2020 rate)	Q3 2021				
	Group	Denmark	Norway	UK	Netherlands
Revenue from external customers	790.7	623.7	56.3	93.3	17.3
<b>Gross profit</b>	<b>325.8</b>	<b>286.1</b>	<b>12.6</b>	<b>27.0</b>	<b>1.1</b>
<i>Gross profit margin</i>	41.2%	45.9%	22.3%	29.0%	6.3%
Local admin costs	-116.8	-81.5	-10.8	-16.1	-9.4
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>208.9</b>	<b>204.5</b>	<b>1.7</b>	<b>10.9</b>	<b>-8.3</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	26.4%	32.8%	3.1%	11.7%	-47.9%
Allocated costs from HQ	-10.5	-7.8	-0.9	-1.4	-0.4
Special Items, allocated	-30.0	-22.5	-2.8	-3.6	-1.1
<b>EBITA</b>	<b>168.4</b>	<b>174.3</b>	<b>-1.9</b>	<b>5.9</b>	<b>-9.9</b>
Client facing FTEs	3,171	2,358	277	395	140

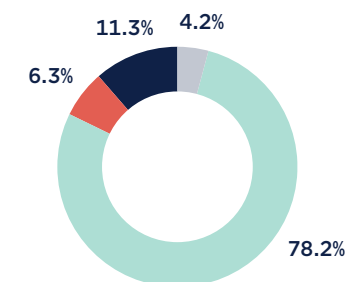
\*Constant currencies measured using average exchange rates for Q3 2020

DKK million Reported	Q3 2020				
	Group	Denmark	Norway	UK	Netherlands
Revenue from external customers	694.7	543.1	44.0	78.7	29.0
<b>Gross profit</b>	<b>293.3</b>	<b>264.7</b>	<b>8.9</b>	<b>9.1</b>	<b>10.6</b>
<i>Gross profit margin</i>	42.2%	48.7%	20.3%	11.6%	36.4%
Local admin costs	-88.1	-65.3	-6.1	-12.2	-4.5
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>205.3</b>	<b>199.5</b>	<b>2.8</b>	<b>-3.1</b>	<b>6.1</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	29.5%	36.7%	6.4%	-3.9%	20.9%
Allocated costs from HQ	-9.8	-7.0	-0.6	-1.6	-0.6
Special Items, allocated	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>195.5</b>	<b>192.5</b>	<b>2.2</b>	<b>-4.7</b>	<b>5.5</b>
Client facing FTEs	2,644	1,886	243	382	133

Revenue, %  
Q3 2021



Revenue, %  
Q3 2020



## CONTINUED BUSINESS SEGMENTS Q3

Group revenue increased 13.8% in constant currencies in Q3 2021 to DKK 790.7m. The growth was driven by Norway, UK and Denmark, which grew 28%, 18.6% and 14.9%, respectively, whereas revenue in the Netherlands declined by 40.2%.

Revenue growth in Denmark was mainly driven by the private segment that grew 27.6%, whereas the public segment grew 7.3%. The strong growth in the private segment and lower growth in the public segment followed the pattern seen in the previous quarters and was a result of the continued focus on the private segment, based on the projects currently coming to the market in that segment.

The lower growth in the public segment should not be seen as the end of digitalisation in the public segment, however, more as a temporary slowdown in tenders coming to market, which is expected to pick up again towards 2022.

Revenue growth was somewhat offset by vacation, which included deferred vacation from the first half of 2021 now being taken. In addition – and in line

with performance in Q2 – a number of Danish resources are still engaged on projects in Norway, UK and the Netherlands and hence generating revenue in those units rather than in the Danish operating unit.

### Revenue in Norway grew by



In Norway, revenue growth of 28% was driven by a strong growth of 46.3% in the public segment and 6.6% growth in the private segment, however, this was for both segments to a certain extent based on soft comparable figures from Q3 last year. Nevertheless, public segment activities remain high in Norway, still fuelled by the major wins towards the end of 2020. Tender activity in the public segment remains high and the recent establishment of a second office in Norway in Trondheim was a result of increased focus on public digitalisation.

The growth in the private segment was related to a couple of larger existing customers expanding their engagement. As seen in the private segment in Denmark, future activity level in the private segment in Norway is increasing too.

Revenue growth in the UK of 18.6% was solely driven by growth in the private segment, which grew 47.5% whereas revenue in the public segment was on level with the same period last year.

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 in Q3 2021.

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

Contrary to the other markets, the Netherlands realised a decline of 40.2% in revenue in Q3 2021, which was below expectations. In Q3 2021, more than 96%

of revenue in the Netherlands was within the public segment, which is not expected to change in the near-term. The development in the Netherlands was caused by a combination of delay in decisions on new projects following the general election in February this year, and an adjustment to a fixed fee project in the Netherlands impacting Q3 with the accumulated effect for Q2 and Q3 2021. Adjusted for these two factors revenue would have been on the same level in the Netherlands in Q3 compared with Q3 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 remain solid and is expected to be sufficient to support sustainable growth going forward.

Gross profit margin for the Group decreased by 1 percentage point to 41.2% in constant currencies. The decrease was driven by some of the same effects as seen in the previous quarter related to increased usage of freelancers and higher cross utilisation of Danish resources. In ad-

**CONTINUED BUSINESS SEGMENTS Q3**

dition, the performance in the Netherlands impacted gross profit margin negatively by around 1 percentage point, whereas the performance in the UK impacted margin positively.

In Denmark, gross profit margin declined by 2.9 percentage points to 45.9% compared to a drop in gross profit margin of 5.7 percentage points to 38.7% in Q2 2021. The relatively smaller margin impact in Denmark in Q3 2021 was caused by a relatively lower amount of freelancers being utilised and a lower absolute amount of Danish resources cross utilised than in Q2, thereby generating revenue on higher margin projects in Denmark rather than working on international projects, which would have had a dilutive impact on Group margin.

In addition, more illness was observed in Q3 2021 following the vaccination of our employees and a general higher level of “influenza like” sickness as a natural consequence of societies being fully open in Denmark.

Gross profit margin in Norway increased

by 2 percentage points based on better utilisation than in the same period last year. If it had not been for the usage of Danish resources on Norwegian projects, margins would have improved further. Margins on a few projects in the private segment were in Q3 particular negatively impacted by this fact. However, in long term the usage of Danish resources in the other units will improve the delivery quality, the tender writing and increase the ability to continue to hire more resources locally.

In the UK, gross profit margin increased by 17.4 percentage points mainly as a result of significantly increased utilisation across projects, illustrated by the fact that client facing FTEs only grew by 3.6% compared to an 18.6% increase in revenue.

This improvement in particular in the public segment stood out leading to an improvement in margin from 8.8% in Q3 2020 to 32.7% in Q3 2021. In the private segment gross margin improved from 14.9% to 26.1%.

In addition, the proportion of Danish re-

sources allocated to UK projects declined somewhat, mainly as the COVID-app solution to the NHS was delivered.

Gross profit margin in the Netherlands was below expectations at 6.3% compared to 36.4% for the same period last year. Two reasons led to the lower margin in Q3. The main reason related to the delay in awarding public projects and deciding on ongoing tender activities, which caused a high proportion of resources being unutilised impacting gross profit negatively. In addition, the adjustment to one fixed fee project also reduced gross profit margin. Together the two reasons reduced gross profit by around DKK 10m.

Adjusted EBITA for the Group was 26.4% compared to 29.5% in the same period last year. The lower adjusted EBITA margin followed the trend from Q2 2021 and was based on the same reasons – continued reopening of societies leading to increased employee related spending. In addition, office relocation in Oslo in Norway and additional costs for recruitment of partners and other senior resources in all units impacted margins negatively.

In Denmark, adjusted EBITA margin was 32.8% compared to 36.7% in Q3 2020. In addition to the gross profit margin impact, increased costs for employee face-to-face activities, increased marketing spend, and higher usage of external recruiters reduced the adjusted EBITA margin in Q3.

The adjusted EBITA margin in Norway decreased to 3.1% compared to 6.4% in the same period last year mainly driven by costs for the new office in Oslo.

In the UK, adjusted EBITA margin increased from negative 3.9% in Q3 2020 to positive 11.7% in Q3 2021 as a result of improved gross profit. Additional costs related to employee activities impacted administrative costs negatively – as expected.

The adjusted EBITA margin in the Netherlands was negative 47.9% driven by effects to gross profit margin. The performance was below expectations and appropriate actions have been taken to ensure that future performance will improve and to ensure that the vast opportunity that does exist in the Dutch market will be realised.

# Business Segments 9 months

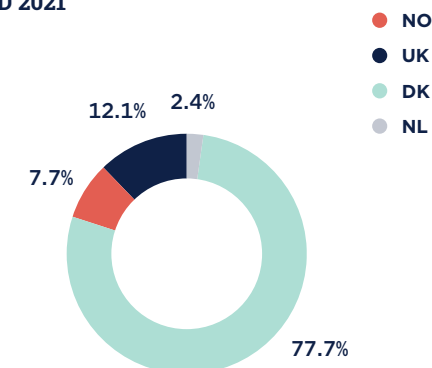
## Segment information related to operating entities

DKK million Constant (2020 rate)	YTD 2021				
	Group	Denmark	Norway	UK	Netherlands
Revenue from external customers	2,465.1	1,916.5	190.9	298.1	59.5
<b>Gross profit</b>	<b>940.8</b>	<b>813.2</b>	<b>48.5</b>	<b>71.6</b>	<b>7.5</b>
<i>Gross profit margin</i>	38.2%	42.4%	25.4%	24.0%	12.6%
Local admin costs	-335.3	-240.4	-29.3	-45.5	-20.1
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>605.4</b>	<b>572.7</b>	<b>19.2</b>	<b>26.1</b>	<b>-12.5</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	24.6%	29.9%	10.0%	8.8%	-21.1%
Allocated costs from HQ	-27.7	-20.3	-2.4	-3.9	-1.1
Special Items, allocated	-30.0	-22.5	-2.8	-3.6	-1.1
<b>EBITA</b>	<b>547.7</b>	<b>529.9</b>	<b>14.0</b>	<b>18.6</b>	<b>-14.8</b>
Client facing FTEs	3,046	2,245	261	402	139

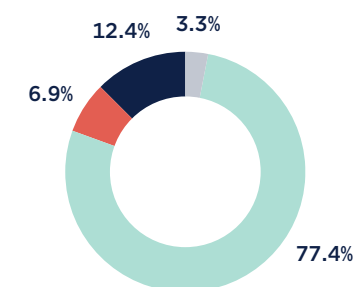
\*Constant currencies measured using average exchange rates for 2020

DKK million Reported	YTD 2020				
	Group	Denmark	Norway	UK	Netherlands
Revenue from external customers	2,065.8	1,599.3	141.7	257.1	67.8
<b>Gross profit</b>	<b>827.6</b>	<b>729.8</b>	<b>29.3</b>	<b>44.7</b>	<b>23.7</b>
<i>Gross profit margin</i>	40.1%	45.6%	20.7%	17.4%	35.0%
Local admin costs	-274.2	-204.2	-19.0	-36.8	-14.2
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>553.3</b>	<b>525.6</b>	<b>10.3</b>	<b>7.9</b>	<b>9.5</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	26.8%	32.9%	7.3%	3.1%	14.0%
Allocated costs from HQ	-32.4	-22.1	-4.0	-4.9	-1.4
Special Items, allocated	-0.0	-0.0	-0.0	-0.0	-0.0
<b>EBITA</b>	<b>520.9</b>	<b>503.5</b>	<b>6.3</b>	<b>3.0</b>	<b>8.1</b>
Client facing FTEs	2,512	1,794	230	378	109

Revenue, %  
YTD 2021



Revenue, %  
YTD 2020



**CONTINUED BUSINESS SEGMENTS 9 MONTHS**

Group revenue increased 19.3% in constant currencies in the first nine months of 2021 to DKK 2,465.1m of which all was organic. Revenue growth was primarily driven by the Norwegian and Danish operations that grew 34.8% and 19.8%, respectively. The UK operation grew 15.9%, whereas revenue declined by 12.2% in the Dutch operation.



Where revenue growth in the first six months was positively impacted by deferral of vacation among a large proportion of Netcompany employees, the opposite was the case in the recent third quarter, which brought revenue growth down as more of the deferred vacation was taken. In addition, the performance in the Netherlands, which was below expectations, also impacted revenue growth negatively for the first nine months of 2021. Adjusted for the negative impact from adjustments

to a fixed fee project and the delay of large public tenders, revenue growth in the Netherlands would have been around 10% for the recent nine months rather than the decline of 12.2% as reported.



Gross profit margin for the Group was 1.9 percentage points lower for the first nine months of 2021 compared to the same period last year. Gross profit margin were lower in Denmark due to a higher level of freelancers and higher level of business development, while gross profit margins increased in both Norway and UK. In the Netherlands, gross profit margins were significantly reduced as a consequence of delay in tender activities and adjustments to a fixed fee project.

Adjusted EBITA margin for the Group was 24.6% for the first nine month compared

**Adjusted EBITA before allocated costs from HQ was**



to 26.8% for the same period last year. The main reasons for the slightly lower adjusted EBITA margin was – apart from the lower gross profit margin – increased employee related costs as more face-to-face activities were held, increased marketing costs and increased cost related to a new office in Oslo.



# Currency exposures

Netcompany is exposed to exchange rate risk in the countries where Netcompany has its sales activities outside Denmark, which means Norway, UK and the Netherlands and to a lesser extent, exchange rate risk in Poland and Vietnam, which are used as sourcing centres and therefore do not have an exchange rate risk related to sales activities, but only net costs exposures. As most of Netcompany's sales are in DKK, it implies limited foreign exchange risk due to the ultimate parent company's functional and reporting currency being in DKK.

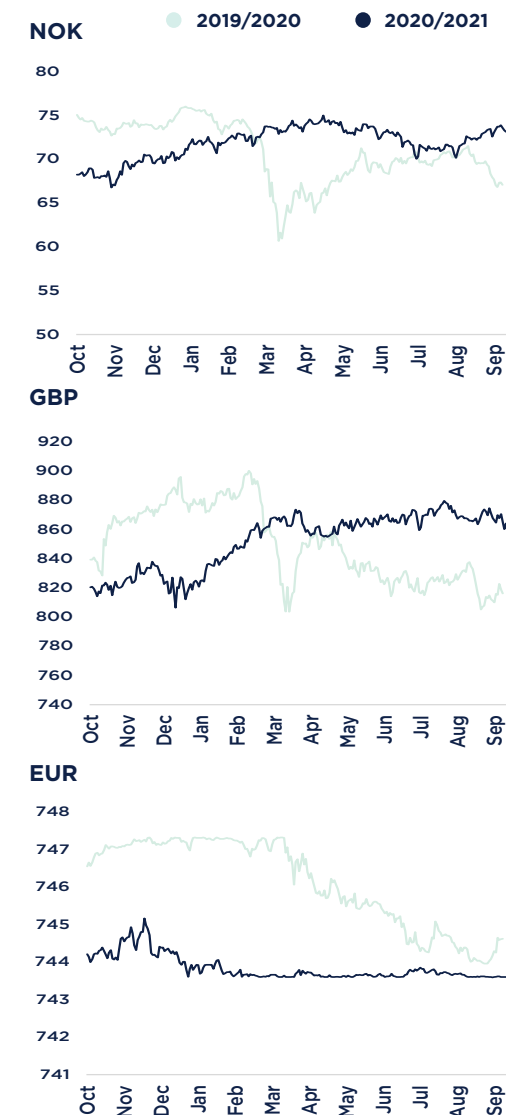
Netcompany's policy is to hedge any exchange risk net exposure, that would yield a +2/-2 percentage points EBIT margin impact from a 10%/-10% change in that given currency. The graphs illustrate the development in the currency exchange rates used for Netcompany's main currencies.

Local currency million	Q3 2021					
	DKK	NOK	GBP	EUR	VND	PLN
Revenue	623.7	80.8	11.3	2.3	0.0	0.0
EBIT	151.0	-2.8	0.7	-1.0	3,087.5	2.9
Net result	101.3	-2.5	0.6	-1.1	2,436.0	2.1

Local currency million	Q3 2020					
	DKK	NOK	GBP	EUR	VND	PLN
Revenue	543.1	63.1	9.6	3.9	0.0	0.0
EBIT	170.9	4.8	-1.0	0.6	2,569.1	2.1
Net result	128.6	3.6	-0.8	0.5	1,901.3	1.5

Local currency million	YTD 2021					
	DKK	NOK	GBP	EUR	VND	PLN
Revenue	1,916.5	273.9	35.4	8.0	0.0	0.0
EBIT	490.7	12.3	1.1	-1.7	9,849.2	8.2
Net result	393.9	9.3	0.9	-1.6	8,060.3	6.1

Local currency million	YTD 2020					
	DKK	NOK	GBP	EUR	VND	PLN
Revenue	1,599.3	202.8	30.4	9.1	0.0	0.0
EBIT	431.2	16.6	-1.2	0.8	7,510.4	5.5
Net result	307.5	12.7	-1.0	0.5	5,262.7	3.9



# Revenue visibility

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

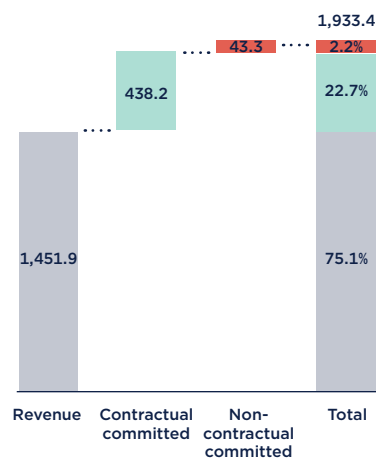
By the beginning of October 2021, revenue visibility for 2021 amounted to DKK 3,273.8m. Of this, contractual committed revenue amounted to DKK 718.9m and non-contractual committed engagements amounted to DKK 75.1m, while realised revenue in the first nine months of 2021 amounted to DKK 2,479.8m.

Compared to the first nine months of 2020, revenue visibility improved 20.4% from DKK 2,719.9m to DKK 3,273.8m for 2021.

Revenue visibility in the public segment amounted to DKK 1,933.4m, of which contractual committed revenue amounted to

DKK million

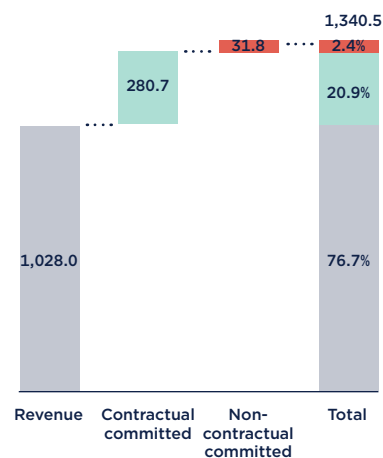
## Public segment



DKK 438.2m and non-contractual committed engagements amounted to DKK 43.3m, while realised revenue in the first nine months of 2021 amounted to DKK 1,451.9m.

Revenue visibility in the private segment amounted to DKK 1,340.5m, of which con-

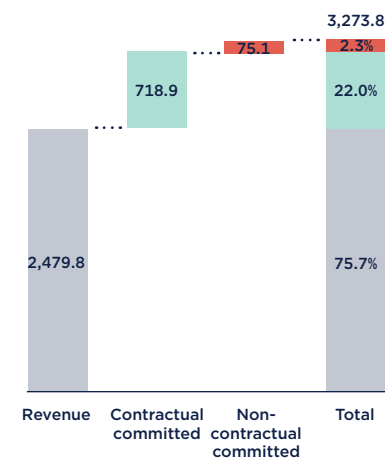
## Private segment



tractual committed revenue amounted to DKK 280.7m and non-contractual committed engagements amounted to DKK 31.8m, while realised revenue in the first nine months of 2021 amounted to 1,028m.

Revenue visibility does not include the value of the order backlog for Intrasoft.

## Total segment



# Employees

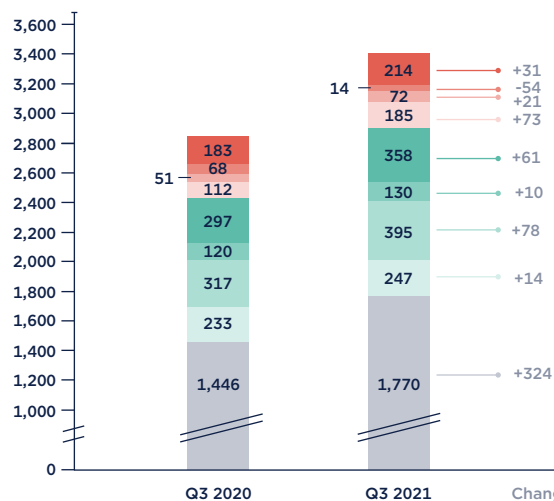
Netcompany employed an average of 3,385 FTEs in Q3 2021, which was an increase of 558 FTEs compared to Q3 2020 (2,827 FTEs).

The number of client facing employees for the Group increased by 527 from 2,644 in Q3 2020 to 3,171 in Q3 2021, while the level of non-client facing employees was 6.3% in Q3 2021 compared to 6.5% in Q3 2020.

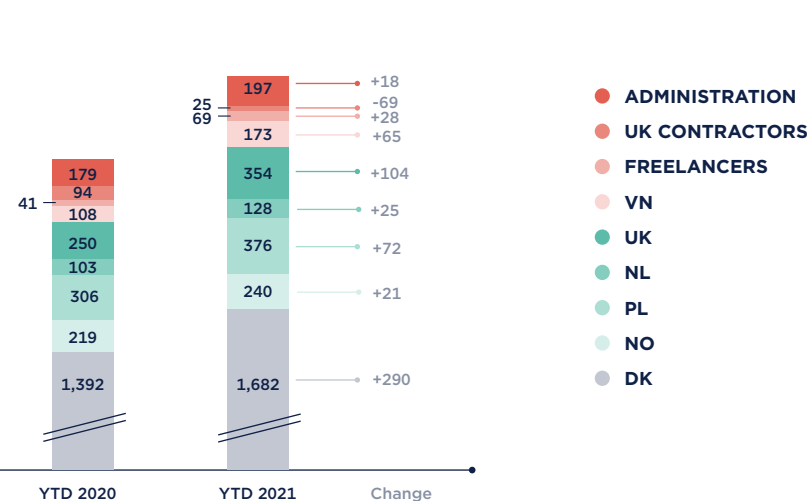
The transition away from independent contractors towards own employees in the UK continued in Q3 2021. As of September 2021, the independent contractors in the UK operation were 16, which is 4% of the client facing FTE (18% in Q3 2020). For all practical matters, the transition of independent contractors towards own employees in the UK is considered completed.

The attrition rate for the last twelve months was 20.9%, which was an increase of 6.4 percentage points 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.

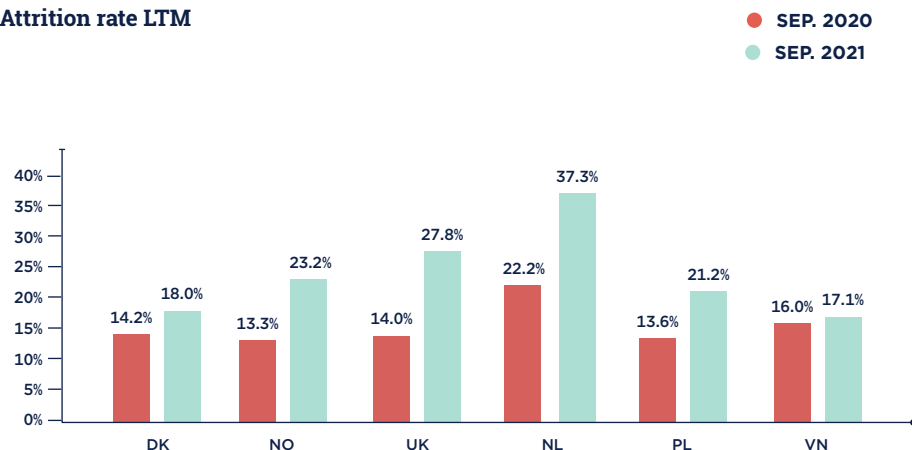
**Avg. FTEs increased to 3,385 during Q3 2021**



**Avg. FTEs increased to 3,244 during 2021**



**Attrition rate LTM**



# Capital and other financial positions

## Free cash flow and cash conversion rate<sup>1</sup>

The Group generated a free cash flow of DKK 182.9m in Q3 2021 compared to DKK 149.9m in Q3 2020. Adjusted for taxes paid on account, the Group generated a free cash flow of DKK 136.9m in Q3 2021 compared to DKK 115m in Q3 2020. The increase in free cash flow was driven by the development in working capital changes compared to the same period last year, but slightly offset by a decrease in operating profit. The decrease in operating profit was caused by special items of DKK 30m in regard to the acquisition of Intrasoft International S.A. However, this did not affect free cash flow in Q3 as special items were accrued, and thereby had the reverse affect on working capital.

The working capital improved from negative DKK 56m in Q3 2020 to negative DKK 6.1m in Q3 2021. The improved working capital changes were primarily driven by the accrued DKK 30m on special items, a lower increase in work in progress in Q3 2021 of DKK 30.5m compared to an increase of DKK 70.4m in Q3 2020 and a larger decrease in trade receivables of DKK 15.4m in Q3 2021 compared to

DKK 8.7m in Q3 2020. Work in progress increased DKK 30.5m from DKK 454.6m by the end of Q2 2021 to DKK 485.1m by the end of Q3 2021. Trade receivables decreased by DKK 15.4m from DKK 602.8m by the end of Q2 2021 to DKK 587.3m by the end of Q3 2021.

Cash conversion rate was 158.3% in Q3 2021 compared to 101.4% in Q3 2020. Adjusted for the taxes paid on account, cash conversion rate increased from 77.8% in Q3 2020 to 118.5% in Q3 2021.

In the first nine months of 2021, Netcompany generated free cash flow of DKK 273.3m compared to DKK 348.1m in the first nine months of 2020. Adjusting for the payment to the Danish Vacation Fund and taxes paid on account free cash flow was DKK 358.5m, which was an increase of 9.7%. The increase was driven by improved operating results, decrease in amortisation and slightly offset by the development in the working capital changes in the first nine months of 2021 compared to the first nine months of 2020.

Cash conversion rate was 61.9% in the first

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Total
Trade receivables, 30 Sep 2021	386.8	124.5	25.4	16.0	22.5	575.2
<i>Paid in the following month</i>	<i>182.7</i>	<i>92.2</i>	<i>8.3</i>	<i>5.6</i>	<i>1.1</i>	<i>289.9</i>
<i>% paid subsequently</i>	<i>47.2%</i>	<i>74.1%</i>	<i>32.6%</i>	<i>34.7%</i>	<i>4.9%</i>	<i>50.4%</i>

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Total
Trade receivables, 30 Sep 2020	347.6	93.2	7.6	2.8	14.6	465.9
<i>Paid in the following month</i>	<i>152.7</i>	<i>84.8</i>	<i>5.8</i>	<i>2.3</i>	<i>0.5</i>	<i>246.2</i>
<i>% paid subsequently</i>	<i>43.9%</i>	<i>91.0%</i>	<i>76.0%</i>	<i>82.4%</i>	<i>3.5%</i>	<i>52.8%</i>

nine months of 2021 compared to 92.6% in the first nine months of 2020. Adjusted for the payment to the Danish Vacation Fund, the fair value adjustment to the contingent purchase price of QDelft B.V. and on account income tax payments cash conversion rate was 91.4%.

## Trade receivables

On 30th September 2021, trade receivables amounted to DKK 575.2m, which was an increase of 25.3% compared to the same period last year. Days sales outstanding increased from 60 days in Q3 2020 to 66 days in Q3 2021.

The overdue part of trade receivables increased from 25.4% by the end of Q3 2020 to 33% by the end of Q3 2021.

Trade receivables paid in the following month amounted to DKK 289.9m, of which DKK 107.2m was overdue as of 30 September 2021.

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

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

**Work in progress**

At 30 September 2021, Netcompany's work in progress amounted to DKK 485.1m, represented by contract work in progress of DKK 534.5m and prepayments received from customers of DKK 49.4m.

Work in progress increased by 5.2% from DKK 461.3m in Q3 2020 to DKK 485.1m in Q3 2021. In the same period, revenue increased by 14.9% from DKK 694.7m in Q3 2020 to DKK 798m in Q3 2021, while revenue for the last twelve months increased

by 18.8% whereas work in progress increased by 5.2%.

The lower increase in work in progress compared to revenue growth reflects that a number of projects reached their respective payment milestones during Q3, which reduced the work in progress and increased the trade receivables. This is expected to have a positive effect on the cash flow in Q4, when collected from trade receivables.

**Funding and liquidity**

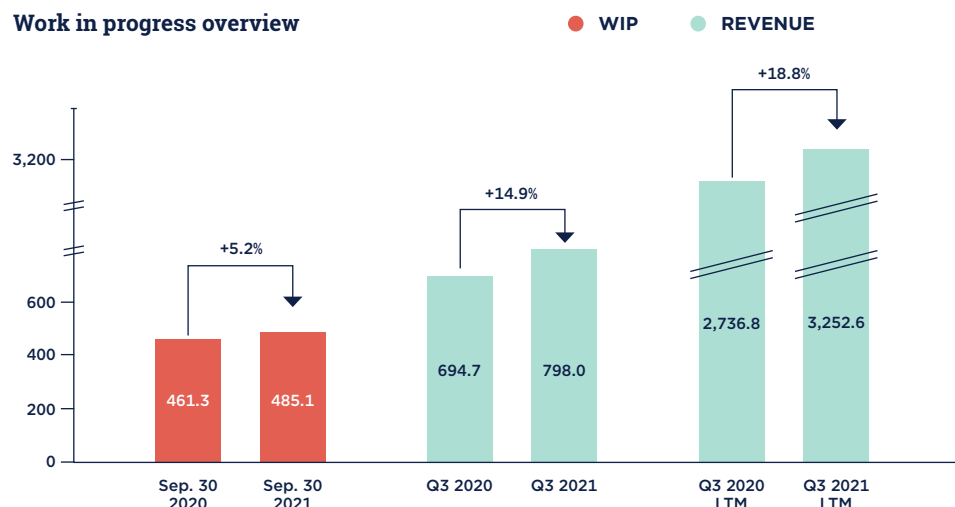
In Q3 2021, Netcompany entered into an additional bank agreement facilitating the acquisition of Intrasoftware International S.A. The financing agreement facilitates Netcompany with additional DKK 1,200m in available funding. The combined committed facilities constitutes a total amount of DKK 2,700m and an additional facility of DKK 400m, available only for new acquisitions. At 30 September 2021, DKK 580m of the committed lines were utilised on borrowings and DKK 199.9m on guarantees, leaving a total of DKK 2,320.1m available in unutilised funding of which DKK 720.1m can be utilised for normal operations if needed with no additional costs or covenants. A total of around DKK 1,250m is to be used for the cash part of the transaction.

between 0.5x to 1.0x as desirable. At end of Q3 2021, the debt ratio was 0.7x. As a consequence of the acquisition of Intrasoftware International S.A. the debt ratio increased to around 2.7x on 31 October 2021, which complied with covenants.

Based on current expectations for full year performance and cash flow, Netcompany initiates a share buyback programme of DKK 50m to be executed during the remaining part of 2021, which will bring the total cash redistribution to shareholders to DKK 150m in 2021.

DKK million

**Work in progress overview**



**Events after the balance sheet date**

After the balance sheet date, Netcompany entered an agreement with Intracom Technologies S.a. r.l. to acquire the outstanding share capital in Intrasoftware International S.A. at an enterprise value of EUR 235m on a debt-free basis. The acquisition was completed on 31 October 2021, hence Intrasoftware's closing balance and thereby also the initial accounting for the business combination is incomplete at the time of reporting Q3 2021.

**Risk management**

Please refer to the overview of risk factors provided by the Group in the Annual Report for 2020.

**Capital structure**

Netcompany considers a debt ratio

# Guidance 2021

## Financial metrics in constant currencies

	Updated Target 2021	Updated Target 30/6 2021	Original Target 2021	Actual performance 2020
Organic revenue growth	-18-20%	-18-20%	-15-20%	15.5%
Adjusted EBITDA margin from organic businesses	-25-27%	N/A	N/A	N/A
Adjusted EBITA margin from organic businesses	-23-25%	-23-25%	-23-25%	26.3%
Non-organic revenue growth	-9-10%	0	0	1.1%
Non-organic adjusted EBITDA margin	-7-8%	N/A	N/A	N/A
Total revenue growth	-27-30%	-18-20%	-15-20%	16.6%
Total adjusted EBITDA margin	-24-26%	N/A	N/A	N/A
Total adjusted EBITA margin	-21-23%	-23-25%	-23-25%	26.1%

Based on the performance in the first nine month of 2021 and the level of revenue visibility for the remaining part of the year, Netcompany maintains its expectation to organic revenue growth of between 18% and 20% for the full year (constant currencies) and its expectation to adjusted EBITA margin for the organic business of between 23% and 25% (constant currencies).

The guidance from the organic business is based on employees to continue to take vacation in the remaining part of 2021, which was deferred from the first half of

the year. In addition, the usage of freelancers in Denmark is expected to gradually normalise during Q4 2021. The level of cross utilisation of Danish resources on international projects is expected to be on the same relative level as during Q3 2021.

On 31 October 2021, Netcompany completed the acquisition of 100% of the shares of Intrasoft International S.A. and, hence the acquisition will impact the reported full year numbers with non-organic revenue growth and non-organic earnings for a period of two months.

Based on current forecast and backlog for the remaining part of 2021 for Intrasoft, it is expected that the acquisition will impact non-organic revenue growth with between 9% and 10%.

Historical, a key financial metric for the acquired business has been adjusted EBITDA margin and for the remaining part of 2021 it is expected that the acquisition will generate adjusted EBITDA margin of between 7% and 8%, while adjusted EBITA margin for the acquired business is expected to be between 5% and 6%.

The value of the order backlog for the acquired business is around DKK 6.700m as of 1 November 2021.

On a consolidated basis, total revenue growth is thus expected to be between 27% and 30% (constant currencies) and total adjusted EBITDA margin is expected to be between 24% and 26% (constant currencies). Adjusted EBITDA margin from the organic business is expected to be between 25% and 27% (constant currencies).

In Q3, an accrual of DKK 30m was included in special items related to the acquisition of Intrasoft International S.A. covering costs for due diligence work, market consulting and other relevant consulting work performed. A W&I insurance was also taken out on the transaction and the costs related hereto are included in special items. The final costs related to the transaction will be calculated and expensed during Q4 2021. It is not expected that more than DKK 5m of additional cost will incur during Q4 2021 related to the transaction.

**CONTINUED** GUIDANCE 2021

A number of risks to our initial guidance for 2021 was given in connection with our Annual Report for 2020. The majority of those risks still exists and could impact our performance for the remaining part of 2021. However, given that less than two months of the financial year remains the likelihood for those risks to occur and significantly impact our financial performance for the year is unlikely.

Detailed financial guidance for 2022 will be provided in connection with the Annual Report 2021 to be released on 25 January 2022.

# Shareholder information

## Capital

Netcompany's share capital is DKK 50.0m divided into 50m shares. During Q3 2021, 28,986 treasury shares were transferred to management, as the first long incentive programme (LTIP) vested. Netcompany holds 945,527 treasury shares equivalent to 1.9% of the share capital. The shares will be used to meet the Group's commitments under its LTIP.

## Share-based incentive schemes / restricted stock units

In total, 356,095 RSUs were issued at 30 September 2021, of which 87,134 were granted to Executive Management and 268,961 were granted to other Key Management Personnel and other employees. The fair value of the RSUs at grant was DKK 104m. The cost related hereto is expensed over the vesting period.

A total amount of DKK 7.5m was recognised as personnel costs in the income statement in Q3 2021 and DKK 25.4m in the first nine months of 2021. In Q3 2021, the first RSU programme was exercised, and 28,986 treasury shares recognised at DKK 4.5m on equity, were transferred

from reserves to management. Additional information on the holdings of Netcompany shares and restricted stock units by members of the Board of Directors and Executive Management Board is disclosed in the remuneration policy.

## 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.

## Financial Calendar

### 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 2022.



# Statement of the Board of Directors and Executive Management

Today, the Board of Directors and Executive Management considered and approved the interim consolidated financial statements for Netcompany Group A/S (“Netcompany” or “the company” and together with all its subsidiaries “the Group”) for the period 1 January 2021 to 30 September 2021. The Q3 2021 report has not been audited or reviewed by the company’s independent auditors.

The interim consolidated financial statements have been prepared in accordance with IAS 34 as adopted by the EU and additional Danish regulations for the presentation of interim reports by listed companies. Furthermore, the interim report has been prepared in accordance with the accounting policies set out in the Group’s Annual Report for 2020.

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

of the Group’s assets, liabilities and financial position as of 30 September 2021 and of the results of the Group’s operations and cash flows for the period 1 January 2021 to 30 September 2021.

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

COPENHAGEN, 4 NOVEMBER 2021

## Executive Management

**André Rogaczewski**  
CEO

**Claus Jørgensen**  
COO

**Thomas Johansen**  
CFO

## Board of Directors

**Bo Rygaard**  
Chairman of the Board

**Juha Christensen**  
Vice Chairman of the Board

**Scanes Bentley**

**Hege Skryseth**

**Åsa Riisberg**

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS



# Income statement and Statement of comprehensive income

DKK thousands	Note	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Total 2020
<b>Income statement</b>						
Revenue	1	798,034	694,733	2,479,840	2,065,841	2,838,590
Cost of services	2	-469,606	-401,405	-1,532,399	-1,238,285	-1,683,372
<b>Gross profit</b>		<b>328,428</b>	<b>293,328</b>	<b>947,441</b>	<b>827,556</b>	<b>1,155,218</b>
Sales and marketing costs		-5,684	-4,289	-17,912	-12,505	-17,104
Administrative costs	3	-122,833	-93,555	-346,633	-294,166	-393,741
Special items	4	-30,000	0	-30,000	-3	-3
<b>EBITA</b>		<b>169,911</b>	<b>195,484</b>	<b>552,896</b>	<b>520,882</b>	<b>744,371</b>
Amortisation		-9,002	-25,299	-27,157	-75,896	-99,426
<b>Operating profit (EBIT)</b>		<b>160,909</b>	<b>170,185</b>	<b>525,739</b>	<b>444,986</b>	<b>644,945</b>
Financial income	5	2,403	4,788	6,647	17,737	19,347
Financial expenses	5	-8,555	-11,031	-26,174	-59,286	-66,306
Fair value adjustment of contingent consideration		0	0	49,485	0	-141,268
Income / loss from investment in joint venture		-5,583	0	-16,802	0	-5,035
<b>Profit / loss before tax</b>		<b>149,174</b>	<b>163,942</b>	<b>538,895</b>	<b>403,436</b>	<b>451,683</b>
Tax on the profit for the period		-40,610	-35,861	-118,385	-86,548	-129,766
<b>Net profit / loss for the period</b>		<b>108,564</b>	<b>128,081</b>	<b>420,510</b>	<b>316,888</b>	<b>321,918</b>
<b>Earnings per share</b>						
Earnings per share (DKK)	6	2.21	2.61	8.57	6.45	6.56
Diluted Earnings per share (DKK)	6	2.19	2.60	8.47	6.43	6.53

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

DKK thousands	Note	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Total 2020
<b>Statement of comprehensive income</b>						
Net profit / loss for the period		108,564	128,081	420,510	316,888	321,918
<b>Other comprehensive income:</b>						
Foreign currency translation subsidiaries		-648	-1,421	6,386	7,535	10,250
<b>Other comprehensive income, net of tax</b>		<b>-648</b>	<b>-1,421</b>	<b>6,386</b>	<b>7,535</b>	<b>10,250</b>
<b>Total comprehensive income / loss</b>		<b>107,916</b>	<b>126,660</b>	<b>426,897</b>	<b>324,423</b>	<b>332,168</b>

# Statement of financial position

DKK thousands	Note	30 September 2021	30 September 2020	31 December 2020
<b>Assets</b>				
Intangible assets		2,423,977	2,474,664	2,451,134
Tangible assets		220,897	145,679	135,321
Deferred tax assets		12,513	9,373	8,842
Other receivables		22,575	17,000	18,482
Investment in joint venture		78,163	0	69,965
<b>Total non-current assets</b>		<b>2,758,125</b>	<b>2,646,716</b>	<b>2,683,745</b>
Trade receivables	7	575,238	459,136	458,774
Receivables from joint venture		12,038	0	8,260
Contract work in progress	8	534,479	490,156	476,603
Other receivables		52,655	43,243	53,045
<b>Total receivables</b>		<b>1,174,411</b>	<b>992,535</b>	<b>996,682</b>
Cash		195,117	236,688	358,996
<b>Total current assets</b>		<b>1,369,528</b>	<b>1,229,222</b>	<b>1,355,678</b>
<b>Total assets</b>		<b>4,127,653</b>	<b>3,875,938</b>	<b>4,039,423</b>

DKK thousands	Note	30 September 2021	30 September 2020	31 December 2020
<b>Equity and liabilities</b>				
Share capital		50,000	50,000	50,000
Treasury shares		-220,507	-175,000	-175,000
Share-based remuneration		63,387	35,433	42,478
Exchange differences on trans- lating foreign subsidiaries		2,593	-6,509	-3,793
Retained earnings		2,886,347	2,509,906	2,514,936
<b>Total equity</b>		<b>2,781,820</b>	<b>2,413,830</b>	<b>2,428,621</b>
Borrowings	9	576,810	760,077	760,556
Leasing		117,982	26,448	57,377
Other payables	10	122,819	0	173,207
Deferred tax liability		55,928	73,063	66,037
<b>Total non-current liabilities</b>		<b>873,539</b>	<b>859,589</b>	<b>1,057,177</b>
Leasing		51,210	74,520	35,392
Prebilled invoices	8	49,358	28,817	41,747
Trade payables		50,049	29,483	39,875
Other payables	10	266,296	424,595	393,944
Income tax payable		55,382	45,105	42,667
<b>Total current liabilities</b>		<b>472,294</b>	<b>602,520</b>	<b>553,625</b>
<b>Total liabilities</b>		<b>1,345,833</b>	<b>1,462,109</b>	<b>1,610,802</b>
<b>Total equity and liabilities</b>		<b>4,127,653</b>	<b>3,875,938</b>	<b>4,039,423</b>

# Cash Flow statement

DKK thousands	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Total 2020
Operating profit (EBIT)	160,909	170,185	525,739	444,986	644,945
Depreciation and amortisation	30,161	41,779	86,782	124,253	164,431
Non-cash items	5,836	4,328	32,690	6,750	17,596
Working capital changes	-6,050	-56,013	-199,091	-123,712	-103,248
<b>Total</b>	<b>190,856</b>	<b>160,279</b>	<b>446,120</b>	<b>452,277</b>	<b>723,724</b>
Income taxes paid	2,668	-3,472	-119,281	-74,989	-126,163
Financial income received	1,175	579	1,950	2,106	2,533
Financial expenses paid	-4,623	-2,171	-25,110	-11,113	-19,220
<b>Cash flow from operating activities</b>	<b>190,076</b>	<b>155,215</b>	<b>303,679</b>	<b>368,281</b>	<b>580,873</b>
Net cash outflow on acquisition of subsidiaries	0	0	-89,405	0	0
Other investments	0	0	-25,000	0	-75,000
Acquisition of property, plant and equipment	-7,132	-5,271	-30,347	-20,178	-23,869
Other receivables (deposits)	-2,523	-995	-3,991	-1,056	-2,779
<b>Cash flow from investment activities</b>	<b>-9,655</b>	<b>-6,266</b>	<b>-148,743</b>	<b>-21,235</b>	<b>-101,649</b>
Dividends paid	0	0	-49,100	0	0
Payment of treasury shares	0	0	-49,999	0	0
Repayment of borrowings	-150,000	-200,000	-185,182	-200,000	-200,000
Repayment of right of use assets	-14,109	-11,665	-38,581	-33,897	-45,652
<b>Cash flow from financing activities</b>	<b>-164,109</b>	<b>-211,665</b>	<b>-322,862</b>	<b>-233,897</b>	<b>-245,652</b>
<b>Net increase in cash and cash equivalents</b>	<b>16,312</b>	<b>-62,716</b>	<b>-167,926</b>	<b>113,150</b>	<b>233,573</b>
<b>Cash and cash equivalents at the beginning</b>	<b>179,012</b>	<b>300,196</b>	<b>358,996</b>	<b>132,350</b>	<b>132,350</b>
Effect of exchange rate changes on the balance cash held in foreign currencies	-208	-793	4,046	-8,813	-6,927
<b>Cash and cash equivalents at the end</b>	<b>195,117</b>	<b>236,688</b>	<b>195,117</b>	<b>236,688</b>	<b>358,996</b>

# Statement of changes in Equity

DKK thousands	Share capital	Treasury shares	Share-based remuneration	Foreign currency translation subsidiaries	Retained earnings	Total
<b>Equity at 1 July 2021</b>	<b>50,000</b>	<b>-225,000</b>	<b>60,341</b>	<b>3,241</b>	<b>2,777,783</b>	<b>2,666,365</b>
Treasury Shares for the period	0	0	0	0	0	0
Share-based remuneration for the period	0	4,493	3,046	0	0	7,539
Profit for the period	0	0	0	0	108,564	108,564
Other comprehensive income	0	0	0	-648	0	-648
<b>Equity at 30 September 2021</b>	<b>50,000</b>	<b>-220,507</b>	<b>63,387</b>	<b>2,593</b>	<b>2,886,347</b>	<b>2,781,820</b>
<b>Equity at 1 January 2021</b>	<b>50,000</b>	<b>-175,000</b>	<b>42,478</b>	<b>-3,793</b>	<b>2,514,936</b>	<b>2,428,621</b>
Treasury Shares for the period	0	-50,000	0	0	0	-50,000
Share-based remuneration for the period	0	4,493	20,909	0	0	25,402
Dividend paid	0	0	0	0	-49,100	-49,100
Profit for the period	0	0	0	0	420,510	420,510
Other comprehensive income	0	0	0	6,386	0	6,386
<b>Equity at 30 September 2021</b>	<b>50,000</b>	<b>-220,507</b>	<b>63,387</b>	<b>2,593</b>	<b>2,886,347</b>	<b>2,781,820</b>

**CONTINUED STATEMENT OF CHANGES IN EQUITY**

DKK thousands	Share capital	Treasury shares	Share-based remuneration	Foreign currency translation subsidiaries	Retained earnings	Total
<b>Equity at 1 July 2020</b>	<b>50,000</b>	<b>-175,000</b>	<b>29,335</b>	<b>-5,088</b>	<b>2,381,825</b>	<b>2,281,072</b>
Share-based remuneration for the period	0	0	6,098	0	0	6,098
Profit for the period	0	0	0	0	128,081	128,081
Other comprehensive income	0	0	0	-1,421	0	-1,421
<b>Equity at 30 September 2020</b>	<b>50,000</b>	<b>-175,000</b>	<b>35,433</b>	<b>-6,509</b>	<b>2,509,906</b>	<b>2,413,830</b>

<b>Equity at 1 January 2020</b>	<b>50,000</b>	<b>-175,000</b>	<b>17,724</b>	<b>-14,044</b>	<b>2,193,018</b>	<b>2,071,699</b>
Share-based remuneration for the period	0	0	17,709	0	0	17,709
Profit for the period	0	0	0	0	316,888	316,888
Other comprehensive income	0	0	0	7,535	0	7,535
<b>Equity at 30 September 2020</b>	<b>50,000</b>	<b>-175,000</b>	<b>35,433</b>	<b>-6,509</b>	<b>2,509,906</b>	<b>2,413,830</b>

<b>Equity at 1 January 2020</b>	<b>50,000</b>	<b>-175,000</b>	<b>17,724</b>	<b>-14,044</b>	<b>2,193,018</b>	<b>2,071,699</b>
Share-based remuneration for the period	0	0	24,754	0	0	24,754
Profit for the period	0	0	0	0	321,918	321,918
Other comprehensive income	0	0	0	10,250	0	10,250
<b>Equity at 31 December 2020</b>	<b>50,000</b>	<b>-175,000</b>	<b>42,478</b>	<b>-3,793</b>	<b>2,514,936</b>	<b>2,428,621</b>



NOTE 1

## Segment information

### Public Q3

DKK million	Group			Denmark		Norway		UK		Netherlands	
	Q3 2021	Q3 2020	% change	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020
Revenue	461.6	436.3	5.8%	366.2	341.2	35.9	23.7	42.8	42.8	16.7	28.6
Cost of service	-281.0	-263.9	6.5%	-208.7	-187.1	-26.8	-19.7	-28.7	-39.1	-16.8	-18.1
<b>Gross profit</b>	<b>180.6</b>	<b>172.5</b>	<b>4.7%</b>	<b>157.5</b>	<b>154.2</b>	<b>9.1</b>	<b>4.0</b>	<b>14.1</b>	<b>3.8</b>	<b>-0.2</b>	<b>10.5</b>
<i>Gross profit margin</i>	<i>39.1%</i>	<i>39.5%</i>	<i>-0.4pp</i>	<i>43.0%</i>	<i>45.2%</i>	<i>25.3%</i>	<i>16.9%</i>	<i>33.0%</i>	<i>8.8%</i>	<i>-1.0%</i>	<i>36.7%</i>
Allocated costs	-71.5	-57.5	24.4%	-49.7	-43.2	-6.6	-3.4	-6.9	-6.5	-8.2	-4.4
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>109.1</b>	<b>115.0</b>	<b>-5.1%</b>	<b>107.8</b>	<b>111.0</b>	<b>2.4</b>	<b>0.6</b>	<b>7.2</b>	<b>-2.7</b>	<b>-8.4</b>	<b>6.1</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>23.6%</i>	<i>26.4%</i>	<i>-2.7pp</i>	<i>29.4%</i>	<i>32.5%</i>	<i>6.8%</i>	<i>2.7%</i>	<i>16.9%</i>	<i>-6.2%</i>	<i>-50.2%</i>	<i>21.2%</i>
Allocated costs from HQ	-6.3	-6.4	-1.6%	-4.8	-4.6	-0.5	-0.3	-0.6	-0.8	-0.4	-0.6
Special items	-18.1	0.0	N/A	-13.8	0.0	-1.7	0.0	-1.5	0.0	-1.1	0.0
<b>EBITA</b>	<b>84.7</b>	<b>108.6</b>	<b>-22.0%</b>	<b>89.2</b>	<b>106.4</b>	<b>0.2</b>	<b>0.3</b>	<b>5.2</b>	<b>-3.5</b>	<b>-9.9</b>	<b>5.5</b>
<i>EBITA margin</i>	<i>18.4%</i>	<i>24.9%</i>	<i>-6.5pp</i>	<i>24.4%</i>	<i>31.2%</i>	<i>0.6%</i>	<i>1.3%</i>	<i>12.1%</i>	<i>-8.2%</i>	<i>-59.4%</i>	<i>19.2%</i>
Amortisation	-5.4	-16.5	-67.5%	-4.1	-12.0	-0.5	-0.9	-0.5	-2.2	-0.4	-1.5
<b>Operating profit</b>	<b>79.4</b>	<b>92.1</b>	<b>-13.8%</b>	<b>85.2</b>	<b>94.4</b>	<b>-0.2</b>	<b>-0.6</b>	<b>4.7</b>	<b>-5.7</b>	<b>-10.3</b>	<b>4.0</b>
<i>Operating profit margin</i>	<i>17.2%</i>	<i>21.1%</i>	<i>-3.9pp</i>	<i>23.3%</i>	<i>27.7%</i>	<i>-0.7%</i>	<i>-2.4%</i>	<i>11.0%</i>	<i>-13.3%</i>	<i>-61.6%</i>	<i>13.9%</i>

## CONTINUED Segment information

### Private Q3

DKK million	Group			Denmark		Norway		UK		Netherlands	
	Q3 2021	Q3 2020	% change	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020
Revenue	336.4	258.4	30.2%	257.5	201.8	22.4	20.3	55.8	35.8	0.6	0.4
Cost of service	-188.6	-137.5	37.1%	-128.9	-91.3	-18.1	-15.4	-41.1	-30.5	-0.4	-0.4
<b>Gross profit</b>	<b>147.9</b>	<b>120.9</b>	<b>22.3%</b>	<b>128.6</b>	<b>110.5</b>	<b>4.3</b>	<b>4.9</b>	<b>14.8</b>	<b>5.3</b>	<b>0.2</b>	<b>0.1</b>
<i>Gross profit margin</i>	<i>43.9%</i>	<i>46.8%</i>	<i>-2.8pp</i>	<i>49.9%</i>	<i>54.8%</i>	<i>19.1%</i>	<i>24.2%</i>	<i>26.4%</i>	<i>14.9%</i>	<i>36.7%</i>	<i>20.5%</i>
Allocated costs	-46.5	-30.6	51.9%	-31.8	-22.1	-4.5	-2.7	-10.1	-5.7	-0.2	-0.1
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>101.3</b>	<b>90.2</b>	<b>12.3%</b>	<b>96.8</b>	<b>88.5</b>	<b>-0.2</b>	<b>2.2</b>	<b>4.7</b>	<b>-0.4</b>	<b>0.1</b>	<b>0.0</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>30.1%</i>	<i>34.9%</i>	<i>-4.8pp</i>	<i>37.6%</i>	<i>43.8%</i>	<i>-0.9%</i>	<i>10.7%</i>	<i>8.4%</i>	<i>-1.2%</i>	<i>10.4%</i>	<i>2.9%</i>
Allocated costs from HQ	-4.2	-3.4	25.4%	-3.0	-2.4	-0.4	-0.3	-0.8	-0.7	-0.0	-0.0
Special items	-11.9	0.0	N/A	-8.7	0.0	-1.1	0.0	-2.1	0.0	-0.0	0.0
<b>EBITA</b>	<b>85.2</b>	<b>86.9</b>	<b>-1.9%</b>	<b>85.0</b>	<b>86.1</b>	<b>-1.6</b>	<b>1.9</b>	<b>1.8</b>	<b>-1.2</b>	<b>0.0</b>	<b>0.0</b>
<i>EBITA margin</i>	<i>25.3%</i>	<i>33.6%</i>	<i>-8.3pp</i>	<i>33.0%</i>	<i>42.7%</i>	<i>-7.3%</i>	<i>9.4%</i>	<i>3.2%</i>	<i>-3.3%</i>	<i>5.2%</i>	<i>0.5%</i>
Amortisation	-3.6	-8.8	-58.6%	-2.6	-6.1	-0.3	-0.7	-0.7	-1.9	-0.0	-0.0
<b>Operating profit</b>	<b>81.5</b>	<b>78.1</b>	<b>4.5%</b>	<b>82.4</b>	<b>80.0</b>	<b>-1.9</b>	<b>1.2</b>	<b>1.0</b>	<b>-3.1</b>	<b>0.0</b>	<b>-0.0</b>
<i>Operating profit margin</i>	<i>24.2%</i>	<i>30.2%</i>	<i>-6.0pp</i>	<i>32.0%</i>	<i>39.6%</i>	<i>-8.7%</i>	<i>5.9%</i>	<i>1.9%</i>	<i>-8.7%</i>	<i>4.1%</i>	<i>-5.6%</i>

## CONTINUED Segment information

### Public 9 months

DKK million	Group			Denmark		Norway		UK		Netherlands	
	YTD 2021	YTD 2020	% change	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020
Revenue	1,451.9	1,311.8	10.7%	1,123.1	1,037.5	115.5	72.0	155.6	136.0	57.7	66.4
Cost of service	-948.4	-811.2	16.9%	-695.1	-596.4	-89.6	-59.3	-112.9	-112.3	-50.8	-43.2
<b>Gross profit</b>	<b>503.5</b>	<b>500.7</b>	<b>0.6%</b>	<b>428.0</b>	<b>441.0</b>	<b>25.9</b>	<b>12.7</b>	<b>42.7</b>	<b>23.7</b>	<b>6.8</b>	<b>23.2</b>
<i>Gross profit margin</i>	<i>34.7%</i>	<i>38.2%</i>	<i>-3.5pp</i>	<i>38.1%</i>	<i>42.5%</i>	<i>22.5%</i>	<i>17.7%</i>	<i>27.5%</i>	<i>17.4%</i>	<i>11.9%</i>	<i>34.9%</i>
Allocated costs	-207.9	-181.6	14.5%	-148.8	-140.1	-18.1	-9.8	-21.5	-17.7	-19.6	-14.0
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>295.6</b>	<b>319.1</b>	<b>-7.3%</b>	<b>279.3</b>	<b>300.9</b>	<b>7.9</b>	<b>2.9</b>	<b>21.3</b>	<b>6.0</b>	<b>-12.8</b>	<b>9.2</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>20.4%</i>	<i>24.3%</i>	<i>-4.0pp</i>	<i>24.9%</i>	<i>29.0%</i>	<i>6.8%</i>	<i>4.1%</i>	<i>13.7%</i>	<i>4.4%</i>	<i>-22.2%</i>	<i>13.8%</i>
Allocated costs from HQ	-16.9	-20.9	-18.9%	-12.6	-15.2	-1.4	-1.9	-1.8	-2.4	-1.1	-1.4
Special items	-18.1	-0.0	N/A	-13.8	-0.0	-1.7	-0.0	-1.5	-0.0	-1.1	-0.0
<b>EBITA</b>	<b>260.6</b>	<b>298.2</b>	<b>-12.6%</b>	<b>252.9</b>	<b>285.8</b>	<b>4.8</b>	<b>1.0</b>	<b>17.9</b>	<b>3.6</b>	<b>-15.0</b>	<b>7.8</b>
<i>EBITA margin</i>	<i>17.9%</i>	<i>22.7%</i>	<i>-4.8pp</i>	<i>22.5%</i>	<i>27.5%</i>	<i>4.1%</i>	<i>1.4%</i>	<i>11.5%</i>	<i>2.7%</i>	<i>-26.0%</i>	<i>11.7%</i>
Amortisation	-16.6	-49.8	-66.6%	-12.3	-37.8	-1.4	-2.6	-1.9	-5.9	-1.1	-3.5
<b>Operating profit</b>	<b>243.9</b>	<b>248.4</b>	<b>-1.8%</b>	<b>240.6</b>	<b>248.0</b>	<b>3.4</b>	<b>-1.6</b>	<b>16.0</b>	<b>-2.3</b>	<b>-16.1</b>	<b>4.3</b>
<i>Operating profit margin</i>	<i>16.8%</i>	<i>18.9%</i>	<i>-2.1pp</i>	<i>21.4%</i>	<i>23.9%</i>	<i>2.9%</i>	<i>-2.2%</i>	<i>10.3%</i>	<i>-1.7%</i>	<i>-27.9%</i>	<i>6.5%</i>

## CONTINUED Segment information

### Private 9 months

DKK million	Group			Denmark		Norway		UK		Netherlands	
	YTD 2021	YTD 2020	% change	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020
Revenue	1,028.0	754.0	36.3%	793.4	561.8	83.9	69.7	148.9	121.1	1.7	1.4
Cost of service	-584.0	-427.1	36.7%	-408.3	-273.1	-58.4	-53.1	-116.3	-100.1	-1.1	-0.9
<b>Gross profit</b>	<b>443.9</b>	<b>326.9</b>	<b>35.8%</b>	<b>385.1</b>	<b>288.7</b>	<b>25.6</b>	<b>16.6</b>	<b>32.6</b>	<b>21.0</b>	<b>0.6</b>	<b>0.6</b>
<i>Gross profit margin</i>	<i>43.2%</i>	<i>43.4%</i>	<i>-0.2pp</i>	<i>48.5%</i>	<i>51.4%</i>	<i>30.5%</i>	<i>23.8%</i>	<i>21.9%</i>	<i>17.3%</i>	<i>37.5%</i>	<i>39.4%</i>
Allocated costs	-128.9	-92.6	39.2%	-91.7	-64.1	-12.4	-9.2	-24.5	-19.1	-0.4	-0.3
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>315.0</b>	<b>234.3</b>	<b>34.5%</b>	<b>293.5</b>	<b>224.7</b>	<b>13.2</b>	<b>7.4</b>	<b>8.1</b>	<b>1.9</b>	<b>0.2</b>	<b>0.3</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>30.6%</i>	<i>31.1%</i>	<i>-0.4pp</i>	<i>37.0%</i>	<i>40.0%</i>	<i>15.7%</i>	<i>10.6%</i>	<i>5.4%</i>	<i>1.6%</i>	<i>14.0%</i>	<i>20.8%</i>
Allocated costs from HQ	-10.8	-11.5	-6.5%	-7.7	-6.9	-1.0	-2.1	-2.0	-2.5	-0.0	-0.0
Special items	-11.9	-0.0	N/A	-8.7	-0.0	-1.1	-0.0	-2.1	-0.0	-0.0	-0.0
<b>EBITA</b>	<b>292.3</b>	<b>222.7</b>	<b>31.3%</b>	<b>277.0</b>	<b>217.7</b>	<b>11.1</b>	<b>5.3</b>	<b>4.0</b>	<b>-0.6</b>	<b>0.2</b>	<b>0.3</b>
<i>EBITA margin</i>	<i>28.4%</i>	<i>29.5%</i>	<i>-1.1pp</i>	<i>34.9%</i>	<i>38.8%</i>	<i>13.3%</i>	<i>7.7%</i>	<i>2.7%</i>	<i>-0.5%</i>	<i>11.3%</i>	<i>18.9%</i>
Amortisation	-10.5	-26.1	-59.6%	-7.6	-17.3	-1.0	-2.4	-2.0	-6.3	-0.0	-0.1
<b>Operating profit</b>	<b>281.8</b>	<b>196.6</b>	<b>43.3%</b>	<b>269.5</b>	<b>200.4</b>	<b>10.2</b>	<b>2.9</b>	<b>2.0</b>	<b>-6.9</b>	<b>0.2</b>	<b>0.2</b>
<i>Operating profit margin</i>	<i>27.4%</i>	<i>26.1%</i>	<i>1.3pp</i>	<i>34.0%</i>	<i>35.7%</i>	<i>12.1%</i>	<i>4.2%</i>	<i>1.3%</i>	<i>-5.7%</i>	<i>10.0%</i>	<i>14.2%</i>

## CONTINUED Segment information

### Geographical Q3

#### Segment information related to geographical areas

DKK thousands	Q3 2021					Total
	Denmark	Norway	UK	Netherlands	Other	
Revenue from external customers	623,717	58,340	98,664	17,313	0	798,034
<b>EBITA, operating entities</b>	<b>174,251</b>	<b>-1,423</b>	<b>6,946</b>	<b>-9,862</b>	<b>0</b>	<b>169,911</b>
Allocated cost	27,700	-531	-667	942	-27,444	0
<b>EBITA, reported in legal entities</b>	<b>201,951</b>	<b>-1,954</b>	<b>6,279</b>	<b>-8,920</b>	<b>-27,444</b>	<b>169,911</b>

DKK thousands	Q3 2020					Total
	Denmark	Norway	UK	Netherlands	Other	
Revenue from external customers	543,069	43,983	78,674	29,007	0	694,733
<b>EBITA, operating entities</b>	<b>192,472</b>	<b>2,204</b>	<b>-4,677</b>	<b>5,486</b>	<b>0</b>	<b>195,484</b>
Allocated cost	1,452	1,129	-3,545	-902	1,867	0
<b>EBITA, reported in legal entities</b>	<b>193,924</b>	<b>3,332</b>	<b>-8,222</b>	<b>4,584</b>	<b>1,867</b>	<b>195,484</b>

## CONTINUED Segment information

### Geographical 9 months and full year

DKK thousands	YTD 2021					Total
	Denmark	Norway	UK	Netherlands	Other	
Revenue from external customers	1,916,535	199,421	304,523	59,361	0	2,479,840
<b>EBITA, operating entities</b>	<b>529,935</b>	<b>15,877</b>	<b>21,881</b>	<b>-14,797</b>	<b>0</b>	<b>552,896</b>
Allocated cost	36,076	-6,843	-11,960	1,795	-19,068	0
<b>EBITA, reported in legal entities</b>	<b>566,011</b>	<b>9,034</b>	<b>9,921</b>	<b>-13,001</b>	<b>-19,068</b>	<b>552,896</b>

DKK thousands	YTD 2020					Total
	Denmark	Norway	UK	Netherlands	Other	
Revenue from external customers	1,599,270	141,662	257,132	67,776	0	2,065,841
<b>EBITA, operating entities</b>	<b>503,480</b>	<b>6,329</b>	<b>3,018</b>	<b>8,056</b>	<b>0</b>	<b>520,881</b>
Allocated cost	5,904	5,651	-12,580	-2,438	3,464	0
<b>EBITA, reported in legal entities</b>	<b>509,383</b>	<b>11,979</b>	<b>-9,563</b>	<b>5,618</b>	<b>3,464</b>	<b>520,882</b>

DKK thousands	Total 2020					Total
	Denmark	Norway	UK	Netherlands	Other	
Revenue from external customers	2,199,865	199,778	340,315	98,632	0	2,838,589
<b>EBITA, operating entities</b>	<b>706,183</b>	<b>11,988</b>	<b>9,377</b>	<b>16,823</b>	<b>0</b>	<b>744,370</b>
Allocated cost	14,590	2,761	-20,064	-3,486	6,198	0
<b>EBITA, reported in legal entities</b>	<b>720,773</b>	<b>14,750</b>	<b>-10,687</b>	<b>13,337</b>	<b>6,198</b>	<b>744,371</b>

## NOTE 2 **Cost of services**

DKK thousands	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>YTD 2021</b>	<b>YTD 2020</b>	<b>Total 2020</b>
Cost of services	-58,432	-59,928	-183,286	-189,868	-255,491
Salaries	-405,089	-337,368	-1,331,024	-1,036,835	-1,412,104
Depreciation	-6,085	-4,109	-18,089	-11,581	-15,777
<b>Cost of services total</b>	<b>-469,606</b>	<b>-401,405</b>	<b>-1,532,399</b>	<b>-1,238,285</b>	<b>-1,683,372</b>

## NOTE 3 **Administrative costs**

DKK thousands	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>YTD 2021</b>	<b>YTD 2020</b>	<b>Total 2020</b>
Administrative costs	-62,799	-42,589	-159,840	-133,212	-179,992
Salaries	-44,960	-38,595	-145,258	-124,178	-164,520
Depreciation	-15,074	-12,371	-41,535	-36,776	-49,228
<b>Administrative costs total</b>	<b>-122,833</b>	<b>-93,555</b>	<b>-346,633</b>	<b>-294,166</b>	<b>-393,741</b>

## NOTE 4 Special items

DKK thousands	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Total 2020
Costs related to M&A	-30,000	0	-30,000	-3	-3
<b>Total special items</b>	<b>-30,000</b>	<b>0</b>	<b>-30,000</b>	<b>-3</b>	<b>-3</b>

## NOTE 5 Financial income and expenses

DKK thousands	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Total 2020
<b>Financial income</b>					
Exchange rate adjustments	2,382	4,769	6,567	17,676	19,266
Other financial income	21	19	80	61	81
<b>Financial income total</b>	<b>2,403</b>	<b>4,788</b>	<b>6,647</b>	<b>17,737</b>	<b>19,347</b>
<b>Financial expenses</b>					
Interest expense, bank loan	-2,425	-3,522	-7,513	-11,071	-13,661
Interest expense, leasing	-988	-1,008	-2,709	-3,076	-3,986
Exchange rate adjustments	-3,295	-5,181	-8,590	-41,346	-43,177
Other financial expenses	-1,848	-1,321	-7,362	-3,792	-5,481
<b>Financial expenses total</b>	<b>-8,555</b>	<b>-11,031</b>	<b>-26,174</b>	<b>-59,286</b>	<b>-66,306</b>



## NOTE 6 Earnings per share

DKK thousands	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Total 2020
<b>Earnings per share - EPS (DKK)</b>	<b>2.21</b>	<b>2.61</b>	<b>8.57</b>	<b>6.45</b>	<b>6.56</b>
<b>Diluted earnings per share - EPS-D (DKK)</b>	<b>2.19</b>	<b>2.60</b>	<b>8.47</b>	<b>6.43</b>	<b>6.53</b>
Profit	108,564	128,081	420,510	316,888	321,918
Average number of shares	50,000	50,000	50,000	50,000	50,000
Average number of treasury shares	951	900	925	900	900
Average number of shares in circulation	49,049	49,100	49,075	49,100	49,100
Average number of outstanding restricted stock units	574	243	585	200	215
Average number of diluted shares in circulation	49,623	49,343	49,661	49,300	49,316

## NOTE 7 Trade receivables

DKK thousands	30 September 2021	30 September 2020	31 December 2020
Not overdue	386,822	347,610	326,415
0-30 days overdue	124,469	93,247	99,180
31-60 days overdue	25,445	7,610	19,876
61-90 days overdue	15,990	2,830	4,572
Over 90 days overdue	22,512	14,586	14,562
<b>Total trade receivables excl. expected credit loss</b>	<b>575,238</b>	<b>465,882</b>	<b>464,605</b>
Expected credit loss	-0	-6,747	-5,831
<b>Total trade receivables</b>	<b>575,238</b>	<b>459,136</b>	<b>458,774</b>

The Group is continuously conducting individual assessments of bad debt. If this leads to an assessment that the Group will not be able to collect the amount accounted for, an allowance for expected credit loss is made. At 30 September 2021, the Group recognised an allowance for expected credit losses of DKK 0.0m (30 September 2020: DKK 6.7m), and credit losses of DKK 5.8m have incurred during Q3 2021. The credit quality of trade receivables at 30 September 2021 is considered satisfactory.

NOTE 8

## Contract work in progress

DKK thousands	30 September 2021	30 September 2020	31 December 2020
Selling price of work performed on fixed price projects	1,487,618	1,183,721	1,083,501
Invoiced amount on fixed price projects	-1,002,496	-722,381	-648,646
<b>Total contract work in progress</b>	<b>485,122</b>	<b>461,340</b>	<b>434,856</b>

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

Contract work in progress	534,479	490,156	476,603
Prebilled invoices	-49,358	-28,817	-41,747
<b>Total contract work in progress</b>	<b>485,122</b>	<b>461,340</b>	<b>434,856</b>

NOTE 9

## Borrowings

DKK thousands	Currency	Maturity	Fixed or floating interest	Loan cost	Nominal value	Carrying amount
Bank loan	DKK	2023	Floating	3,190	580,000	576,810
<b>30 September 2021</b>				<b>3,190</b>	<b>580,000</b>	<b>576,810</b>

DKK thousands	Currency	Maturity	Fixed or floating interest	Loan cost	Nominal value	Carrying amount
Bank loan	DKK	2023	Floating	5,104	765,182	760,077
<b>30 September 2020</b>				<b>5,104</b>	<b>765,182</b>	<b>760,077</b>

Bank loan	DKK	2023	Floating	4,626	765,182	760,556
<b>31 December 2020</b>				<b>4,626</b>	<b>765,182</b>	<b>760,556</b>

## NOTE 10 **Other payables**

DKK thousands	30 September 2021	30 September 2020	31 December 2020
Wages and salaries, payroll taxes, social security costs, etc. payable	62,613	52,048	53,235
Holiday pay obligation	87,464	145,530	144,836
VAT and duties	70,603	60,703	58,889
Contingent purchase price & earn out	122,819	120,441	261,709
Other costs payable	45,616	45,873	48,482
<b>Total other payables</b>	<b>389,115</b>	<b>424,595</b>	<b>567,151</b>

For further details on contingent purchase price and earn out, please refer to Annual Report 2020 note 14.

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

## NOTE 11 **Provision**

DKK thousands	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Total 2020
<b>Onerous contracts and warranty obligations beginning of period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,525</b>	<b>3,525</b>
Decrease in the period	0	0	0	-3,525	-3,525
<b>Onerous contracts and warranty obligations end of period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## NOTE 12 **Income Statement classified by function**

DKK thousands	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Total 2020
<b>Income statement</b>					
Revenue	798,034	694,733	2,479,840	2,065,841	2,838,590
Cost of services, incl. depreciation and amortisation	-469,606	-401,405	-1,532,399	-1,238,285	-1,683,372
<b>Gross profit</b>	<b>328,428</b>	<b>293,328</b>	<b>947,441</b>	<b>827,556</b>	<b>1,155,218</b>
Sales and marketing costs, incl. depreciation and amortisation	-5,684	-4,289	-17,912	-12,505	-17,104
Administrative costs, incl. depreciation and amortisation	-161,835	-118,854	-403,790	-370,065	-493,170
<b>Operating profit (EBIT)</b>	<b>160,909</b>	<b>170,185</b>	<b>525,739</b>	<b>444,986</b>	<b>644,945</b>
Financial income	2,403	4,788	6,647	17,737	19,347
Financial expenses	-8,555	-11,031	-26,174	-59,286	-66,306
Fair value adjustment of contingent consideration	0	0	49,485	0	-141,268
Income / loss from investment in joint venture	-5,583	0	-16,802	0	-5,035
<b>Profit / loss before tax</b>	<b>149,174</b>	<b>163,942</b>	<b>538,895</b>	<b>403,436</b>	<b>451,683</b>
Tax on the profit for the period	-40,610	-35,861	-118,385	-86,548	-129,766
<b>Net profit / loss for the period</b>	<b>108,564</b>	<b>128,081</b>	<b>420,510</b>	<b>316,888</b>	<b>321,918</b>

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

Cost of services	-6,085	-4,109	-18,089	-11,581	-15,777
Administrative costs	-24,076	-37,670	-68,692	-112,672	-148,654
<b>Depreciation and amortisation</b>	<b>-30,161</b>	<b>-41,779</b>	<b>-86,782</b>	<b>-124,253</b>	<b>-164,431</b>

NOTE 13

## Collateral provided and contingent liabilities

As part of its contract commitments with customers, the Group has through its banks provided performance guarantees of DKK 199.9m (DKK 31.1m).

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

NOTE 14

## Related party transactions

There have been no related party transactions with any significant shareholders in Q3 2021.

NOTE 15

## Financial figures and highlights

DKK million	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
<b>Income statement</b>								
Revenue								
Public	461.6	488.0	502.3	465.9	436.3	442.2	433.3	406.9
Private	336.4	338.7	352.8	306.9	258.4	233.4	262.2	264.1
<i>Revenue by segments, total</i>	798.0	826.7	855.1	772.7	694.7	675.5	695.6	671.0
Development	488.4	513.2	517.5	433.7	380.1	347.4	355.7	338.9
Maintenance	309.6	313.5	337.7	339.1	314.6	328.1	339.8	332.1
<i>Revenue by types, total</i>	798.0	826.7	855.1	772.7	694.7	675.5	695.6	671.0
Organic	798.0	826.7	855.1	772.7	694.7	667.1	677.9	654.7
Acquisition	0.0	0.0	0.0	0.0	0.0	8.5	17.7	16.3
<i>Revenue by growth, total</i>	798.0	826.7	855.1	772.7	694.7	675.5	695.6	671.0
Special items	-30.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0
Adjusted EBITDA	221.1	186.6	234.8	240.1	212.0	177.5	179.8	195.8
Adjusted EBITA	199.9	166.7	216.3	223.5	195.5	161.3	164.1	179.9
EBITA	169.9	166.7	216.3	223.5	195.5	161.3	164.1	179.8
Operating profit (EBIT)	160.9	157.7	207.2	200.0	170.2	136.0	138.8	154.4
Net financials	-6.2	-6.7	-6.6	-5.4	-6.2	-16.2	-19.2	5.1
Net profit / loss	108.6	112.4	199.5	5.0	128.1	96.0	92.8	125.6
<b>Financial position</b>								
Capex	-7.1	-5.0	-18.2	-3.7	-5.3	-3.3	-11.6	-9.1
Total assets	4,127.7	4,090.0	4,074.5	4,039.4	3,875.9	3,916.8	3,791.6	3,727.6
Equity	2,781.8	2,666.4	2,595.9	2,428.6	2,413.8	2,281.1	2,169.5	2,071.7
Net increase in cash and cash equivalents	16.3	-134.6	-49.6	120.4	-62.7	92.1	83.8	-44.7
Free cash flow	182.9	-10.2	100.6	208.9	149.9	103.1	95.0	116.8
Free cash flow (tax normalised)	136.9	-49.2	173.8	210.5	115.0	75.7	136.0	117.4

## CONTINUED Financial figures and highlights

DKK million	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
<b>Earnings per share</b>								
Earnings per share (DKK)	2.21	2.29	4.06	0.10	2.61	1.96	1.89	2.56
Diluted Earnings per share (DKK)	2.19	2.26	4.02	0.10	2.60	1.95	1.88	2.55
<b>Employees</b>								
Average number of full-time employees	3,385	3,238	3,109	2,996	2,827	2,663	2,585	2,468
<b>Financial ratios</b>								
Revenue growth	14.9%	22.4%	22.9%	15.2%	17.3%	13.9%	16.4%	23.5%
Gross profit margin	41.2%	35.5%	38.1%	42.4%	42.2%	38.4%	39.5%	42.3%
Adjusted EBITDA margin	27.7%	22.6%	27.5%	31.1%	30.5%	26.3%	25.8%	29.2%
Adjusted EBITA margin	25.1%	20.2%	25.3%	28.9%	28.1%	23.9%	23.6%	26.8%
EBITA margin	21.3%	20.2%	25.3%	28.9%	28.1%	23.9%	23.6%	26.8%
Operating profit margin	20.2%	19.1%	24.2%	25.9%	24.5%	20.1%	19.9%	23.0%
Effective tax rate	27.2%	22.9%	18.2%	89.6%	21.9%	19.9%	22.4%	21.2%
Return on equity	4.2%	4.5%	8.4%	0.2%	5.9%	4.6%	4.7%	6.5%
Solvency ratio	67.4%	65.2%	63.7%	60.1%	62.3%	58.2%	57.2%	55.6%
ROIC	3.6%	3.7%	6.7%	0.2%	4.4%	3.3%	3.3%	4.4%
ROIC (Adjusted for Goodwill)	13.8%	13.8%	27.8%	0.8%	19.8%	14.7%	14.8%	18.9%
Cash conversion rate	158.3%	-8.5%	48.7%	893.4%	101.4%	89.1%	84.4%	80.3%
Cash conversion rate (tax normalised)	118.5%	-41.2%	84.1%	900.4%	77.8%	65.4%	120.9%	80.7%

## NOTE 16 **Accounting policies**

The annual consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The interim consolidated financial statements included in this Q3 2021 financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. The accounting policies applied

are consistent with those applied in the consolidated Annual Report for the year ended 31 December 2020 for Netcompany Group A/S.

## NOTE 17 **Events after the balance sheet date**

After the balance sheet date, Netcompany entered an agreement with Intracom Technologies S.a. r.l. to acquire the outstanding share capital in Intrasoft International S.A. at an enterprise value of EUR 235m on a debt-free basis.

The acquisition was completed on 31 October 2021, hence Intrasofts' closing balance and thereby also the initial accounting for the business combination is incomplete at the time of reporting Q3 2021.



# Formulas

The ratios have been compiled in accordance with the following calculation formulas.

\*Marked formulas have been calculated in accordance with "Recommendations & Financial Ratios" issued by the Danish Finance Society.

<b>Gross profit margin*</b>	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	<b>EBITDA*</b>	=	EBIT + Depreciation and amortisation	<b>Days sales outstanding*</b>	=	$\frac{\text{Trade receivables} \times \text{days}}{\text{Revenue}}$
<b>EBITA*</b>	=	Operating profit + Amortisation	<b>EPS*</b>	=	$\frac{\text{Net profit}}{\text{Average outstanding shares}}$	<b>Return on equity*</b>	=	$\frac{\text{Net profit} \times 100}{\text{Average equity}}$
<b>EBITA margin*</b>	=	$\frac{\text{EBITA} \times 100}{\text{Revenue}}$	<b>EPS diluted*</b>	=	$\frac{\text{Net profit}}{\text{Average outstanding shares} + \text{Diluted shares}}$	<b>ROIC*</b>	=	$\frac{\text{Net profit} \times 100}{\text{Average invested capital}}$
<b>Adjusted EBITA</b>	=	EBITA + Special items	<b>Free cash flow*</b>	=	Cash flow from operating activities - Capex	<b>ROIC (Adjusted for Goodwill)*</b>	=	$\frac{\text{Net profit} \times 100}{\text{Average invested capital} - \text{average Goodwill}}$
<b>Adjusted EBITA margin</b>	=	$\frac{\text{Adjusted EBITA} \times 100}{\text{Revenue}}$	<b>CAPEX*</b>	=	Cost spent to buy intangible and tangible assets, excluding impact from business acquisitions	<b>Solvency (equity ratio)*</b>	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$
<b>Operating profit margin*</b>	=	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$	<b>Cash conversion ratio</b>	=	$\frac{\text{Free cash flow} \times 100}{\text{Net profit} - \text{amortisation and deferred tax of amortisation}}$			

# Disclaimer

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

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

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

Although Netcompany believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ, e.g. as the result of risks related to the industry in general or Netcompany in particular, including those described in Netcompany Group A/S' Annual Report 2019 and other information made available by Netcompany.

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

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

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

The Annual Report 2020 of Netcompany Group A/S is available at our website [www.netcompany.com](http://www.netcompany.com)

## About Netcompany

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