

Company announcement 1/2019 January 29, 2019

NNIT launches new ambitious 2022 strategy with adjusted long term guidance and implements new organization

Having completed a deep strategic review throughout the second half of 2018, NNIT is now launching a new ambitious strategy. To support the new strategy, we will change the global organization in order to rapidly respond to customer needs and remain fit for accelerated growth.

The fundamentals in our value proposition to our shareholders are kept intact, but with our new 2022 strategy we intensify our focus on IT for international life sciences and Private & Public sector in Denmark. Profitable organic growth will still be imperative, but so will strategic acquisitions supporting our core competencies.

NNIT is the third largest IT services provider in Denmark, and global macro trends continue to impact our own business as well as our clients. Digital transformation and the need to digitally transform to fuel growth by innovation are key factors in order to remain competitive.

We will continue to embrace innovation in several ways, from the business case approach to internal entrepreneurship, and from co-creation to the use of strategic acquisitions. Common to our approach is the desire for increased customer proximity, and we are therefore changing our organization to make it even more customer centric and to support accelerated growth in life sciences.

CEO, Per Kogut: *"During the past four years we have executed our business in line with the direction set at our IPO. We are now launching a new strategy and changing our organization to increase customer centricity and enable further innovation to accelerate our growth within international life sciences and Danish clients supported by strategic acquisitions primarily within international life sciences."*

Key elements of the new strategy

Grow revenue through life sciences

In general, the international life sciences market is characterized by high entry barriers for competitors. This is due to the complexity, the high levels of regulation and the high quality requirements. In NNIT we are very well-positioned because of our strong domain knowledge that originates from our own life sciences legacy. We were born out of life sciences. This is why it is an attractive market for NNIT to compete in.

Historically, we have delivered more than 20% organic growth in international life sciences. We have an ambitious plan to continue this growth as we are scaling up our operations in Europe, US and China.

In addition to organic growth, we also pursue acquisitions within our core international life sciences markets of Europe and the US, which can help accelerate our growth in this segment even further.

Grow NNIT core revenue

Our core offerings within infrastructure and application outsourcing, advisory, business solutions and support constitute the main part of our business. This full scale service offering enables us to provide both focused specialist support and broader integrated solutions. With continued stable operations and agile delivery we want to continue growing our market share within both the private and the public sector in Denmark.

Grow revenue through increased innovation

The IT market and customer needs continue to transform at increasing speed. We will build on and strengthen our innovation capabilities to significantly grow the level of new high margin offerings that we bring to the market. In 2022 we target 500m DKK of our revenue to come from new innovative offerings.

Efficiency through automation and artificial intelligence

Technology within automation and artificial intelligence, AI, is steadily maturing. At NNIT, we leverage this technology to enable less manual work, more streamlined processes and lower costs while minimizing the risk of errors. We will continue to build capabilities internally while leveraging external partnerships to ensure access to the latest technology.

Cost efficient delivery, sales and support functions

To ensure that NNIT's business remains competitive, we constantly optimize our delivery, sales and support functions. Through our excellence programs, we will continue to challenge and improve the way we work. Through our flexible global delivery model with around 50% of our full time employees based in offshore and nearshore countries, we will ensure that we are able to meet our clients' requirements of cost efficient, high quality and flexible delivery.

Maintaining and nurturing a strong relationship with Novo Nordisk

NNIT was born out of Novo Nordisk in 1998, and Denmark's largest pharmaceutical company remains an important client for us. Through innovative solutions and state-of-the-art delivery models we are committed to remaining relevant and competitive within our current services as well as new services supporting Novo Nordisk' digital transformation.

New long-term financial targets

Since the IPO in 2015, NNIT has pursued two key long-term financial targets:

- Organic revenue growth of at least 5%
- Operating profit margin of at least 10%

These targets have served NNIT well as an integral part of the strategic planning and have guided NNIT to strong financial performance. The segments to drive revenue growth for NNIT going forward is our international life sciences and the Private & Public segments. Combined with continued uncertainty regarding sales to the Novo Nordisk Group, the long-term financial target for organic revenue growth is adjusted giving the following targets:

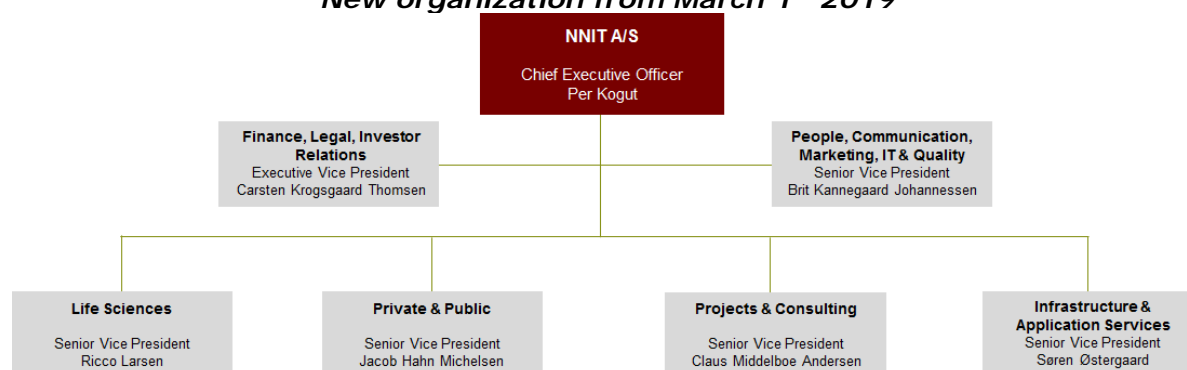
- Organic revenue growth of 6-8% excluding revenue from the Novo Nordisk Group
- Operating profit margin of at least 10% is maintained

There is no long-term revenue target for the Novo Nordisk Group, but a short-term guidance for total revenue growth will be provided at the beginning of each year in connection with the release of the annual report.

New organization enabling increased customer focus and efficient delivery

To support the strategy, NNIT will change the global organization in order to rapidly respond to customer needs and remain fit for accelerated growth.

New organization from March 1st 2019



To enable increased customer focus, efficient delivery and greater focus on life sciences growth we have established two new business units:

- A dedicated Life Sciences unit delivering to both the Novo Nordisk Group and our other life sciences clients in Denmark as well as internationally.
- A Private and Public unit delivering to our clients within the enterprise, public and finance segments in Denmark

These two units will be responsible for both sales and delivery management. They will have full P&L responsibility for all clients.

To enable efficient operations and project execution we will establish two new delivery units, which will be cost centers:

- A Projects and Consulting unit with the responsibility of delivering all projects and consulting engagements. To enable our increased focus on innovation and digital transformation these development initiatives will be driven by this unit
- An Infrastructure and Application Services unit with the responsibility for operations for all clients. The focus of this unit will be continued high operational stability and efficient operations for our clients

Supporting the four business units will be two group functions:

- Finance, Legal, Investor Relations and Procurement
- People, Communications, Marketing, IT and Quality

The new organization will be effective as of March 1, 2019.

Changes to NNIT Group Management

As a result of the organizational changes, NNIT Group Management will be extended and responsibilities aligned with the new organization. Per Kogut will continue as CEO and President. Carsten Krogsgaard Thomsen will continue as CFO, Executive Vice President, heading the Finance, Legal, Investor Relations and Procurement unit.

Brit Kannegaard Johannessen will continue as Senior Vice President, heading the People, Communication, Marketing, IT and Quality unit.

The Life Sciences unit will be headed by Senior Vice President Ricco Larsen. The Private & Public unit will be headed by Senior Vice President Jacob Hahn Michelsen. The Projects and Consulting unit will be headed by Senior Vice President Claus Middelboe Andersen. The Infrastructure and Application Services unit will be headed by Søren Østergaard, who is appointed Senior Vice President. He has been with the company for more than nine years, most recently as General Manager for NNIT's operations in China since June 2017.

With the appointment of Søren Østergaard, NNIT's Group Management now consists of Per Kogut, CEO and President, Carsten Krogsgaard Thomsen, CFO and Executive Vice President, Brit Kannegaard Johannessen, Senior Vice President, Ricco Larsen, Senior Vice President, Jacob Hahn Michelsen, Senior Vice President, Claus Middelboe Andersen, Senior Vice President and Søren Østergaard, Senior Vice President.

Executive Management is still Per Kogut, CEO and President and Carsten Krogsgaard Thomsen, CFO and Executive Vice President.

New segment reporting structure

Following our new strategy and reflecting our new organization, from Q1 2019, we adapt our segment information in the following way:

Revenue will be reported for:

- Life sciences
 - International life sciences
 - Life sciences in Denmark
 - The Novo Nordisk Group
- Private and public
 - Enterprise
 - Public
 - Finance

Operating profit will be reported for:

- Life sciences
- Private and public clients in Denmark

Operating profit margin in the life sciences segment will be substantially higher than in the Private & Public segment due to the regulated nature, high complexity and our strong domain knowledge within the life sciences segment. Comparison figures for 2018 will be restated to the new reporting structure above when reporting Q1 2019.

Contacts for further information

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About NNIT

NNIT A/S is one of Denmark's leading IT service providers and consultancies. NNIT A/S offers a wide range of IT services and solutions to its customers, primarily in the life sciences sector in Denmark and internationally and to customers in the public, enterprise and finance sectors in Denmark. As of December 31, 2018 NNIT A/S had 3,214 employees. NNIT has approximately 400 clients of which around 150 are located outside Denmark. Some 20% are international life sciences clients (December, 2018). For more information please visit www.nnit.com