

Netcompany

Q1 2024 Company Announcement

Three months ended 31 March 2024

Underlying margin improvements with growth on track

Summary

- Revenue increased by 3.8% (constant 3.6%)



- Adj. EBITDA increased by 2.1% (constant 3.4%)



- Adj. EBITDA margin decreased by 0.3pp (constant unchanged)



- Average employees increased by 295 FTEs



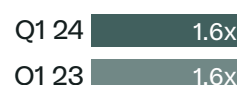
- Free cash flow decreased by 103.5%



- Cash conversion ratio (tax normalised) was 67.2%



- Debt leverage was unchanged



Conference call details

In connection with the publication of the results for Q1 2024, Netcompany will host a conference call on 3 May at 11.00 CEST.

The conference call can be followed live via <https://netcompany-as.eventcdn.net/events/interim-report-for-the-first-3-months-of-2024>
 For further dial-in details please visit the company's website; www.netcompany.com

“We grew revenue by 3.6% and realised an EBITDA margin of 15.7% – both against a strong comparable and despite being negatively impacted by fewer working days in the quarter.

In Denmark, we saw margin improving by more than 2 percentage points, while the gradual improvement in the private segment continued and strengthened. Further, the international part of the Group continued to develop satisfactorily with a strong performance in Netcompany-Intrasoft and in the Netherlands. Further, we won a significant contract in the UK.

FTEs grew by 295 employees driven by the international part of the Group, and at the end of the quarter the Group employed more than 7,800 talented people.

Our performance in Q1, combined with our continued momentum in the building of pipeline across our different platforms and products makes us confident that we will deliver on our full year financial targets for 2024 and beyond. Based on our outlook for the rest of the year, we are initiating a share buyback programme of DKK 250 million, which will be executed before we report Q2 results in August 2024.”

André Rogaczewski

NETCOMPANY CEO AND CO-FOUNDER

Performance overview Q1

DKK million	Q1 2024 (reported)	Q1 2024 (constant)*	Q1 2023	% change (reported)	% change (constant)*	Total 2023
Revenue	1,598.1	1,595.2	1,540.2	3.8%	3.6%	6,078.4
Cost of services	-1,160.0	-1,154.7	-1,100.1	5.4%	5.0%	-4,375.5
Gross profit	438.1	440.5	440.1	-0.5%	0.1%	1,703.0
<i>Gross profit margin</i>	27.4%	27.6%	28.6%	-1.2pp	-1.0pp	28.0%
Sales and marketing costs	-11.9	-11.8	-12.0	-0.9%	-1.3%	-54.7
Administrative costs	-226.9	-226.0	-231.2	-1.9%	-2.3%	-935.5
Adjusted EBITA	199.3	202.9	196.9	1.3%	3.1%	712.7
<i>Adjusted EBITA margin</i>	12.5%	12.7%	12.8%	-0.3pp	-0.1pp	11.7%
Special items	-0.7	-0.7	0.0	N/A	N/A	-0.5
Other operating income / expense	0.2	0.2	0.2	-2.9%	-3.1%	-0.0
EBITA	198.8	202.2	197.1	0.9%	2.6%	712.2
<i>EBITA margin</i>	12.4%	12.7%	12.8%	-0.4pp	-0.1pp	11.7%
Amortisation	-28.5	-28.5	-33.8	-15.7%	-15.7%	-134.2
Operating profit (EBIT)	170.3	173.7	163.3	4.3%	6.4%	578.0
<i>Operating profit margin</i>	10.7%	10.9%	10.6%	0.1pp	0.3pp	9.5%
Net financials	-34.0	-34.0	-29.6	14.9%	15.0%	-138.0
Income / loss, joint venture / associates	-4.9	-4.9	-2.7	81.2%	81.2%	-7.7
Profit / loss before tax	131.4	134.8	131.0	0.3%	2.9%	432.3
Tax	-38.9	-38.8	-27.7	40.5%	40.0%	-128.2
<i>Effective tax rate</i>	29.6%	28.8%	21.2%	8.5pp	7.6pp	29.7%
Net profit / loss	92.5	96.0	103.3	-10.5%	-7.1%	304.0
Additional KPIs						
Adjusted EBITDA	247.1	250.4	242.1	2.1%	3.4%	901.2
<i>Adjusted EBITDA margin</i>	15.5%	15.7%	15.7%	-0.3pp	-0.0pp	14.8%
Free cash flow	-4.9	N/A	141.6	-103.5%	N/A	552.1
<i>Cash conversion rate</i>	-4.3%	N/A	109.2%	-113.5pp	N/A	135.1%

*Constant currencies measured using average exchange rates for Q1 2023

CONTINUED PERFORMANCE OVERVIEW Q1

Reported revenue amounted to DKK 1,598.1m in Q1 2024 and grew 3.8% (constant 3.6%) compared to Q1 2023, which was a tough comparable due to strong performance in the international part of the Group last year. In addition, revenue in Q1 2024 was negatively impacted by around 3 percentage points from fewer working days in Denmark, Norway and the Netherlands, due to the timing of Easter. Revenue from public clients increased by 6.3%, whereas revenue from private clients declined 1.2% compared to the same period last year. Adjusted for the timing of Easter, both segments realised growth in Q1 2024.

Client facing FTEs grew 4.3% and FTEs at the end of Q1 2024 amounted to 7,847.

Gross profit margin was 27.4%, compared to 28.6% in the same period last year. The lower gross profit margin was driven by fewer working days in Q1 2024 compared to same period last year, which more than offset an improved utilisation in both Denmark and Netherlands.

Sales and marketing costs of DKK 11.9m were in line with the same period last year,

while administrative costs decreased by 1.9% to DKK 226.9m in Q1 2024, as the Group began to gain scaling efficiencies.

Adjusted EBITDA was DKK 247.1m in Q1 2024, compared to DKK 242.1m last year, equal to an increase of 2.1%. The adjusted EBITDA margin was 15.5% (constant 15.7%), which was 0.3 percentage points lower than the same quarter last year, impacted negatively by currency fluctuation. Adjusted for currency fluctuations EBITDA margin was on par with Q1 2023 despite fewer working days in the quarter.

Amortisation was DKK 28.5m in Q1 2024 and DKK 5.3m lower than the same period last year driven by intangibles recognised at the acquisition of Netcompany Norway and Netcompany-Intrasoft being fully amortised during Q4 2023.

Operating profit (EBIT) was DKK 170.3m compared to DKK 163.3m in Q1 2023, yielding a margin of 10.7% on level with Q1 2023.

Net financials were negative DKK 34m compared to negative DKK 29.6m for the same period last year. The main reason

for the increased financial costs was the increase in the interest rate level and the full effect of the calculated interest on right of use assets.

Profit before tax in Q1 2024 was DKK 131.4m and on level with Q1 2023.

Income taxes in Q1 2024 were DKK 38.9m compared to DKK 27.7m in the same quarter last year. Effective tax rate was 29.6% compared to 21.2% for Q1 2023. The increase in the effective tax rate was mainly caused by an increase in non-deductable expenses, non-deductable interests and adjustments to prior year taxable income in Netcompany-Intrasoft.

As a consequence of increased effective tax rate, net profit decreased from DKK 103.3m in Q1 2023 to DKK 92.5m in Q1 2024.

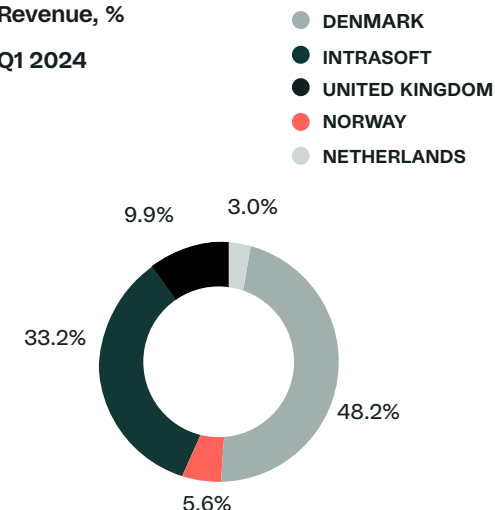
Free cash flow decreased from DKK 141.6m to negative DKK 4.9m mainly caused by the timing of tax payments and working capital changes impacted by Easter.

Business Segments Q1

DKK million Constant (2023 rate)	Q1 2024					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	1,595.2	769.2	529.6	157.9	90.0	48.4
Gross profit	446.1	285.7	101.8	29.8	12.6	16.2
<i>Gross profit margin</i>	28.0%	37.1%	19.2%	18.9%	14.0%	33.5%
Local admin costs	-181.2	-102.5	-44.5	-14.8	-12.8	-6.7
Adjusted EBITDA before allocated cost from HQ	264.9	183.1	57.3	15.1	-0.2	9.6
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	16.6%	23.8%	10.8%	9.6%	-0.3%	19.8%
Allocated costs from HQ	-14.5	-10.1	0.0	-2.4	-1.3	-0.8
Special Items, allocated	-0.7	-0.5	0.0	-0.1	-0.1	-0.0
Depreciation	-47.6	-23.9	-17.4	-2.6	-2.2	-1.6
Amortisation	-28.5	-11.4	-13.3	-2.0	-1.1	-0.6
Other operating income / expense	0.2	0.0	0.2	0.0	0.0	0.0
EBIT	173.7	137.3	26.7	8.0	-4.9	6.5
Client facing FTEs	7,318	2,736	3,446	600	356	180

Revenue, %

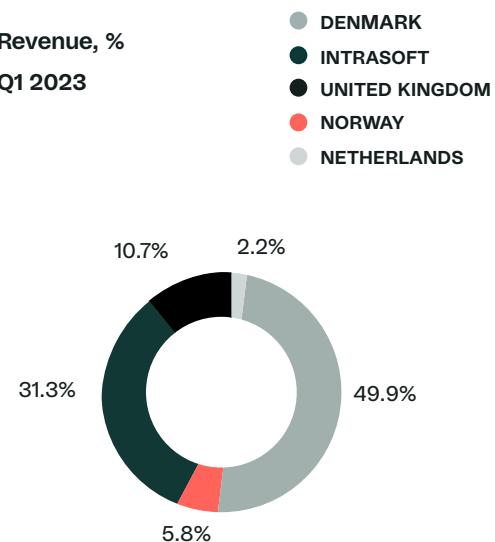
Q1 2024



DKK million Reported	Q1 2023					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	1,540.2	769.3	482.0	164.7	89.9	34.3
Gross profit	444.8	274.4	98.2	49.4	15.7	7.1
<i>Gross profit margin</i>	28.9%	35.7%	20.4%	30.0%	17.5%	20.6%
Local admin costs	-188.4	-107.5	-42.1	-16.9	-15.2	-6.5
Adjusted EBITDA before allocated cost from HQ	256.4	166.9	56.1	32.5	0.5	0.6
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	16.6%	21.7%	11.6%	19.7%	0.5%	1.7%
Allocated costs from HQ	-14.3	-10.2	0.0	-2.3	-1.2	-0.6
Depreciation	-45.3	-28.1	-10.6	-3.2	-1.9	-1.5
Amortisation	-33.8	-17.7	-9.7	-3.5	-1.9	-0.9
Other operating income / expense	0.2	0.0	0.0	0.0	0.0	0.0
EBIT	163.3	110.9	35.8	23.5	-4.5	-2.5
Client facing FTEs	7,019	2,870	3,105	555	337	152

Revenue, %

Q1 2023



CONTINUED BUSINESS SEGMENTS Q1

Netcompany Denmark

In Q1 2024, revenue from the public segment increased 1.6% compared to the same period last year, while the private segment revenue declined 2.5%. In total, revenue was in line with Q1 2023, despite three working days fewer in the quarter, impacting revenue negatively by close to 5 percentage points. Adjusted for fewer working days revenue in public and private segments increased 6.6% and 2.2%, respectively.

Gross profit margin was 37.1% in Q1 2024 compared to 35.7% in the same period last year. The improvement was a result of better utilisation in the Danish business unit, which more than offset the fewer working days that impacted margin negatively by around 3 percentage points.

Adjusted EBITDA margin was 23.8% in Q1 2024 compared to 21.7% in Q1 2023. The increase in margin despite the headwind from working days, was a result of better utilisation and lower administrative costs.

Client facing FTEs decreased 4.7% compared to Q1 2023.

In February 2024, Danish media reported about theft of source code involving Net-

company Denmark. Netcompany confirmed one single incident involving theft of source code and user manuals. The data theft has not had any operational or financial impact.

Netcompany-Intrasoft

Netcompany-Intrasoft started the year of strong and grew revenue by 9.9% to DKK 529.6m in Q1 2024. The revenue growth was driven by strong performance in the public and EU area that grew 13.7%, while the private segment revenue declined 1.2% compared to the same quarter last year. The strong performance in the public segment was driven by the execution of RRF projects, whereas the decline in the private segment was caused by timing of projects.

Adjusted EBITDA margin was 10.8% in Q1 2024 compared to 11.6% in the same period last year. The lower margin was a result of a different activity mix.

Client facing FTEs grew 11% in Q1 2024.

Netcompany UK

Netcompany UK realised revenue of DKK 157.9m in Q1 2024, compared to DKK 164.7m in the same quarter last year. Revenue in the private segment grew 7.4% compared to Q1 last year while revenue from the public segment declined 8.4%.

Netcompany UK won a significant contract with duration of up to five years. Revenue from this contract is expected to start materialising in the second half of 2024.

Adjusted EBITDA margin was 9.6% in Q1 2024 compared to 19.7% in the same period last year. EBITDA margin was negatively impacted in Q1 2024 by increased time spent on business development compared to Q1 last year.

Client facing FTEs grew by 8.1% in Q1 2024.

Netcompany Norway

Revenue in Netcompany Norway was DKK 90m in Q1 2024, in line with the same quarter last year, despite four working days fewer in the quarter, impacting revenue negatively by 6 percentage points. The public segment increased 1.1% in Q1 2024 compared to Q1 2023, whereas the private segment declined 0.9%. Adjusted for the impact of fewer working days, the public and private segment grew 7.7% and 5.6%, respectively.

Gross profit margin was 14% in the quarter, and 3.5 percentage points lower compared to the same quarter last year, as an effect of fewer working days.

Adjusted EBITDA margin was negative 0.3% compared to 0.5% in Q1 2023. The margin is expected to increase during 2024 as utilisation is expected to increase as the staffing on Avinor is ramping up throughout the year.

Client facing FTEs grew 5.6% in Q1 2024 compared to the same quarter last year.

Netcompany Netherlands

Netcompany Netherlands had a strong start to the year and delivered significant revenue growth of 41% in Q1 2024 compared to the same quarter last year. Growth was solely generated in the public segment.

Gross profit margin was 33.5% in Q1 2024, compared to 20.6% in Q1 2023. The increase in gross profit margin was a result of better project economics and improved utilisation.

Adjusted EBITDA margin was 19.8% in the quarter compared to 1.7% in Q1 2023. The increase in margin was a result of joint project delivery.

Client facing FTEs increased by 18% compared to the same quarter last year.

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.

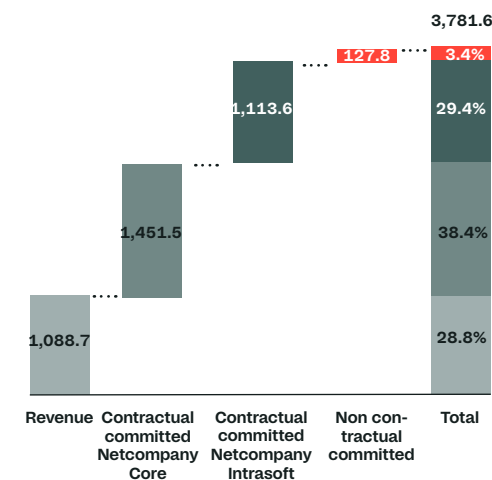
By the beginning of April 2024, revenue visibility for 2024 amounted to DKK 5,420.7m, of which contractual committed revenue amounted to DKK 3,567m and non-contractual committed engagements amounted to DKK 255.6m, while realised revenue in Q1 2024 amounted to DKK 1,598.1m.

Compared to Q1 2023, revenue visibility improved by 9.7%. Compared to Q4 2023, revenue visibility improved by 10.5% from DKK 4,904.1m.

Revenue visibility in the public segment amounted to DKK 3,781.6m, of which contractual committed revenue amounted to DKK 2,565.1m and non-contractual committed

DKK million

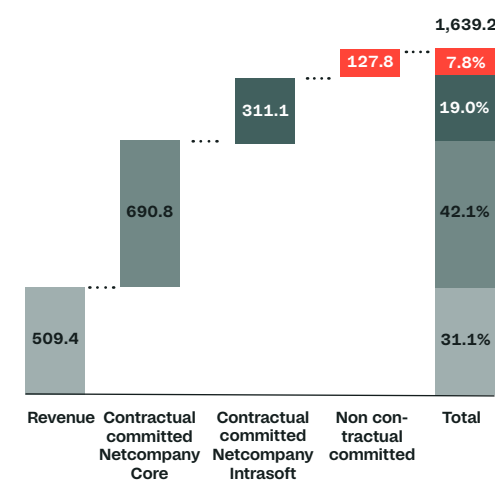
Public segment



engagements amounted to DKK 127.8m, while realised revenue in Q1 2024 amounted to DKK 1,088.7m.

Revenue visibility in the private segment amounted to DKK 1,639.2m, of which contractual committed revenue amounted to DKK 1,001.9m and non-contractual committed

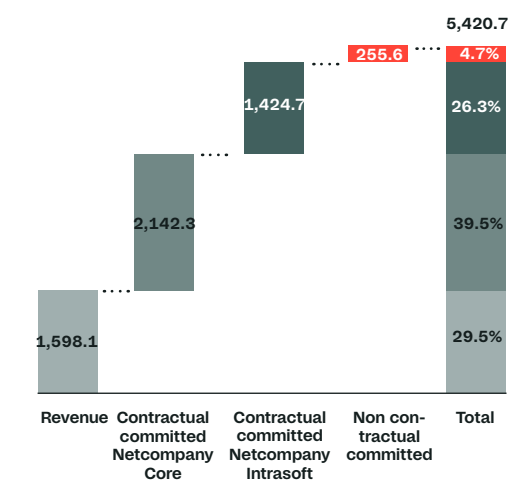
Private segment



engagements amounted to DKK 127.8m, while realised revenue in Q1 2024 amounted to DKK 509.4m.

By the beginning of April 2024, the total order backlog for Netcompany-Intrasoft amounted to DKK 6,905.7m mainly within EU institutions. Of the total order backlog

Total segment



for Netcompany-Intrasoft, DKK 1,424.7m is expected to be released in the last nine months of 2024 and DKK 5,481.1m is expected to be released in the period from 2025 to 2031.

Employees

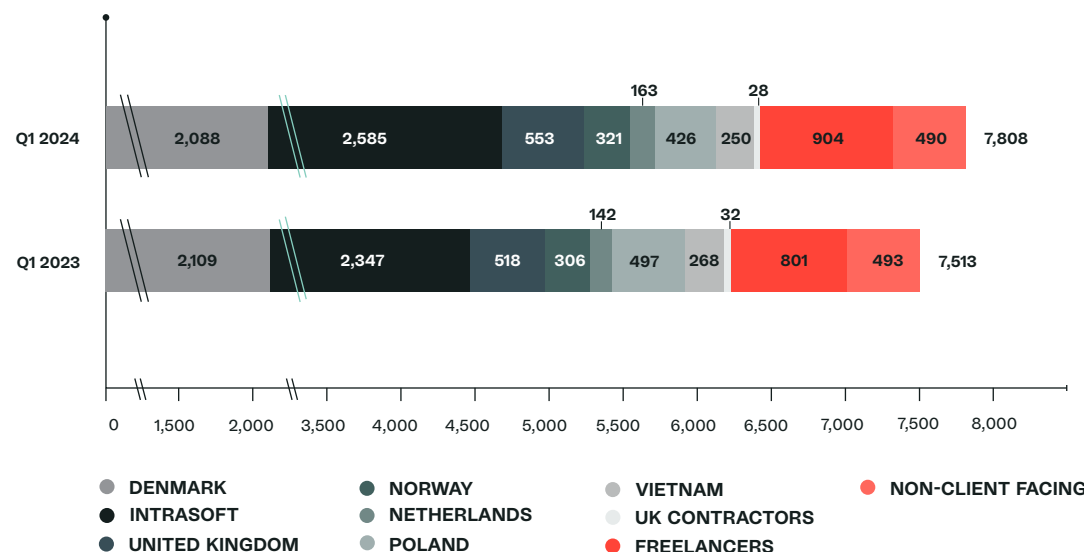
Netcompany employed an average of 7,808 FTEs in Q1 2024, which was an increase of 295 FTEs or 3.9% compared to Q1 2023 (7,513 FTEs). Revenue growth was on par with the increase in FTEs, despite fewer working days due to the timing of Easter – underpinning improved utilisation.

The number of client facing employees for the Group increased by 299 from 7,019 in Q1 2023 to 7,318 in Q1 2024, while the level of non-client facing FTEs was 6.3% in Q1 2024 compared to 6.6% in Q1 2023. Freelancers increased 12.9% from 801 in Q1 2023 to 904 in Q1 2024 mainly caused by increased activity on EU projects. However, sequentially the increase was 6.6% compared to Q4 2023.

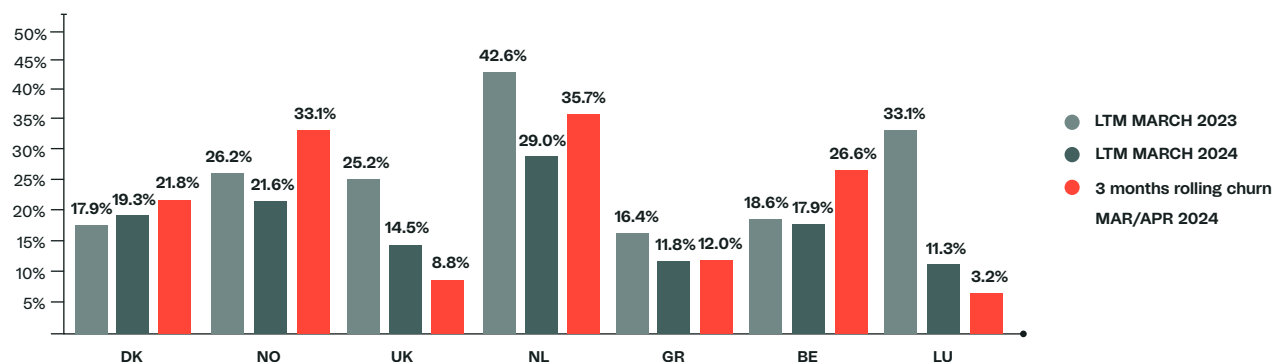
The attrition rate for the last twelve months was 16.3%, which was a decrease of 3.7 percentage points compared to 20% in Q1 2023. On a sequential basis the churn rate decreased 1 percentage point compared to Q4 2023.

3 months rolling churn rates have increased in Denmark and Norway compared to the same period last year. This was a result of a higher proportion of forced churn realised.

Avg. FTEs increased to 7,808 during Q1 2024



Attrition rate



Capital and other financial positions

Free cash flow and cash conversion rate¹

The Group had a negative free cash flow of DKK 4.9m in Q1 2024, negatively impacted by taxes paid related to prior year, taxes paid on account and the timing of payments received from accounts receivables due end of March, that because of Easter was received in the beginning of April.

Normalised for taxes, the Group generated a free cash flow of DKK 77.1m in Q1 2024 compared to DKK 166.5m in Q1 2023 mainly caused by development in net working capital. Working capital changes impacted free cash flow negatively by DKK 84.9m in Q1 2024 compared to DKK 14.3m in Q1 2023. This development was impacted by Q1 2024 ending on a bank holiday, why a larger than normal part of the trade receivables was collected in the beginning of April.

During Q1 2024 work in progress was built up by DKK 207.3m, while trade receivables decreased by DKK 107.8m. The difference is expected to be collected within the following quarter, and thereby have a positive impact on the free cash flow in Q2 2024.

Consequently, cash conversion normalised for taxes decreased from 128.5% in Q1 2023 to 67.2% in Q1 2024.

Trade receivables

At 31 March 2024, trade receivables were DKK 1,154m compared to DKK 916.4m end of Q1 2023, corresponding to an increase of 25.9% compared to revenue growth of 3.8%. The increase compared to the same period last year, was impacted by Q1 2024 ending on Easter holiday. However, on a sequential basis trade receivables decreased 8.5% from DKK 1,261.8m end of Q4 2023.

Days sales outstanding increased from 54 days in Q1 2023 to 66 days in Q1 2024 but improved from 73 days in Q4 2023.

As a consequence of some trade receivables being collected later due to the Easter holiday, the overdue part of the trade receivables increased from 31.6% in Q1 2023 to 38.2% in Q1 2024. The timing difference of payments from trade receivables in Q1 is expected to catch up in April and thus return to a normal level during Q2 2024.

The trade receivables paid in the following month amounted to DKK 652m in April of which DKK 306.4m was overdue end of March. Compared to Q1 2023, the total amount of trade receivables paid in the following month increased by 126.2%.

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Provision	Total
Trade receivables, 31 March 2024	726.0	316.1	43.5	29.4	60.0	-21.0	1,154.0
Paid in the following month	345.7	251.9	19.7	15.8	19.0	0.0	652.0
% paid subsequently	47.6%	79.7%	45.3%	53.8%	31.6%	0.0%	56.5%

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Provision	Total
Trade receivables, 31 March 2023	640.6	144.2	32.5	62.1	56.6	-19.6	916.4
Paid in the following month	176.2	71.8	20.2	9.8	10.4	0.0	288.3
% paid subsequently	27.5%	49.8%	62.2%	15.7%	18.4%	0.0%	31.5%

¹Taxes paid within the Group are, due to local tax regulations, paid on account 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 in Denmark.

CONTINUED CAPITAL AND OTHER FINANCIAL POSITIONS

Work in progress

At 31 March 2024, Netcompany’s work in progress amounted to DKK 909.9m, represented by contract work in progress of DKK 1,488.5m and prepayments received from customers of DKK 578.6m.

Combined work in progress decreased by 2.7% from DKK 935m in Q1 2023 to DKK 909.9m in Q1 2024, naturally impacted by fewer working days in March 2024 compared to March 2023.

In the quarter revenue increased 3.8% from DKK 1,540.2m in Q1 2023 to DKK 1,598.1m in Q1 2024, whereas revenue for the last twelve months increased by 7.4%.

As a total, trade receivables and work in progress increased by 11.5% from DKK 1,851.4m end of Q1 2023 to DKK 2,063.9m end of Q1 2024. The higher increase, compared to revenue growth for the last twelve months, was caused by the timing of Easter, which brought trade receivables up, temporarily.

Funding and liquidity

Originally, the maturity of the Group bank loan expired in 2025. In April 2023 and April 2024, the loan was prolonged twice by one year and now runs to 2027.

The combined committed facilities constitute DKK 2,847.5m and an additional facility of DKK 2,000m, available only for new acquisitions. At 31 March 2024, DKK 1,627.5m of the committed lines were utilised on ordinary borrowings, DKK 37.5m on guarantees and DKK 106.5m utilised for acquisitions, leaving a total of DKK 3,076m available in unutilised funding of which DKK 1,182.5m can be utilised for normal operations if needed with no additional costs or covenants.

Risk management

Please refer to the overview of risk factors provided by the Group in the Annual Report for 2023.

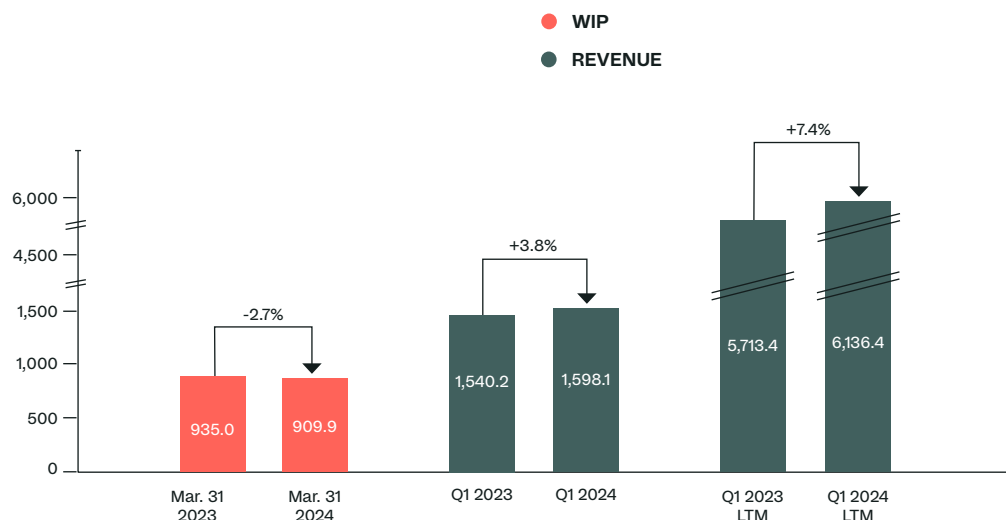
Capital structure

Compared to Q1 2023, debt ratio was unchanged at 1.6x, which is fully compliant with current covenants.

Events after the balance sheet date

To this date, no events have occurred after the balance sheet date, which would influence the evaluation of this report.

Work in progress overview (DK million)



In addition, Netcompany-Intrasoft had utilised DKK 528.8m on local guarantees, having no impact on the Group facilities except for leverage.

Including net cash balance of DKK 301.6m as of 31 March 2024, DKK 1,484.1m was available for Group funding.

Guidance 2024

Financial metrics in constant currencies	Original target 2024	Actual performance 2023
Group revenue growth, organic	7-10%	10.7%
Group Adjusted EBITDA margin	15-18%	14.9%

Netcompany realised revenue growth of 3.6% and Adjusted EBITDA margin of 15.7% in Q1 2024, both measured in constant currencies.

Despite fewer working days related to the timing of Easter the Group realised Adjusted EBITDA margin in line with Q1 2023.

The negative impact from fewer working days in Denmark and Norway in Q1 2024 will be reversed in Q2 2024, and impact revenue growth and margin positively.

We maintain our expectations for the financial performance for the year for the Group of 7-10% revenue growth and Adjusted EBITDA margin of 15-18%.

We reiterate our midterm targets to be achieved by 2026 with a revenue target of at least DKK 8.5bn and Adjusted EBITDA margin of at least 20%. We also reiterate our commitment to re-distribute at least DKK 2bn of cash to shareholders – mainly as share buyback – and in that aspect we initiate a second share buyback programme of DKK 250m to be executed by 12 August 2024.

A number of risks and assumptions to our full year guidance for 2024 were discussed in connection to the release of our Annual Report 2023. Those risks and assumptions still prevails and could impact our performance for the remaining part of 2024.

Midterm targets 2026	
Revenue	>8.5bn
Adjusted EBITDA margin	>20%
Cash redistribution to shareholders	>2bn

Shareholder information

Capital

Netcompany's share capital is DKK 50m divided into 50m shares. End of Q1 2024 Netcompany held 763,414 treasury shares equivalent to 1.5% of the share capital. The shares will be used to honour the Group's commitments under its long-term incentive programmes.

Share-based incentive schemes/restricted stock units and matching shares

In total, 460,990 restricted stock units (RSUs) and 133,155 matching shares in relation to the share-based incentive schemes were issued at 31 March 2024 of which 101,640 RSUs and 24,000 matching shares were granted to Executive Management and 359,350 RSUs and 109,155 matching shares were granted to Other Key Management Personnel and Other Employees. The fair value of the shares at grant was DKK 173.3m. The cost related hereto is expensed over the vesting period.

A total amount of DKK 12.7m was recognised as personnel costs in the income statement in Q1 2024. During the quarter, the RSU programmes granted in 2020

exercised and 41,551 treasury shares (recognised at DKK 23.9m on equity) were transferred from reserves to Executive Management, Other Key Management Personnel and Other Employees part of the RSU programme.

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 Report.

Financial Calendar

14 August 2024

Interim report for the first 6 months of 2024.

31 October 2024

Interim report for the first 9 months 2024.

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 2024 to 31 March 2024. The Q1 2024 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 2023.

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 at 31 March 2024 and of the

results of the Group’s operations and cash flows for the period 1 January 2024 to 31 March 2024.

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, 3 MAY 2024

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

Susan Helen Cooklin

Åsa Riisberg

Bart Walterus

Consolidated interim financial statements

Income statement and Statement of comprehensive income

DKK million	Note	Q1 2024	Q1 2023	Total 2023
Income statement				
Revenue	1	1,598.1	1,540.2	6,078.4
Cost of services	2	-1,160.0	-1,100.1	-4,375.5
Gross profit		438.1	440.1	1,703.0
Sales and marketing costs		-11.9	-12.0	-54.7
Administrative costs	3	-226.9	-231.2	-935.5
Special items		-0.7	0.0	-0.5
Other operating income / expense		0.2	0.2	-0.0
EBITA		198.8	197.1	712.2
Amortisation		-28.5	-33.8	-134.2
Operating profit (EBIT)		170.3	163.3	578.0
Financial income	4	4.7	3.9	25.2
Financial expenses	4	-38.7	-33.5	-163.3
Income / loss, joint venture / associates		-4.9	-2.7	-7.7
Profit / loss before tax		131.4	131.0	432.3
Tax on the profit for the period		-38.9	-27.7	-128.2
Net profit / loss for the period		92.5	103.3	304.0
Of which				
Non-controlling interest		-0.9	-0.3	0.5
<i>Netcompany Group A/S' share</i>		<i>93.4</i>	<i>103.6</i>	<i>303.5</i>
Earnings per share				
Earnings per share (DKK)	5	1.89	2.10	6.13
Diluted Earnings per share (DKK)	5	1.87	2.09	6.09

DKK million	Note	Q1 2024	Q1 2023	Total 2023
Statement of comprehensive income				
Net profit / loss for the period		92.5	103.3	304.0
Other comprehensive income items that may be reclassified subsequently to profit or loss:				
Exchange rate adjustments on translating foreign subsidiaries		-0.2	-0.2	6.7
Other comprehensive income items that may not be reclassified to profit or loss:				
Actuarial profit / loss on defined benefit plans		0.0	0.0	1.1
Other comprehensive income, net of tax		-0.2	-0.2	7.8
Of which				
Non-controlling interest		0.0	-0.1	-0.2
<i>Netcompany Group A/S' share</i>		<i>-0.2</i>	<i>-0.1</i>	<i>7.9</i>
Total comprehensive income		92.3	103.1	311.8
Of which				
Non-controlling interest		-0.9	-0.4	0.4
<i>Netcompany Group A/S' share</i>		<i>93.3</i>	<i>103.5</i>	<i>311.4</i>

Statement of financial position

DKK million	Note	31 March 2024	31 March 2023	31 December 2023
Assets				
Intangible assets		3,724.3	3,755.3	3,733.1
Tangible assets		923.6	390.2	946.9
Investment in joint venture		87.2	94.7	89.5
Investment in associates		112.0	8.0	114.6
Other securities and investments		1.1	1.4	1.1
Other receivables		55.8	61.6	54.5
Deferred tax assets		44.2	34.1	41.8
Total non-current assets		4,948.1	4,345.4	4,981.4
Trade receivables	6	1,154.0	916.4	1,261.8
Receivables from joint venture		7.4	7.6	8.1
Receivables from associates		13.9	16.4	12.7
Contract work in progress	7	1,488.5	1,366.7	1,263.9
Other receivables		119.9	87.6	61.9
Prepayments		125.0	116.1	122.0
Tax receivables		59.6	60.7	0.0
Total receivables		2,968.2	2,571.6	2,730.3
Cash		301.6	242.2	448.1
Total current assets		3,269.8	2,813.8	3,178.4
Total assets		8,218.0	7,159.1	8,159.8

DKK million	Note	31 March 2024	31 March 2023	31 December 2023
Equity and liabilities				
Share capital		50.0	50.0	50.0
Treasury shares		-265.3	-186.5	-193.1
Retained earnings		4,039.5	3,752.6	3,965.1
Other reserves		1.5	0.4	1.5
Equity attributable to Group		3,825.7	3,616.5	3,823.5
Non-controlling interest		5.6	5.8	6.5
Total equity		3,831.3	3,622.3	3,830.1
Borrowings		1,574.0	1,673.2	1,586.9
Lease liabilities		748.6	241.1	761.8
Pension obligations		19.8	14.5	19.0
Deferred tax liability		71.7	110.9	69.0
Total non-current liabilities		2,414.0	2,039.6	2,436.7
Borrowings		154.0	45.4	146.9
Lease liabilities		117.2	87.4	114.7
Pension obligations		1.7	5.8	1.7
Prebilled invoices	7	578.6	431.7	561.3
Trade payables		338.7	282.1	340.0
Other payables	8	747.3	637.9	670.9
Provisions		16.9	6.9	16.7
Income tax payable		18.3	0.0	40.9
Total current liabilities		1,972.7	1,497.2	1,893.1
Total liabilities		4,386.7	3,536.8	4,329.8
Total equity and liabilities		8,218.0	7,159.1	8,159.8

Cash flow statement

DKK million	Q1 2024	Q1 2023	Total 2023
Operating profit (EBIT)	170.3	163.3	578.0
Depreciation and amortisation	76.2	79.0	322.7
Non-cash items	11.5	7.2	44.2
Working capital changes	-84.9	14.3	26.7
Total	173.2	263.8	971.6
Income taxes paid	-121.7	-54.8	-103.3
Financial income received	2.1	1.4	7.6
Financial expenses paid	-24.7	-20.2	-117.3
Cash flow from operating activities	28.9	190.2	758.6
Other investments	0.0	-0.1	-105.7
Capitalisation of intangible assets	-19.6	-29.8	-107.9
Acquisition of fixed assets	-14.2	-18.9	-98.5
Disposals of fixed assets	0.0	0.0	4.9
Other receivables (deposits)	-1.3	-6.6	4.5
Cash flow from investment activities	-35.1	-55.3	-302.8
Payment of treasury shares	-104.4	0.0	-32.0
Proceeds from borrowings	0.0	0.5	127.5
Repayment of borrowings	-6.6	-202.5	-314.3
Repayment of lease liabilities	-29.4	-24.9	-124.5
Cash flow from financing activities	-140.4	-226.9	-343.4
Net increase in cash and cash equivalents	-146.6	-92.0	112.4
Cash and cash equivalents at the beginning	448.1	336.0	336.0
Effect of exchange rate changes on the balance cash held in foreign currencies	0.2	-1.9	-0.4
Cash and cash equivalents at the end	301.6	242.2	448.1

Statement of changes in Equity

DKK million	Share capital	Treasury shares	Share-based remuneration	Foreign currency translation subsidiaries	Other Reserves	Retained earnings	Total equity, Netcompany Group A/S	Non-controlling interest	Total equity
Equity at 1 January 2024	50.0	-193.1	67.2	5.2	1.5	3,892.7	3,823.5	6.5	3,830.1
Profit for the period	0.0	0.0	0.0	0.0	0.0	93.4	93.4	-0.9	92.5
Other comprehensive income	0.0	0.0	0.0	-0.2	0.0	0.0	-0.2	0.0	-0.2
Total comprehensive income	0.0	0.0	0.0	-0.2	0.0	93.4	93.3	-0.9	92.3
Treasury Shares for the period	0.0	-103.7	0.0	0.0	0.0	0.0	-103.7	0.0	-103.7
Share-based remuneration for the period	0.0	31.5	-12.7	0.0	0.0	-6.2	12.6	0.0	12.6
Total transactions with owners	0.0	-72.2	-12.7	0.0	0.0	-6.2	-91.1	0.0	-91.1
Equity at 31 March 2024	50.0	-265.3	54.5	5.1	1.5	3,980.0	3,825.7	5.6	3,831.3
Equity at 1 January 2023	50.0	-313.3	54.2	-1.6	0.4	3,731.0	3,520.7	6.2	3,526.9
Adjustment related to previous year*	0.0	0.0	118.4	0.0	0.0	-120.4	-2.1	0.0	-2.1
Adjusted Equity at 1 January 2023	50.0	-313.3	172.6	-1.6	0.4	3,610.5	3,518.6	6.2	3,524.8
Profit for the period	0.0	0.0	0.0	0.0	0.0	103.6	103.6	-0.3	103.3
Other comprehensive income	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1	-0.1	-0.2
Total comprehensive income	0.0	0.0	0.0	-0.1	0.0	103.6	103.5	-0.4	103.1
Share-based remuneration for the period	0.0	126.8	-132.3	0.0	0.0	-0.1	-5.6	0.0	-5.6
Total transactions with owners	0.0	126.8	-132.3	0.0	0.0	-0.1	-5.6	0.0	-5.6
Equity at 31 March 2023	50.0	-186.5	40.3	-1.7	0.4	3,714.1	3,616.5	5.8	3,622.3
Equity at 1 January 2023	50.0	-313.3	54.2	-1.6	0.4	3,731.0	3,520.7	6.2	3,526.9
Adjusted Equity at 1 January 2023	50.0	-313.3	172.6	-1.6	0.4	3,610.5	3,518.6	6.2	3,524.8
Total comprehensive income	0.0	0.0	0.0	6.9	1.1	303.5	311.4	0.4	311.8
Total transactions with owners	0.0	120.2	-105.4	0.0	0.0	-21.3	-6.5	0.0	-6.5
Equity at 31 December 2023	50.0	-193.1	67.2	5.2	1.5	3,892.7	3,823.5	6.5	3,830.1

*The adjustment relates to change of accounting policies for business combinations following a compliance review of the Annual Reports for 2020 and 2021. Reference is made to note 11 regarding accounting policies and description in the 2022 Annual Report.

NOTE 1

Segment information

Public Q1

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	Q1 2024	Q1 2023	% change	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Revenue	1,088.7	1,024.6	6.3%	472.8	465.2	407.9	358.0	113.6	120.0	46.0	47.3	48.4	34.1
Cost of service	-802.6	-753.5	6.5%	-312.2	-316.9	-328.6	-285.9	-94.4	-86.0	-35.3	-37.5	-32.2	-27.1
Gross profit	286.1	271.1	5.5%	160.6	148.3	79.3	72.1	19.2	33.9	10.7	9.8	16.2	7.0
<i>Gross profit margin</i>	26.3%	26.5%	-0.2pp	34.0%	31.9%	19.4%	20.1%	16.9%	28.3%	23.3%	20.8%	33.5%	20.5%
Allocated costs	-148.3	-151.0	-1.8%	-75.9	-80.2	-44.4	-39.2	-12.5	-14.6	-7.2	-8.9	-8.3	-7.9
Adjusted EBITA before HQ costs	137.7	120.1	14.6%	84.7	68.1	34.9	32.8	6.7	19.3	3.5	0.9	8.0	-0.9
<i>Adjusted EBITA margin before allocated cost from HQ</i>	12.7%	11.7%	0.9pp	17.9%	14.6%	8.6%	9.2%	5.9%	16.1%	7.6%	1.9%	16.4%	-2.8%
Allocated costs from HQ	-9.3	-9.1	2.0%	-6.2	-6.3	0.0	0.0	-1.7	-1.6	-0.7	-0.6	-0.8	-0.6
Special items	-0.5	0.0	N/A	-0.3	0.0	0.0	0.0	-0.1	0.0	-0.0	0.0	-0.0	0.0
EBITA	128.0	111.0	15.3%	78.1	61.8	34.9	32.8	5.0	17.7	2.8	0.3	7.2	-1.5
<i>EBITA margin</i>	11.8%	10.8%	0.9pp	16.5%	13.3%	8.6%	9.2%	4.4%	14.7%	6.1%	0.5%	14.8%	-4.5%
Amortisation	-18.6	-21.7	-14.5%	-5.4	-9.8	-10.6	-7.4	-1.4	-2.6	-0.6	-1.0	-0.6	-0.9
Operating profit	109.4	89.3	22.5%	72.7	52.0	24.3	25.4	3.6	15.1	2.3	-0.7	6.5	-2.5
<i>Operating profit margin</i>	10.0%	8.7%	1.3pp	15.4%	11.2%	6.0%	7.1%	3.2%	12.6%	4.9%	-1.6%	13.5%	-7.3%

CONTINUED Segment information

Private Q1

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	Q1 2024	Q1 2023	% change	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Revenue	509.4	515.6	-1.2%	296.4	304.1	122.7	124.0	49.6	44.7	40.6	42.6	0.1	0.3
Cost of service	-357.4	-346.6	3.1%	-178.3	-182.6	-101.2	-97.9	-37.8	-29.3	-39.9	-36.7	-0.2	-0.2
Gross profit	152.0	169.0	-10.0%	118.1	121.4	21.5	26.1	11.8	15.5	0.7	5.9	-0.1	0.1
<i>Gross profit margin</i>	29.8%	32.8%	-2.9pp	39.8%	39.9%	17.5%	21.1%	23.8%	34.6%	1.8%	13.9%	-44.4%	28.4%
Allocated costs	-75.9	-78.0	-2.6%	-46.8	-50.7	-16.4	-13.4	-5.4	-5.4	-7.3	-8.2	-0.0	-0.0
Adjusted EBITA before HQ costs	76.1	91.0	-16.4%	71.3	70.8	5.1	12.7	6.4	10.0	-6.6	-2.3	-0.1	0.0
<i>Adjusted EBITA margin before allocated cost from HQ</i>	14.9%	17.7%	-2.7pp	24.1%	23.3%	4.1%	10.3%	12.9%	22.4%	-16.2%	-5.5%	-76.4%	13.6%
Allocated costs from HQ	-5.2	-5.1	1.3%	-3.8	-4.0	0.0	0.0	-0.7	-0.6	-0.7	-0.6	-0.0	-0.0
Special items	-0.3	0.0	N/A	-0.2	0.0	0.0	0.0	-0.0	0.0	-0.0	0.0	-0.0	0.0
Other operating income / expense	0.2	0.2	-2.9%	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	70.8	86.0	-17.7%	67.3	66.8	5.2	12.7	5.7	9.4	-7.3	-2.9	-0.1	0.0
<i>EBITA margin</i>	13.9%	16.7%	-2.8pp	22.7%	22.0%	4.3%	10.3%	11.4%	21.0%	-17.9%	-6.8%	-79.4%	12.4%
Amortisation	-9.9	-12.1	-17.8%	-6.0	-7.9	-2.7	-2.3	-0.6	-1.0	-0.6	-0.9	-0.0	-0.0
Operating profit	60.9	74.0	-17.7%	61.3	58.9	2.5	10.4	5.1	8.4	-7.8	-3.8	-0.1	0.0
<i>Operating profit margin</i>	12.0%	14.3%	-2.4pp	20.7%	19.4%	2.0%	8.4%	10.2%	18.9%	-19.2%	-8.9%	-81.8%	10.6%

CONTINUED Segment information

Geographical

Segment information related to geographical areas

DKK million	Denmark	Greece	UK	Belgium	Q1 2024				Total
					Norway	Luxembourg	Netherlands	Other	
Revenue from external customers	770.2	185.6	166.1	199.3	88.0	69.5	55.8	63.8	1,598.1

DKK million	Denmark	Greece	UK	Belgium	Q1 2023				Total
					Norway	Luxembourg	Netherlands	Other	
Revenue from external customers	779.5	174.7	169.7	148.6	90.5	82.5	38.8	55.9	1,540.2

DKK million	Denmark	Greece	UK	Belgium	Total 2023				Total
					Norway	Luxembourg	Netherlands	Other	
Revenue from external customers	2,903.1	777.3	668.8	706.6	331.4	226.1	179.8	285.4	6,078.4

NOTE 2 Cost of services

DKK million	Q1 2024	Q1 2023	Total 2023
Cost of services	-279.2	-269.3	-1,163.6
Salaries	-875.2	-826.1	-3,193.6
Depreciation	-5.6	-4.7	-18.2
Cost of services total	-1,160.0	-1,100.1	-4,375.5

NOTE 3 Administrative costs

DKK million	Q1 2024	Q1 2023	Total 2023
Administrative costs	-91.3	-103.4	-425.9
Salaries	-93.5	-87.3	-339.5
Depreciation	-42.1	-40.5	-170.2
Administrative costs total	-226.9	-231.2	-935.5

NOTE 4 Financial income and expenses

DKK million	Q1 2024	Q1 2023	Total 2023
Financial Income			
Exchange rate adjustments	3.0	3.3	21.9
Other financial income	1.7	0.6	3.4
Financial income total	4.7	3.9	25.2
Financial expenses			
Interest expense, bank loan	-26.3	-19.4	-88.5
Interest expense, leasing	-7.8	-2.3	-25.3
Exchange rate adjustments	0.6	-9.1	-30.7
Other financial expenses	-5.2	-2.7	-18.7
Financial expenses total	-38.7	-33.5	-163.3

NOTE 5

Earnings per share

DKK million	Q1 2024	Q1 2023	Total 2023
Earnings per share - EPS (DKK)	1.89	2.10	6.13
Diluted earnings per share - EPS-D (DKK)	1.87	2.09	6.09
Profit	93.4	103.6	303.5
Average number of shares	50.0	50.0	50.0
Average number of treasury shares	0.5	0.7	0.5
Average number of shares in circulation	49.5	49.3	49.5
Average number of outstanding restricted stock units	0.5	0.3	0.3
Average number of diluted shares in circulation	49.9	49.6	49.8

NOTE 6

Trade receivables

DKK million	31 March 2024	31 March 2023	31 December 2023
Not overdue	726.0	640.6	826.2
0-30 days overdue	316.1	144.2	302.9
31-60 days overdue	43.5	32.5	67.8
61-90 days overdue	29.4	62.1	13.4
Over 90 days overdue	60.0	56.6	70.7
Total trade receivables excl. expected credit loss	1,175.0	936.0	1,280.9
Expected credit loss	-21.0	-19.6	-19.1
Total trade receivables	1,154.0	916.4	1,261.8

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 bad debt is made. At 31 March 2024, the Group recognised a provision for expected credit losses of DKK 21m (31 March 2023: DKK 19.6m), and no credit losses have incurred during Q1 2024.

The credit quality of trade receivables at 31 March 2024, is considered satisfactory.

NOTE 7 Contract work in progress

DKK million	31 March 2024	31 March 2023	31 December 2023
Selling price of work performed on fixed price projects	5,220.9	4,169.7	3,950.7
Invoiced amount on fixed price projects	-4,311.0	-3,234.7	-3,248.0
Total contract work in progress	909.9	935.0	702.6
<i>Net value – stated on a contract-per-contract basis – is presented in the statement of financial position as follows:</i>			
Contract work in progress	1,488.5	1,366.7	1,263.9
Prebilled invoices	-578.6	-431.7	-561.3
Total contract work in progress	909.9	935.0	702.6

Based on the current project portfolio including monitoring of deliveries on projects, the Group has recognised a provision of DKK 16.9m (DKK 6.9m), covering legal claims and project related risks.

NOTE 8 Other payables

DKK million	31 March 2024	31 March 2023	31 December 2023
Wages and salaries, payroll taxes, social security costs, etc. payable	115.5	88.4	131.2
Holiday pay obligation	194.2	183.8	112.2
VAT and duties	106.4	93.3	129.7
Holdback	10.2	10.2	10.2
Other costs payable	321.0	262.2	287.6
Total other payables	747.3	637.9	670.9

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

NOTE 9

Income Statement classified by function

DKK million	Q1 2024	Q1 2023	Total 2023
Income statement			
Revenue	1,598.1	1,540.2	6,078.4
Cost of services, incl. depreciation and amortisation	-1,176.3	-1,111.6	-4,427.2
Gross profit	421.8	428.6	1,651.2
Sales and marketing costs	-11.9	-12.0	-54.7
Administrative costs, incl. depreciation, amortisation and special items	-239.9	-253.6	-1,018.5
Other operating income / expense	0.2	0.2	-0.0
Operating profit (EBIT)	170.3	163.3	578.0
Financial income	4.7	3.9	25.2
Financial expenses	-38.7	-33.5	-163.3
Income / loss from joint venture / associates	-4.9	-2.7	-7.7
Profit / loss before tax	131.4	131.0	432.3
Tax on the profit for the period	-38.9	-27.7	-128.2
Net profit / loss for the period	92.5	103.3	304.0
Depreciation and Amortisation have been presented as follows in the income statement:			
Cost of services	-21.9	-16.2	-70.0
Administrative costs	-54.3	-62.9	-252.7
Depreciation and amortisation	-76.2	-79.0	-322.7

NOTE 10

Collateral provided and contingent liabilities

As part of its contract commitments with customers, the Group has through its banks provided performance guarantees of DKK 566.3m (DKK 486.2m).

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

The Group is in 2024 as well as in 2023 part of some legal claims. The outcome of these

disputes is not considered likely to impact the Group's financial position significantly, besides what is already recognised in the balance sheet.

NOTE 11

Related party transactions

In Q1 2024, Netcompany recognised revenue from Smarter Airports A/S of DKK 8.4m (DKK 15.4m), and revenue from Festina Finance A/S of DKK 2.9m (DKK 0).

NOTE 12

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 Q1 2024 financial report have 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 2023 for Netcompany Group A/S.

NOTE 13

Financial figures and highlights

DKK million	Q1 2024	Q1 2023	% change	Total 2023
Income statement				
Public revenue	1,088.7	1,024.6	6.3%	4,108.5
Private revenue	509.4	515.6	-1.2%	1,969.9
Development revenue	492.6	624.2	-21.1%	2,047.8
Maintenance revenue	1,103.0	912.7	20.8%	3,968.2
License revenue	2.6	3.2	-20.8%	62.4
Organic revenue	1,598.1	1,540.2	3.8%	6,078.4
Non-organic revenue	0.0	0.0	N/A	0.0
Revenue by growth, total	1,598.1	1,540.2	3.8%	6,078.4
Special items	-0.7	0.0	N/A	-0.5
Adjusted EBITDA	247.1	242.1	2.1%	901.2
EBITDA	246.5	242.3	1.7%	900.7
Adjusted EBITA	199.3	196.9	1.3%	712.7
EBITA	198.8	197.1	0.9%	712.2
Operating profit (EBIT)	170.3	163.3	4.3%	578.0
Net financials	-34.0	-29.6	14.9%	-138.0
Net profit / loss	92.5	103.3	-10.5%	304.0
Financial position				
Capex	-33.8	-48.6	-30.5%	-206.5
Total assets	8,218.0	7,159.1	14.8%	8,159.8
Equity	3,831.3	3,622.3	5.8%	3,830.1
Net increase in cash and cash equivalents	-146.6	-92.0	59.5%	112.4
Free cash flow	-4.9	141.6	-103.5%	552.1
Free cash flow (tax normalised)	77.1	166.5	-53.7%	496.4

CONTINUED FINANCIAL HIGHLIGHTS AND KEY FIGURES

DKK million	Q1 2024	Q1 2023	% change	Total 2023
Earnings per share				
Earnings per share (DKK)	1.89	2.10	-10.1%	6.13
Diluted earnings per share (DKK)	1.87	2.09	-10.3%	6.09
Employees				
Average number of full-time employees	7,808	7,513	3.9%	7,684

Financial ratios

Revenue growth	3.8%	12.3%	-8.5pp	9.6%
Gross profit margin	27.4%	28.6%	-1.2pp	28.0%
Adjusted EBITDA margin	15.5%	15.7%	-0.3pp	14.8%
EBITDA margin	15.4%	15.7%	-0.3pp	14.8%
Adjusted EBITA margin	12.5%	12.8%	-0.3pp	11.7%
EBITA margin	12.4%	12.8%	-0.4pp	11.7%
Operating profit margin	10.7%	10.6%	0.1pp	9.5%
Effective tax rate	29.6%	21.2%	8.5pp	29.7%
Return on equity	2.5%	3.1%	-0.6pp	8.3%
Solvency ratio	46.6%	50.6%	-4.0pp	46.9%
ROIC	1.8%	2.0%	-0.3pp	5.9%
ROIC (adjusted for Goodwill)	4.8%	5.9%	-1.1pp	16.9%
Cash conversion ratio	-4.3%	109.2%	-113.5pp	135.1%
Cash conversion ratio (tax normalised)	67.2%	128.5%	-61.2pp	121.4%

Formulas

Key figures and financial ratios have been compiled in accordance with the following calculation formulas.

Organic revenue	=	Revenue not classified as non-organic revenue	Operating profit margin¹	=	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$	Capex^{1,2}	=	Capitalised costs and cost spent to buy intangible and tangible assets, excluding impact from business acquisitions.
Non-organic revenue	=	Revenue from acquired businesses the first 12 months after acquisition	EBITDA^{1,2}	=	EBIT + Depreciation and amortisation	Cash conversion ratio^{1,2}	=	$\frac{\text{Free cash flow} \times 100}{\text{Net profit} - \text{Amortisation and deferred tax of amortisation}}$
Organic Growth¹	=	$\frac{\text{Organic revenue current year} \times 100}{\text{Revenue last year}}$	EBITDA margin	=	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$	Days sales outstanding^{1,2}	=	$\frac{\text{Trade receivables} \times \text{days}}{\text{Revenue}}$
Gross profit margin^{1,2}	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	Adjusted EBITDA	=	EBITDA + Special items + Other operating income	Return on equity²	=	$\frac{\text{Net profit for the period} \times 100}{\text{Average equity}}$
EBITA^{1,2}	=	Operating profit + Amortisation	Adjusted EBTIDA margin	=	$\frac{\text{Adjusted EBITDA} \times 100}{\text{Revenue}}$	Return on invested capital (ROIC)^{1,2}	=	$\frac{\text{Net profit} \times 100}{\text{Average invested capital}}$
EBITA margin^{1,2}	=	$\frac{\text{EBITA} \times 100}{\text{Revenue}}$	EPS¹	=	$\frac{\text{Net profit} - \text{Non-controlling interest}}{\text{Average outstanding shares}}$	ROIC (Adjusted for Goodwill)¹	=	$\frac{\text{Net profit} \times 100}{\text{Average invested capital} - \text{average Goodwill}}$
Adjusted EBITA	=	EBITA + Special items + Other operating income	EPS diluted¹	=	$\frac{\text{Net profit} - \text{Non-controlling interest}}{\text{Average outstanding shares} + \text{Diluted shares}}$	Solvency (equity ratio)¹	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$
Adjusted EBITA margin	=	$\frac{\text{Adjusted EBITA} \times 100}{\text{Revenue}}$	Free cash flow^{1,2}	=	Cash flow from operating activities - Capex			

¹Key figures defined according to IFRS.

²Key figures defined according to "Recommendations & Financial Ratios" issued by the Danish Finance Society.

Disclaimer

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 2023 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 marketing 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 2023 of Netcompany Group A/S is available at our website 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.