

## Company announcement 05/2021 May 7, 2021

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

### Revenue increase of 1.2% and an operating profit margin before special items of 6.6%

#### Performance highlights for the first three months of 2021

- Revenue increased to DKK 731m, up 1.2% (-1.7% organic) from Q1 2020, driven by:
  - Life Sciences (excluding Novo Nordisk Group) grew to DKK 228m, up 43% (30% organic). This increase was mainly related to the continued significant growth of the Life Sciences International business, where revenues increased by 73% (49% organic) to DKK 159m, while revenue from Life Sciences Denmark increased by 3.0% to DKK 69m.
  - Novo Nordisk Group revenue declined 14% to DKK 159m
  - Private & Public business revenue decreased by 9.0% to DKK 344m, mainly due to the loss of the Pandora agreement, but partly countered by increased sales of Winning Solutions
  - Winning Solutions now constitutes 49% of total revenue, up from 44% in Q1 2020
- Operating profit margin before special items was 6.6%, up from 6.5% in Q1 2020 positively impacted by a settlement of DKK 7m within Private & Public
- Net profit amounted to DKK 31m, down from DKK 35m in Q1 2020
- Order backlog for 2021 at the beginning of Q2 2021 amounted to DKK 2,379m, an increase of 4.0% over the same time last year, a positive development considering the change in overall mix towards project-based business
- Outlook for 2021:  
Guidance for 2021 is maintained:
  - Revenue growth of 1-4%
  - Operating profit margin before special items of 6-7%
  - Investment level of 5-7% of total revenue excluding acquisitions

The outlook may still be influenced by the continued uncertainty relating to the COVID-19 situation

Per Kogut, CEO of NNIT, comments: *"In Q1 we experienced the continued strong growth within International Life Sciences business, with Excellis performing to plan. Our Private & Public business started to see positive momentum in relation to the Winning Solutions strategy which now constitutes 49% of NNIT revenue. Expectations for 2021 remain positive and we maintain our financial guidance."*

## Financial overview

DKK million	Q1 2021	Q1 2020	Pct./pp Change
Revenue	731	722	1,2%
Gross profit margin	13,7%	14,3%	-0.6pp
Operating profit before special items	48	47	2,1%
Operating profit margin before special items	6,6%	6,5%	0.1pp
Special items	6	7	-14,3%
Operating profit	42	40	5,0%
Operating profit margin	5,7%	5,5%	0.2pp
Net profit	31	35	-11,4%
Investments (CAPEX)	33	42	-21,4%
Free cash flow	-86	-17	405,9%

## Guidance 2021

Guidance for 2021 is maintained:

### Revenue growth

Revenue growth in reported currencies

**1-4%**

### Operating profit margin

In reported currencies

**6-7% before special items**

Investments / Revenue

**5-7%**

The outlook may still be influenced by the continued uncertainty relating to the COVID-19 situation.

**The NNIT Group** provides a wide range of IT and consulting services worldwide. Supporting the entire supply chain, we help optimize internal company processes, production, sales and delivery to customers. We are experts in supporting the world's most regulated industries subject to strict governance of processes, quality and data management and documentation – and in guiding customers on their digital journeys. The Group consists of NNIT A/S and subsidiaries Valiance, SCALES and Excellis Health Solutions. Within these companies, we employ over 3,000 people, primarily within Europe, Asia and the US.

In Denmark, home to Group HQ, we are one of the leading IT consultancies, servicing both private and public sector customers across all industries. In other parts of Europe and in USA and Asia, we are solely focused on companies within life sciences.

Read more at [www.nnit.com](http://www.nnit.com)

### Conference call details

NNIT will host a teleconference on May 7, 2021 at 9:30 CET to present the financial report for the first three months of 2021. Please visit the NNIT website [www.nnit.com](http://www.nnit.com) to access the teleconference, which can be found under 'Investors – Events & Presentations'. Presentation material will be available on the website approximately one hour prior to the start of the presentation.

Conference call details

<https://streams.eventcdn.net/nnit/2021q1/>

Participant telephone numbers:

Denmark:	+45 8233 3194
United Kingdom:	+44 333 300 9034
Sweden:	+46 856 642 705
United States:	+1 833 526 8382

### Financial calendar 2021

August 12, 2021	Interim report for the first six months of 2021
November 3, 2021	Interim report for the first nine months of 2021

### Forward-looking statements

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

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

### Contacts for further information

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## Financial figures and highlights

DKK million	Q1 2021	Q1 2020	Change Q1	Total 2020
<b>Financial performance</b>				
<b>Revenue</b>				
Life Sciences (excl. NNG)	228	159	43.4%	717
- Life Sciences (Int.)	159	92	72.8%	456
-Life Sciences (DK)	69	67	3.0%	261
Novo Nordisk Group	159	185	-14.1%	732
<b>Life Sciences</b>	<b>387</b>	<b>344</b>	<b>12.5%</b>	<b>1,449</b>
Enterprise	174	206	-15.5%	712
Public	98	105	-6.7%	407
Finance	72	67	7.5%	262
<b>Private &amp; Public</b>	<b>344</b>	<b>378</b>	<b>-9.0%</b>	<b>1,381</b>
<b>Total revenue</b>	<b>731</b>	<b>722</b>	<b>1.2%</b>	<b>2,830</b>
EBITDA	102	110	-7.3%	399
Depreciations and amortizations	54	63	-14.3%	234
Operating profit before special items <sup>1</sup>	48	47	2.1%	165
Special items <sup>1</sup>	6	7	n.a.	43
Operating profit	42	40	5.0%	122
Net financials	-4	6	-166.7%	-20
Net profit	31	35	-11.4%	76
Investments in tangible assets	28	35	-17.6%	95
Investments in intangible assets and acquisition in subsidiaries	31	67	-53.7%	290
Total assets	2,702	2,507	7.8%	2,662
Equity	1,158	1,163	-0.4%	1,134
Dividends paid	25	49	-49.0%	98
Free cash flow	-86	-17	n.a.	143
<b>Earnings per share</b>				
Earnings per share (DKK)	1.25	1.43	-12.6%	3.07
Diluted earnings per share (DKK)	1.25	1.42	-12.0%	3.04
<b>Employees</b>				
Average number of full-time employees	3,101	3,116	-0.5%	3,083
<b>Financial ratios</b>				
Revenue growth	1.2%	-3.7%	4.9pp	-7.5%
Organic growth	-1.7%	-6.3%	4.6pp	-8.2%
Gross profit margin	13.7%	14.3%	-0.6pp	13.7%
EBITDA margin	14.0%	15.2%	-1.2pp	14.1%
Operating profit margin before special items	6.6%	6.5%	0.1pp	5.8%
Operating profit margin	5.7%	5.6%	0.1pp	4.3%
Effective tax rate	18.4%	23.9%	-5.5pp	25.5%
Investments/Revenue	4.5%	5.9%	-1.2pp	4.8%
Return on equity <sup>2</sup>	6.2%	15.9%	-9.7pp	6.6%
Solvency ratio	42.9%	46.4%	-3.5pp	42.6%
Return on invested capital (ROIC) <sup>2,3</sup>	6.1%	9.6%	-3.5pp	6.1%
Cash to earnings <sup>2</sup>	102.8%	142.5%	-39.7pp	188.2%
Cash to earnings (three-year average)	56.8%	27.7%	29.1pp	101.2%
<b>Additional numbers<sup>4</sup></b>				
Order entry backlog for the current year	2,379	2,287	4.0%	1,999

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

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

3) Net profit/average invested capital

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

## Business highlights

We achieved several key highlights in Q1 2021:

- NNIT has been ranked as a market leader for Veeva services in the first global analysis prepared by the analyst and influencer Everest Group, based on overall capabilities and market impact on a global scale
  - About NNIT, Everest says:
 

*"NNIT's vision is to enhance its Veeva Powerhouse, wherein the clients get an end-to-end implementation and support service with a framework and a team of domain experts. This solution ensures an agile and safe transition as well as a smooth continuation of all, clinical, quality, and regulatory processes. The standardized model makes it applicable in large corporations as well as small and medium-sized businesses."*
- The leading Regulatory Advisor Gens&Associates has ranked NNIT as the second biggest Regulatory Information Management (RIM) implementation service partner globally and with the highest customer satisfaction, based on 2020 data in its renowned world-class RIM study
- NNIT implemented a new Microsoft D365 Winning Solution system at an existing customer for a double-digit DKK million value
- An existing Identity & Access Management (IAM) consulting project from September 2020 was extended to include implementing a refresh of a full IAM suite. The extension involves more than 2,000 hours to be delivered in March and April 2021, with the possibility of further extension
- As an example of an NNIT Winning Solution, an existing collaboration with AstraZeneca was extended for IT services and its Veeva Safety Program. Work will be carried out from April 2021 until the end of 2021

## Group performance overview

DKK million	Q1 2021	Q1 2020	Change	2020
<b>Revenue</b>	731	722	1.2%	2,830
Cost of goods sold	631	619	1.9%	2,443
<b>Gross profit</b>	<b>100</b>	<b>103</b>	<b>-2.9%</b>	<b>387</b>
<i>Gross profit margin</i>	<i>13.7%</i>	<i>14.3%</i>	<i>-0.6pp</i>	<i>13.7%</i>
Sales and marketing costs	31	31	0.0%	127
Administrative expenses	21	25	-16.0%	95
<b>Operating profit before special items</b>	<b>48</b>	<b>47</b>	<b>2.1%</b>	<b>165</b>
<i>Operating profit margin before special items</i>	<i>6.6%</i>	<i>6.5%</i>	<i>0.1pp</i>	<i>5.8%</i>
Special items	6	7	-14.3%	43
<b>Operating profit</b>	<b>42</b>	<b>40</b>	<b>5%</b>	<b>122</b>
<i>Operating profit margin</i>	<i>5.7%</i>	<i>5.5%</i>	<i>0.2pp</i>	<i>4.3%</i>
Net financials	-4	6	-166.7%	-20
<b>Profit before tax</b>	<b>38</b>	<b>46</b>	<b>-17%</b>	<b>102</b>
Tax	7	11	-36.4%	26
<i>Effective tax rate</i>	<i>18.4%</i>	<i>23.9%</i>	<i>-5.5pp</i>	<i>25.5%</i>
<b>Net profit</b>	<b>31</b>	<b>35</b>	<b>-11.4%</b>	<b>76</b>

Revenue increased to DKK 731m, up 1.2% compared with Q1 2020. Revenue from Life Sciences (excl. NNG) increased by 43%, whereas revenues from the Novo Nordisk Group declined by 14% and the Private & Public segment declined by 9%.

Cost of goods sold increased to DKK 631m, up 1.9% compared with Q1 2020.

Gross profit decreased to DKK 100m leading to a gross profit margin of 13.7%, down 0.6pp from Q1 2020 positively impacted by a one-off in relation to a settlement of DKK 7m.

Sales and marketing costs were on par with Q1 2020.

Administrative expenses decreased to DKK 21m, down 16% from Q1 2020 due to cost reductions introduced in the 2020 cost reduction program.

Operating profit before special items ended at DKK 48m. This corresponds to an operating profit margin before special items of 6.6% compared with 6.5% in Q1 2020.

Net financials were negative at DKK 4m, representing a decrease of DKK 10m compared with Q1 2020. The negative development mainly relates to cash flow hedges as a result of decreasing exchange rates.

The effective tax rate was 18.4%, a decrease of 5.5pp compared with Q1 2020. This decrease is explained by an adjustment of deferred tax regarding treasury shares resulting from a lower share price.

Net profit was DKK 31m compared with DKK 35m in Q1 2020. Net profit was impacted by higher revenue and business activity offset by increased costs and a decrease in financial income.

## Life Sciences

DKK million	Q1 2021	Q1 2020	Change	2020
Life Sciences (excl. NNG)	228	159	43.4%	717
<i>Life Sciences (Int.)</i>	159	92	72.8%	456
<i>Life Sciences (DK)</i>	69	67	3.0%	261
Novo Nordisk Group	159	185	-14.1%	732
Revenue	387	344	12.5%	1,449
Cost of goods sold	322	282	14.2%	1,205
<b>Gross profit</b>	<b>65</b>	<b>62</b>	<b>4.8%</b>	<b>244</b>
<i>Gross profit margin</i>	16.8%	18.0%	-1.2pp	16.8%
Allocated costs	28	31	-9.7%	123
<b>Operating profit before special items</b>	<b>37</b>	<b>31</b>	<b>19.4%</b>	<b>121</b>
<i>Operating profit margin before special items</i>	9.6%	9.0%	0.6pp	8.4%
Special items	3	3	0.0%	22
<b>Operating profit</b>	<b>34</b>	<b>28</b>	<b>21.4%</b>	<b>99</b>
<i>Operating profit margin</i>	8.8%	8.1%	0.7pp	6.8%

### Revenue

Life Sciences revenue increased by 12.5% from Q1 2020. Revenue from projects increased by 31% while revenue from service level agreements decreased by 10%. Further details on revenue and profit development are explained below.

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

Revenue from Life Sciences International increased by 73% (49% organic) compared with Q1 2020, driven by strong organic growth in Europe and US and inorganic growth from Excellis. Growth was mainly driven by the strategic business areas Regulatory Affairs, Quality Management and Production. Technologies supporting the growth are Veeva and Tracelink.

Revenue from Life Sciences Denmark increased by 3.0% compared with Q1 2020, mainly driven by the new contract with Orifarm.

#### Novo Nordisk Group:

Revenue from the Novo Nordisk Group decreased by 14% compared with Q1 2020.

As a consequence of the large decline in revenue from the Novo Nordisk Group and high growth from other customers, Novo Nordisk Group now constitutes 22% of total revenue against 26% in Q1 2020.

### Gross profit and operating profit

Gross profit margin was 17%, down 1.2pp from Q1 2020.

Operating profit margin before special items was 9.6% compared with 9.0% in Q1 2020.

## Private & Public

DKK million	Q1 2021	Q1 2020	Change	2020
Enterprise	174	206	-15.5%	712
Public	98	105	-6.7%	407
Finance	72	67	7.5%	262
Revenue	344	378	-9.0%	1,381
Cost of goods sold	309	337	-8.3%	1,238
<b>Gross profit</b>	<b>35</b>	<b>41</b>	<b>-14.6%</b>	<b>143</b>
<i>Gross profit margin</i>	<i>10.2%</i>	<i>10.8%</i>	<i>-0.6pp</i>	<i>10.4%</i>
Allocated costs	24	25	-4.0%	99
<b>Operating profit before special items</b>	<b>11</b>	<b>16</b>	<b>-31.3%</b>	<b>44</b>
<i>Operating profit margin before special items</i>	<i>3.2%</i>	<i>4.2%</i>	<i>-1pp</i>	<i>3.2%</i>
Special items	3	0	n.a.	22
<b>Operating profit</b>	<b>8</b>	<b>16</b>	<b>-50.0%</b>	<b>22</b>
<i>Operating profit margin</i>	<i>2.3%</i>	<i>4.2%</i>	<i>-1.9pp</i>	<i>1.6%</i>

### Revenue

Private & Public revenue decreased to DKK 344m, down 9.0% from Q1 2020. The decrease was mainly due to a 15% decline in revenue related to projects and 3% decline in revenue from service level agreements, both compared with Q1 2020. The share of revenue related to Winning Solutions increased by 1.7% from Q1 2020.

Further details on revenue and profit development are explained below.

#### Enterprise:

Revenue decreased to DKK 174m, down 16% from Q1 2020. The decline was expected due to the phasing out of the Pandora outsourcing agreement.

#### Public:

Revenue decreased to DKK 98m, down 6.7% from Q1 2020. The revenue decrease was driven by a reduction in project activity partly offset by revenue from a new large customer.

#### Finance:

Revenue increased to DKK 72m, up 7.5% from Q1 2020. The revenue increase was mainly related to a one-off settlement of DKK 7m.

### Gross profit and operating profit

Gross profit margin was 10.2%, down 0.6pp from Q1 2020. Operating profit margin before special items was 3.2% compared with 4.2% in Q1 2020.



## Balance sheet

Total assets on March 31, 2020 increased to DKK 2,702m, up DKK 195m from DKK 2,507m on March 31, 2020. The increase was primarily due to the increase in intangible assets after the acquisition of Excellis in Q4 2020, which partly countered by decreases in tangible and lease assets.

Net cash and cash equivalents amounted to DKK -298m on March 31, 2021, down DKK 100m from March 31, 2020. The decrease was mainly driven by payments related to acquisitions (DKK 215m), payment of interim dividend for 2020 (DKK 49m), and payment of ordinary dividend for 2020 (DKK 25m), but partly countered by cash flows from operating activities.

Equity on March 31, 2021 amounted to DKK 1,158m, down DKK 5m from March 31, 2020. The decrease was mainly due to payment of the interim dividend for 2020 (DKK 49m) and ordinary dividend for 2020 (DKK 25m), but partly countered by reevaluation effects and net profits for the period.

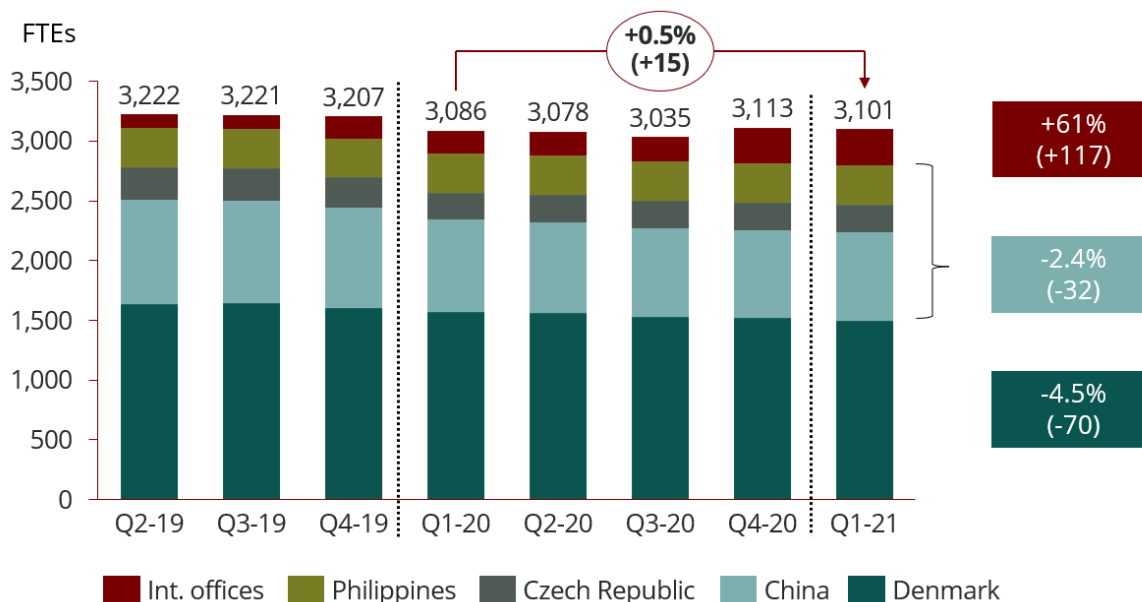
## Investments

Investments excluding investments related to acquisition of subsidiaries amounted to DKK 33m in Q1 2021 compared with DKK 42m in Q1 2020. The decrease is mainly due to timing of investments.

## Free cash flow

Free cash flow for Q1 2021 was negative at DKK 86m, which was DKK 69m below Q1 2020 due to a negative change in working capital, partly countered by lower investment activities, and due to a higher earn-out payment in Q1 2020 compared with Q1 2021.

## Employees, end-of-period

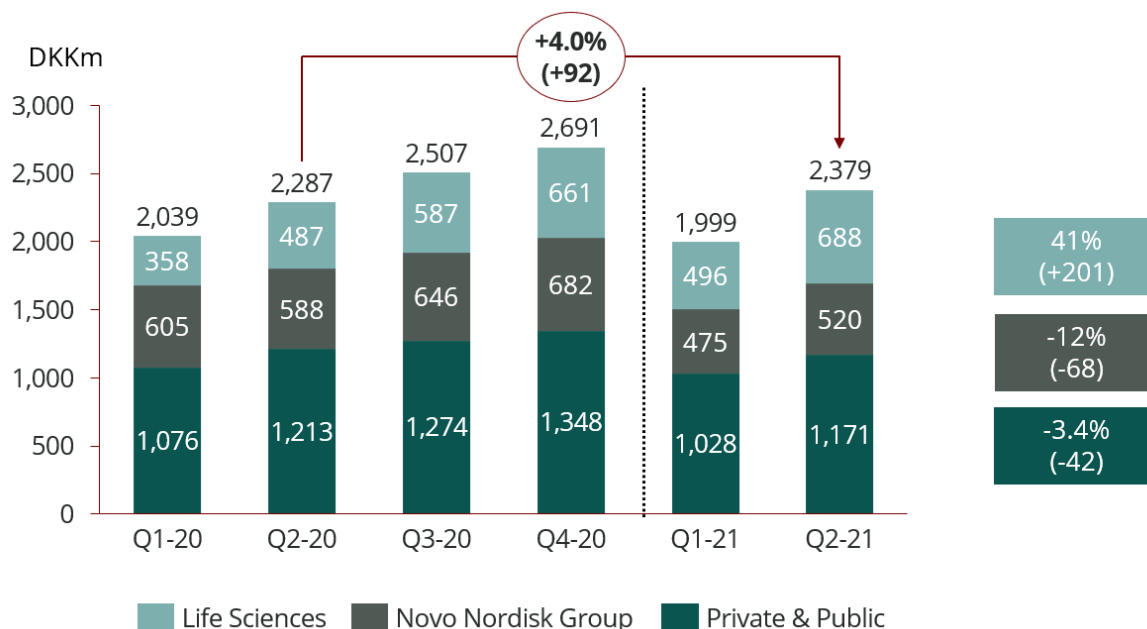


Since Q1 2020, the number of employees in NNIT's international offices increased by 61% (117 FTEs) due to the strong growth in the Life Sciences International segment and the acquisition of Excellis.

In Denmark and the global sourcing centers, the number of FTEs decreased by 4.5% (70 FTEs) and 2.4% (32 FTEs) respectively as a consequence of a reduction in Novo Nordisk Group engagement.

## Order backlog

### Backlog for the year, beginning of Q2 2021



At the beginning of Q2 2021, NNIT's order entry backlog for 2021 amounted to DKK 2,379 million, up 4.0% from last year. This is a positive development considering the change towards a more project-based business. This is explained further below.

The backlog from Life Sciences (excl. NNG) customers increased by 41%, driven by Life Sciences International and through the acquisition of Excellis, while the Novo Nordisk Group declined by 12%. Private & Public decreased by 3.4% mainly due to the expiry of the Pandora outsourcing contract and delayed order intake resulting from the COVID-19 situation.

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

### Events after balance sheet date

There have been no events after the balance sheet date that would have a significant impact on an assessment of NNIT's financial position as of March 31, 2021.

## Management statement

### Statement by the Board of Directors and the Executive Management on the unaudited interim consolidated financial statements of NNIT A/S as at and for the three months ended March 31, 2021

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

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

In our opinion, the accounting policies used are appropriate and the overall presentation of the interim consolidated financial statements for the first three months of 2021 are adequate and give a true and fair view of the Group's assets, liabilities and financial position as at March 31, 2021 and of the results of the Group's operations and cash flow for the three months ended March 31, 2021. Furthermore, in our opinion, Management's review includes a true and fair account of the development in the operations and financial circumstances, of the results for the period, and of the financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group in accordance with Danish disclosure requirements for listed companies.

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

Soeborg, May 7, 2021

### Executive management

Per Kogut  
CEO

Pernille Fabricius  
CFO

### Board of Directors

Carsten Dilling  
Chairman

Peter H. J. Haahr  
Deputy Chairman

Anne Broeng

Eivind Kolding

Christian Kanstrup

Caroline Serfass

Anders Vidstrup

Camilla K. K. Christensen

Trine Io Bjerregaard

## Consolidated financial statements

### Income statement and Statement of comprehensive income

DKK million	Note	Q1 2021	Q1 2020	12M 2020
<b>Income statement</b>				
	1			
<b>Revenue</b>	2	<b>731</b>	<b>722</b>	<b>2,830</b>
Cost of goods sold		631	619	2,443
<b>Gross profit</b>		<b>100</b>	<b>103</b>	<b>387</b>
Sales and marketing costs		31	31	127
Administrative expenses		21	25	95
<b>Operating profit before special items</b>		<b>48</b>	<b>47</b>	<b>165</b>
Special items*		6	7	43
<b>Operating profit</b>		<b>42</b>	<b>40</b>	<b>122</b>
Financial income		1	10	11
Financial expenses		5	4	31
<b>Profit before income taxes</b>		<b>38</b>	<b>46</b>	<b>102</b>
Income taxes		7	11	26
<b>Net profit for the period</b>		<b>31</b>	<b>35</b>	<b>76</b>

\*Special items comprises restructuring costs related to the cost restructuring plan and other special events

Earnings per share	DKK	DKK	DKK
<b>Earnings per share</b>	<b>1.25</b>	<b>1.43</b>	<b>3.07</b>
<b>Diluted earnings per share</b>	<b>1.25</b>	<b>1.42</b>	<b>3.04</b>

### Statement of comprehensive income

DKK million			
<b>Net profit for the period</b>	<b>31</b>	<b>35</b>	<b>76</b>
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to the Income statement:</i>			
Remeasurement related to pension obligations	2	2	-5
Tax on other comprehensive income	-2	0	4
<i>Items that will be reclassified subsequently to the Income statement, when specific conditions are met:</i>			
Currency revaluation related to subsidiaries (net)	20	-2	-25
Recycled to financial items	1	6	10
Unrealized value adjustments	6	-12	-22
Cash flow hedges	7	-6	-12
Tax on other comprehensive income related to cash flow hedges	-2	1	2
<b>Other comprehensive income, net of tax</b>	<b>25</b>	<b>-5</b>	<b>-36</b>
<b>Total comprehensive income</b>	<b>56</b>	<b>30</b>	<b>40</b>

## Balance sheet

### Assets

	Note	March 31, 2021	March 31, 2020	Dec 31, 2020
<b>DKK million</b>				
Intangible assets		799	528	781
Tangible assets		538	559	552
Lease assets		211	293	227
Contract assets		73	63	75
Deferred tax		32	33	32
Deposits		33	32	33
<b>Total non-current assets</b>		<b>1,686</b>	<b>1,508</b>	<b>1,700</b>
Inventories		1	2	2
Contract assets		34	46	36
Trade receivables	3	505	507	497
Work in progress	3	146	149	145
Other receivables		22	27	21
Pre-payments		107	120	87
Tax receivable		38	18	30
Derivative financial instruments		5	10	1
Cash and cash equivalents		158	120	143
<b>Total current assets</b>		<b>1,016</b>	<b>999</b>	<b>962</b>
<b>Total assets</b>		<b>2,702</b>	<b>2,507</b>	<b>2,662</b>

### Equity and liabilities

		March 31, 2021	March 31, 2020	Dec 31, 2020
Share capital		250	250	250
Treasury shares		-2	-3	-3
Retained earnings		904	909	855
Other reserves		6	7	-17
Proposed dividends		0	0	49
<b>Total equity</b>		<b>1,158</b>	<b>1,163</b>	<b>1,134</b>
Leasing liability		155	220	171
Employee benefit obligation		38	107	29
Contingent consideration (earn out)		63	44	112
Provisions		24	25	24
Long term loan		20	28	21
Bank overdraft		456	318	304
<b>Total non-current liabilities</b>		<b>756</b>	<b>742</b>	<b>661</b>
Prepayments received, contract assets		30	26	16
Prepayments received, work in progress	3	98	89	111
Leasing liability		70	87	70
Trade payables		65	70	108
Employee cost payable		264	170	277
Tax payables		10	8	4
Other current liabilities		193	125	247
Derivative financial instruments		1	7	5
Contingent consideration (earn out)		57	17	28
Provisions		0	3	1
<b>Total current liabilities</b>		<b>788</b>	<b>602</b>	<b>867</b>
<b>Total equity and liabilities</b>		<b>2,702</b>	<b>2,507</b>	<b>2,662</b>
Contingent liabilities and legal proceedings	4			
Currency hedging	5			

## Statement of cash flow

DKK million	Q1 2021	Q1 2020	12M 2020
<b>Net profit for the period</b>	<b>31</b>	<b>35</b>	<b>76</b>
Reversal of non-cash items	79	110	228
Interest paid	-4	-3	-16
Income taxes paid	-13	-19	-42
<b>Cash flow before change in working capital</b>	<b>93</b>	<b>123</b>	<b>246</b>
Changes in working capital	-120	-40	282
<b>Cash flow from operating activities</b>	<b>-27</b>	<b>83</b>	<b>528</b>
Capitalization of intangible assets	-5	-7	-40
Purchase of tangible assets	-13	-17	-95
Change in trade payables related to investments	-15	-18	0
Payment of deposits	0	2	0
Adjustment acquisition cost	-1	0	0
Acquisition of subsidiary	0	0	-188
Payment of earn-out	-25	-60	-62
<b>Cash flow from investing activities</b>	<b>-59</b>	<b>-100</b>	<b>-385</b>
Dividends paid	-25	-49	-98
Purchase of treasury shares	-8	0	0
Installments on lease liabilities	-17	-23	-89
Long term loan	0	0	-8
Bank overdraft	151	87	73
<b>Cash flow from financing activities</b>	<b>101</b>	<b>15</b>	<b>-122</b>
<b>Net cash flow</b>	<b>15</b>	<b>-2</b>	<b>21</b>
Cash and cash equivalents at the beginning of the period	143	122	122
<b>Cash and cash equivalents at the end of the period</b>	<b>158</b>	<b>120</b>	<b>143</b>
<b>Additional information<sup>1</sup>:</b>			
Cash and cash equivalents	158	120	143
Bank overdraft	-456	-318	-304
Committed credit facilities	900	900	900
<b>Financial resources at the end of the period</b>	<b>602</b>	<b>702</b>	<b>739</b>
Cash flow from operating activities	-27	83	528
Cash flow from investing activities	-59	-100	-385
<b>Free cash flow</b>	<b>-86</b>	<b>-17</b>	<b>143</b>

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

## Statement of changes in equity

DKK million									
	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
March 31, 2021				Currency revaluation	Cash flow hedges	Tax			
<b>Balance at the beginning of the period</b>	<b>250</b>	<b>-3</b>	<b>879</b>	<b>-18</b>	<b>-3</b>	<b>4</b>	<b>-17</b>	<b>25</b>	<b>1,134</b>
Net profit for the period	0	0	31	0	0	0	0	0	31
Other comprehensive income for the period	0	0	2	20	7	-4	23	0	25
Total comprehensive income for the period	0	0	33	20	7	-4	23	0	56
Transactions with owners:									
Purchase of treasury shares	0	-1	-7	0	0	0	0	0	-8
Transfer of treasury shares	0	2	-2	0	0	0	0	0	0
Share-based payments	0	0	1	0	0	0	0	0	1
Dividends paid	0	0	0	0	0	0	0	-25	-25
<b>Balance at the end of the period</b>	<b>250</b>	<b>-2</b>	<b>904</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>1,158</b>

DKK million									
	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
December 31, 2020				Currency revaluation	Cash flow hedges	Tax			
<b>Balance at the beginning of the period</b>	<b>250</b>	<b>-4</b>	<b>860</b>	<b>7</b>	<b>9</b>	<b>-2</b>	<b>14</b>	<b>49</b>	<b>1,169</b>
Net profit for the period	0	0	76	0	0	0	0	0	76
Other comprehensive income for the period	0	0	-5	-25	-12	6	-31	0	-36
Total comprehensive income for the period	0	0	71	-25	-12	6	-31	0	40
Transactions with owners:									
Transfer of treasury shares	0	1	9	0	0	0	0	0	10
Share-based payments	0	0	13	0	0	0	0	0	13
Dividends paid	0	0	0	0	0	0	0	-98	-98
Interim dividend for 2020	0	0	-49	0	0	0	0	49	0
Proposed dividend for 2020	0	0	-25	0	0	0	0	25	0
<b>Balance at the end of the period</b>	<b>250</b>	<b>-3</b>	<b>879</b>	<b>-18</b>	<b>-3</b>	<b>4</b>	<b>-17</b>	<b>25</b>	<b>1,134</b>

DKK million									
	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
March 31, 2020				Currency revaluation	Cash flow hedges	Tax			
<b>Balance at the beginning of the period</b>	<b>250</b>	<b>-4</b>	<b>860</b>	<b>7</b>	<b>9</b>	<b>-2</b>	<b>14</b>	<b>49</b>	<b>1,169</b>
Net profit for the period	0	0	35	0	0	0	0	0	35
Other comprehensive income for the period	0	0	2	-2	-6	1	-7	0	-5
Total comprehensive income for the period	0	0	37	-2	-6	1	-7	0	30
Transactions with owners:									
Transfer of treasury shares	0	1	8	0	0	0	0	0	9
Share-based payments	0	0	4	0	0	0	0	0	4
Dividends paid	0	0	0	0	0	0	0	-49	-49
<b>Balance at the end of the period</b>	<b>250</b>	<b>-3</b>	<b>909</b>	<b>5</b>	<b>3</b>	<b>-1</b>	<b>7</b>	<b>0</b>	<b>1,163</b>

## Notes

### Note 1

#### Accounting policies

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

The financial reporting including the consolidated financial statements for the first three months of 2021 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies. See pages 63 to 68 of the Annual Report 2020 for a comprehensive description of the accounting policies applied for recognition and measurement.

### Note 2

#### Quarterly numbers

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

\*Special items comprises restructuring costs related to the cost restructuring plan and other special events



## Note 2 - continued

### Segment disclosures

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

The Danish operations generated 73% of NNIT's revenue in the first three months of 2021 and 81% in the same period last year based on the location of customer purchase orders. As a consequence of the predominantly Danish revenue, we will not disclose a geographical revenue split.

## Note 3

### Related party transactions

DKK million	March 31, 2021	March 31, 2020	Dec 31, 2020
<b>Assets</b>			
Receivables from related parties	211	97	194
Work in progress related parties	25	53	55
<b>Liabilities</b>			
Liabilities to related parties	0	1	2
Prepayments from related parties	31	34	45

## Note 4

### Contingent liabilities and legal proceedings

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

## Note 5

### Currency hedging

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

NNIT is exposed to exchange rate risks in the countries where NNIT has its main activities. The majority of NNIT's sales are in DKK and EUR, implying limited foreign exchange risk, due to the parent company's functional currency being DKK and Denmark's fixed-rate policy towards EUR. NNIT's foreign exchange risk therefore primarily stems from

transactions carried out in the currencies of other countries in which NNIT mainly operates: primarily the Chinese yuan, and, to a lesser extent, the Czech koruna, the Philippine peso, the Swiss franc and the US dollar.

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

Cumulative profit on derivative financial instruments regarding future cash flow per March 31, 2021 is recognized in Equity (Other comprehensive income) with an amount of DKK 7 million before tax (DKK 5 million after tax in Q1 2020).

## Note 6

### Currency sensitivities

	Estimated annual impact on NNIT's operating profit of a 10% increase in the outlined currencies against DKK*	Hedging period (months)
EUR	DKK 6 million	-
CNY	DKK -4 million	14
CZK	DKK -11 million	14
PHP	DKK -7 million	14
USD	DKK -9 million	-
CHF	DKK -3 million	-

Hedging gains and losses do not impact operating profit as they are recognized under net financials.

\*The above sensitivities address hypothetical situations and are provided for illustrative purposes only.

### Key currency assumptions

DKK per 100	2019 average exchange rates	2020 average exchange rates	2021 average exchange rates	Current exchange rates at April 13, 2021
CNY	96,53	94,70	95,26	95,47
EUR	746,60	745,43	743,72	743,74
CZK	29,08	28,22	28,53	28,59
PHP	12,88	13,17	12,78	12,86
CHF	671,37	696,32	681,76	676,07
USD	667,03	653,36	617,12	625,20

### Currency development

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

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