

Company announcement 8/2019 May 14, 2019

Financial report for the first three months of 2019

Revenue growth of 7.4% and an operating profit margin of 6.1%

Performance highlights for the first three months of 2019

- Revenue increased by 7.4% driven by growth in the international life sciences and finance customer groups of 73% (organic 27%) and 28%, respectively, while the enterprise customer group increased by 5.9%. The Novo Nordisk Group increased by 1.1% compared to Q1 2018 which was at a low level. This was partly countered by a decline in revenue from the public customer group of 10% and life sciences Denmark of 1.2%
- Revenue growth was 11% (7.1% organic) excluding business from Novo Nordisk Group in Q1 2019
- The share of revenue from clients outside the Novo Nordisk Group increased from 63% in Q1 2018 to 65% in Q1 2019
- Gross profit decreased in Q1 2019 primarily due to a significant decline in margins on service level agreements and projects for the Novo Nordisk Group as well as a change in revenue mix with a lower Novo Nordisk Group share. This led to an operating profit decrease of 25% and an operating profit margin of 6.1% in reported currencies compared to 8.7% in Q1 2018
- Net profit of DKK 39m in Q1 2019 compared to DKK 46m in Q1 2018
- Free cash flow was negative DKK 28m in Q1 2019 compared to positive DKK 143m in Q1 2018
- Order backlog for 2019 at the beginning of Q2 2019 was DKK 2,517m, an increase of 1.2% compared to the same time last year
- Outlook for 2019:
 - Revenue growth of 3-6% in constant currencies is maintained
 - Operating profit margin of 8-9% in constant currencies
 - Level of investments (CAPEX) is 5-7% of total revenue
- NNIT expects to pay out an interim dividend in August 2019 of DKK 49.2m in cash equal to DKK 2.00 per share of a nominal value of DKK 10

Per Kogut, CEO at NNIT comments: *"As communicated last week our operating profit margin for the first three months of 2019 is very disappointing. Based on our ongoing cost initiatives as well as the backlog we expect an increased operating profit margin in coming quarters, compared to the first quarter of the year. On a positive note, I am satisfied with the high revenue growth in international life sciences."*

Financial Overview

DKK million	Q1 2019 (reported)	Q1 2019 (constant)*	Q1 2018*	Pct./pp Change (reported)	Pct./pp Change (constant)
Revenue	750	744	699	7.4%	6.5%
Gross margin	13.9%	14.2%	17.1%	-3.1pp	-2.9pp
Operating profit	46	47	61	-25.0%	-22.3%
Operating profit margin	6.1%	6.3%	8.7%	-2.6pp	-2.4pp
Net profit	40	n.a.	46	-12.2%	n.a.
Investments (CAPEX)	57	n.a.	29	92.5%	n.a.
Free cash flow	-28	n.a.	143	n.a.	n.a.

*Constant currencies measured using average exchange rates for Q1 2018

Guidance 2019

The order backlog for 2019 at the beginning of Q1 2019 increased by DKK 29.6 million to DKK 2,517 million, or by 1.2%, compared to the order backlog one year earlier. The backlog development is impacted by a decline in multiyear outsourcing agreements, while business coming from projects with low backlog visibility increases.

The revenue growth of 6.5% in constant currencies in Q1 2019 was in line with expectations and guidance for revenue growth of 3-6% in constant currencies is maintained.

Following the low operating profit margin of 6.3% in constant currencies in Q1 2019, an expected further decline in revenue and operating profit margin from the Novo Nordisk Group the guidance for operating profit margin in constant currencies is reduced from 10-10.5% to 8-9% (as also announcement in company announcement 7/2019 May 9, 2019).

Investments / revenue is expected to be 5-7% of revenue.

	Guidance for 2019	Guidance at Q4 2018	Long-term targets
Revenue growth			
In constant currencies*	3-6%	3-6%	
as reported**	Around 0.7pp higher	Around 0.3pp higher	6-8% excl. Novo Nordisk Group
Operating profit margin			
In constant currencies*	8-9%	10-10.5%	
as reported**	Around 0.4pp lower	Around 0.1pp lower	≥ 10%
Investments / Revenue***	5-7%	5-7%	

*Constant currencies measured using average exchange rates for 2018

**Based on exchange rates as of May 7, 2019 as illustrated under key currency assumptions on page 21

*** Investments and re- investments are in 2019 expected to be between 5-7 percent of total revenue.

The guidance is based on a number of assumptions, including that relevant macroeconomic trends will not significantly change business conditions for NNIT during 2019, that business performance, client and competitor actions will remain stable and that key currency exchange rates will remain at the current (as of May 7, 2019) levels versus Danish kroner.

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 March 31, 2019, NNIT A/S had 3,266 employees. NNIT has approximately 400 clients of which around 150 are located outside Denmark. Some 20% are international life sciences clients (March 2019). For more information please visit www.nnit.com.

Conference call details

NNIT will host a teleconference May 14, 2019 at 10:30 CET about the financial report for the first three months of 2019. Please visit the NNIT webpage at 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://nnit.eventcdn.net/201905q1>

Participant telephone numbers:

Denmark:	+45 3544 5583
United Kingdom:	+44 20 3194 0544
Sweden:	+46 8 5664 2661
United States:	+1 855 269 2604

Financial Calendar 2019

August 14, 2019	Interim report for the first six months of 2019
October 24, 2019	Interim report for the first nine months of 2019

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 33-35 in the Annual Report 2018.

Contacts for further information

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Financial figures and highlights

DKK million, reported currencies	Q1 2019	Q1 2018	Change Q1	Total 2018
Financial performance				
Revenue				
Novo Nordisk Group	258.8	256.1	1.1%	1,124.2
Life sciences international	77.4	44.8	72.7%	211.7
Life sciences Denmark	53.7	54.4	-1.2%	221.7
Life sciences	390.0	355.3	9.7%	1,557.6
Enterprise	198.2	187.3	5.9%	793.8
Public	89.5	99.4	-9.9%	399.2
Finance	72.3	56.6	27.9%	256.6
Private & Public	360.1	343.2	4.9%	1,449.6
Total revenue	750.0	698.5	7.4%	3,007.2
EBITDA	111.1	122.5	-9.3%	554.9
Depreciations and amortizations	65.6	61.8	6.2%	247.5
Operating profit (EBIT)	45.5	60.7	-25.0%	307.4
Net financials	5.8	-2.0	n.a.	-2.3
Net profit	40.2	45.8	-12.2%	235.6
Investments in tangible assets	53.0	28.4	86.5%	146.2
Investments in intangible assets and acquisition in subsidiaries	1.4	1.1	27.7%	176.5
Total assets	2,573.1	2,121.5	21.3%	2,544.3
Equity	1,068.1	928.6	15.0%	1,084.9
Dividends paid	63.9	56.4	13.3%	105.5
Free cash flow	-28.3	142.9	n.a.	116.1
Earnings per share				
Earnings per share (DKK)	1.64	1.87	-12.3%	9.60
Diluted earnings per share (DKK)	1.62	1.86	-12.9%	9.52
Employees				
Average number of full-time employees	3,261	3,047	7.0%	3,129
Financial ratios				
Gross profit margin	13.9%	17.1%	-3.1pp	18.0%
EBITDA margin	14.8%	17.5%	-2.7pp	18.5%
Effective tax rate	21.6%	21.9%	-0.3pp	22.8%
Investments/Revenue	7.6%	4.2%	3.3pp	5.3%
Return on equity ¹	23.0%	21.3%	1.7pp	22.9%
Solvency ratio	41.5%	43.8%	-2.3pp	42.6%
Return on invested capital (ROIC) ^{1,2}	17.2%	17.3%	-0.1pp	18.5%
Cash to earnings ¹	-24.0%	-17.3%	-6.7pp	49.3%
Cash to earnings (three-year average) ¹	20.7%	80.5%	-59.8pp	44.9%
Long-term financial metrics				
Revenue growth	7.4%	-2.3%	9.7pp	5.5%
Operating profit margin	6.1%	8.7%	-2.6pp	10.2%
Additional numbers³				
Order entry backlog for the current year	2,516.7	2,487.1	1.2%	-
Order entry backlog for the following years 2+3 ⁴	2,465.4	2,564.0	-3.8%	-

1) Financial metrics are moving annual total (MAT), i.e. annualized. Cash to earnings (three-year-average) is calculated using the past 36 months

2) Net profit/average invested capital.

3) Backlog represents anticipated revenue from contracts or orders executed but not yet completed or performed in full, and the revenue that is expected to be recognized in the future.

4) Year 2+3 represents 2020 and 2021 in the 2019 column and 2019 and 2020 in the 2018 column etc.

Highlights

Below are the key highlights for Q1 2019.

Key wins in Q1 2019:

- Extension of infrastructure outsourcing agreement with DSB representing a high double-digit DKK million amount over a two-year-period, see press release January 22, 2019
- New Veeva migration project with the Novo Nordisk Group representing a minor double-digit DKK million amount over the next year
- Extension and expansion of a Compliance as a Service agreement with an international life sciences customer representing a mid-size double-digit DKK million amount over a two-year-period

Key wins in Q2 2019:

- Microsoft D365 contract with GN Great Nordic representing a low triple-digit DKK million amount over a 4.5-year-period

NNIT acquires Halfmann Goetsch Partner AG

April 24, 2019 NNIT signed an agreement to acquire 100% of the shares in Halfmann Goetsch Partner AG (HGP), a highly specialized service provider for IT compliance and quality management to the life sciences industry. The acquisition price consists of an upfront payment of CHF 8.55m (DKK 55.6m) and an earn-out payment of CHF 2.85m (DKK 18.5m) at target, depending on performance. HGP will be included in the NNIT's accounts from April 1, 2019, see company announcement 6/2019 April 24, 2019.

The acquisition provides NNIT with a stronger presence in European life sciences hubs Frankfurt and Basel, and strengthens its position as an international leading IT transformation partner for life sciences companies. Combined with NNIT's existing quality management portfolio, HGP's excellence, reputation and network within IT compliance is expected to generate cross sales synergies. Synergies are also expected within pharmaceutical production, where HGP's thought leadership fits well with NNIT's existing portfolio of IT-services.

New offerings – SAP on Azure

The SAP Basis managed services from NNIT is now available for cloud and can be delivered independently of the cloud operations vendor. The service covers all lifecycle phases for SAP landscapes: Design, Transition & Operation/Optimization.

NNIT is first mover globally on SAP Basis on Azure. With SAP Basis on Azure, customers can expect SAP certified infrastructure design, private preview testing with Microsoft, leveraging the innovation pace of cloud with Microsoft combined with the 24/7 support governance, security and full stack SAP capabilities.

Performance overview

DKK million (reported currencies)	Q1 2019	Q1 2018	Change
Revenue	750.0	698.5	7.4%
Cost of goods sold	645.5	579.1	11.5%
Gross profit	104.5	119.4	-12.4%
<i>Gross profit margin</i>	<i>13.9%</i>	<i>17.1%</i>	<i>-3.1pp</i>
Sales and marketing costs	32.1	32.0	0.3%
Administrative expenses	27.0	26.7	1.1%
Operating profit	45.5	60.7	-25.0%
<i>Operating profit margin</i>	<i>6.1%</i>	<i>8.7%</i>	<i>-2.6pp</i>
Net financials	5.8	-2.0	n.a.
Profit before tax	51.3	58.7	-12.5%
Tax	11.1	12.9	-13.7%
<i>Effective tax rate</i>	<i>21.6%</i>	<i>21.9%</i>	<i>-0.3pp</i>
Net profit	40.2	45.8	-12.2%

Revenue in reported currencies increased by 7.4% in Q1 2019 (6.5% in constant currencies) driven by a 28% growth from clients in the finance customer group and 73% growth from international life sciences clients of which 46pp came from the acquisition of Valiance Partners. Adjusting for the acquisition of Valiance Partners the organic growth was 4.9% in reported currencies. The revenue from life sciences customers increased by 9.7% while revenue from private & public customers increased by 4.9%. In both customer segments all growth is driven by project sales while service level agreements are declining or stable.

Revenue growth was 11% (7.1% organic) excluding business from the Novo Nordisk Group in Q1 2019 in line with the long-term target of 6-8% growth.

Cost of goods sold increased by 11% in Q1 2019 compared to the same period last year leading to a lower gross profit margin.

Gross profit decreased by 12% leading to a gross profit margin in reported currencies of 13.9% in Q1 2019 compared to 17.1% in Q1 2018. This unsatisfactory development was due to very low margins in January and February while the performance in March was in line with expectations. The margin in Q1 2019 was impacted by a decline of 5.6pp in the margin of the life sciences segment primarily due to lower margins on service level agreements as well as lower margins on projects for the Novo Nordisk Group which were impacted by cost overruns. The margin in the private & public segment declined with 1.0pp due to two lower margins in the public customer group, see the segmental analysis on the next pages.

Sales and marketing costs were unchanged in Q1 2019 compared to the same period last year.

Administrative expenses increased by 1.1% in Q1 2019 compared to the same period last year.

Operating profit in Q1 2019 decreased by DKK 15.2m corresponding to an operating profit margin of 6.1% compared to 8.7% in Q1 2018 due to the above-mentioned developments.

Net financials in Q1 2019 were positive with DKK 5.8m which is an improvement of DKK 7.8m compared to Q1 2018 due to higher gains on cash flow hedges.

The effective tax rate for Q1 2019 was 21.6%, a decrease of 0.3pp compared to Q1 2018 due to deviations in foreign subsidiaries tax rates.

Net profit in Q1 2019 was DKK 40.2m corresponding to a decrease of 12% compared to Q1 2018.

For a detailed performance overview in both reported and constant currencies please see note 7 on page 22. Comparisons in this financial report are hereafter in reported currencies. NNIT's major currencies have appreciated giving operating profit margin in 2019 a headwind of 0.2pp mainly due to the appreciation of CNY (average 2019 compared to average 2018 exchange rates) which increases the cost of NNIT's offshore center in DKK. Revenue growth was impacted positively by 0.9pp mainly due to appreciation of USD (average 2019 compared to average 2018 exchange rates).

Life Sciences

DKK million (reported currencies)	Q1 2019	Q1 2018	Change	2018
Novo Nordisk Group	258.8	256.1	1.1%	1,124.2
Life sciences international	77.4	44.8	72.7%	211.7
Life sciences Denmark	53.7	54.4	-1.2%	221.7
Revenue	390.0	355.3	9.7%	1,557.6
Cost of goods sold	303.8	257.0	18.2%	1,148.6
Gross profit	86.2	98.3	-12.4%	408.9
<i>Gross profit margin</i>	22.1%	27.7%	-5.6pp	26.3%
Allocated costs	33.6	32.1	4.6%	128.8
Operating profit	52.6	66.2	-20.6%	280.2
<i>Operating profit margin</i>	13.5%	18.6%	-5.2pp	18.0%

Revenue

Revenue on projects increased by 21% in the life sciences segment driven by the acquisition of Valiance and an organic growth of 27% in international life sciences while growth in service level agreements was 1.5%. Total Life sciences revenue increased by 9.7% in Q1 2019 compared to the same period last year, further explained below.

Novo Nordisk Group:

Revenue from the Novo Nordisk Group increased by 1.1% in Q1 2019 compared to the same period last year. It should be noted that the comparison base in Q1 2018 was low since this quarter declined with 20.2% compared to Q1 2017.

As a consequence of the low growth in revenue from the Novo Nordisk Group and high growth from other clients, the share of NNIT's revenue from clients outside the Novo Nordisk Group increased to 65% in Q1 2019 from 63% in Q1 2018.

Life sciences international:

Revenue from life sciences international increased by 73% in Q1 2019 compared to the same period last year driven by the contribution from the Valiance acquisition with impact from November 2018 and increased project activity. Organic growth in Q1 2019 was 27% in line with the strategy to grow revenue from international life sciences with more than 20% organically.

Life sciences Denmark:

Revenue from Danish life sciences declined with 1.2% in Q1 2019 compared to Q1 2018.

Gross profit and operating profit

In Q1 2019 gross profit and operating profit in the life sciences segments decreased by 12% and 21%, respectively, compared to Q1 2018. Gross profit margin was 22.1%, a decrease of 5.6pp compared to Q1 2018. The decrease in margin was due to lower margins on service level agreements and cost overruns on projects for the Novo Nordisk Group as well as PPA and acquisition related costs. The margin on international life sciences clients was impacted negatively by acquisition related costs. Operating profit margin was 13.5%, a decrease of 5.2pp following the decline in gross profit margin.

Private & Public

DKK million (reported currencies)	Q1 2019	Q1 2018	Change	2018
Enterprise	198.2	187.3	5.9%	793.8
Public	89.5	99.4	-9.9%	399.2
Finance	72.3	56.6	27.9%	256.6
Revenue	360.1	343.2	4.9%	1,449.6
Cost of goods sold	341.7	322.2	6.1%	1,317.3
Gross profit	18.4	21.0	-12.6%	132.3
Gross profit margin	5.1%	6.1%	-1pp	9.1%
Allocated costs	25.4	26.5	-4.1%	105.0
Operating profit	-7.0	-5.5	-28.0%	27.2
Operating profit margin	-2.0%	-1.6%	-0.4pp	1.9%

Revenue

Revenue on projects in the private & public segment increased by 19% while revenue in service level agreements decreased by 4.9% due to declining revenue on some of the large enterprise agreements and the lower scope on the DSB agreement. Total private & public revenue increased by 4.9% in Q1 2019 compared to the same period last year, further explained below.

Enterprise customers:

Revenue increased by 5.9% in Q1 2019 compared to the same period last year driven by the new STARK contract which was included in the numbers from March 2018 and a number of smaller clients.

Public customers:

Revenue decreased by DKK 10% in Q1 2019 compared to Q1 2018 mainly due to lower scope on the extended contract with DSB agreement.

Finance customers:

Revenue increased by 28% in Q1 2019 compared to Q1 2018 mainly due to expansion of service level agreements with existing customers and the new contracts with AP Pension and SDC.

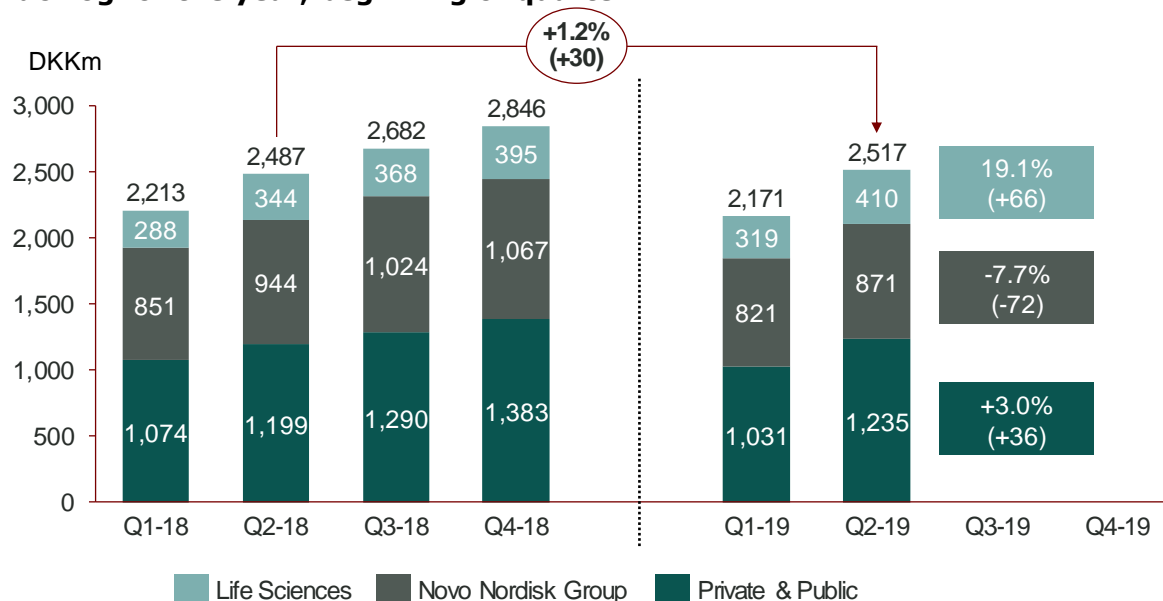
Gross profit and operating profit

Gross profit margin in the public & private segment decreased from 6.1% in Q1 2018 to 5.1% in Q1 2019 giving an operating profit margin of -2.0% in Q1 2019 compared to -1.6% in the same period last year. Q1 margins are normally lower than full year margins and in 2018 full year gross profit margin was 9.1% and operating profit margin was 1.9%.

The low operating profit margin in the private & public segment is not satisfactory and we strive to improve margins through further automation, off-shoring and higher efficiency in our project execution.

Order backlog

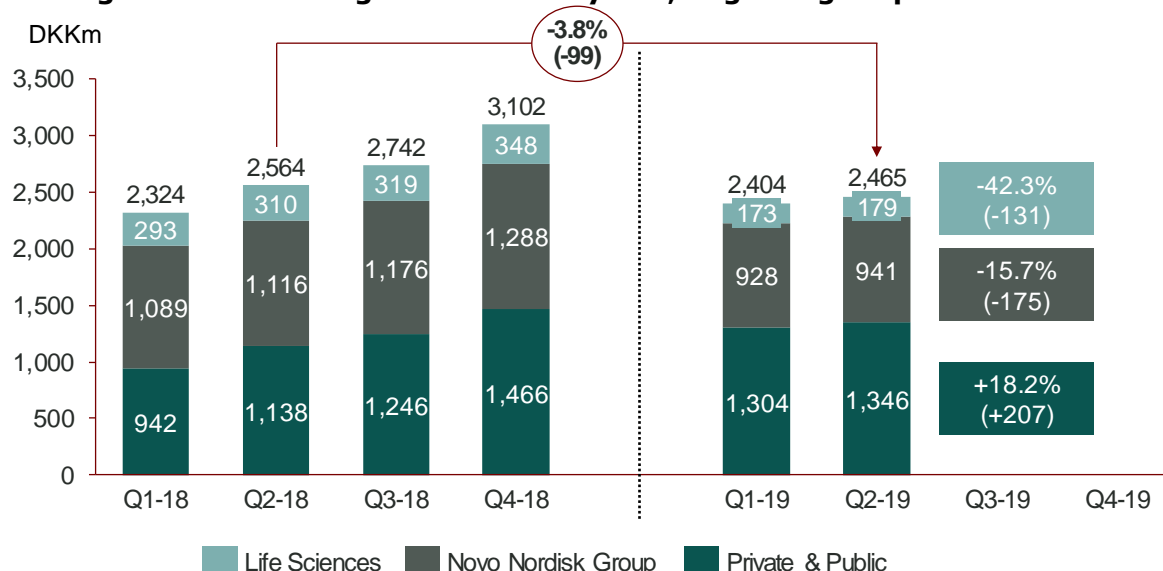
Backlog for the year, beginning of quarter



At the beginning of Q2 2019, NNIT's order entry backlog for 2019 amounted to DKK 2,517 million, which was an increase of 1.2% compared to one year earlier. The backlog from life sciences clients excluding the Novo Nordisk Group increased by 19% driven by international life sciences, private & public increased by 3.0% while the Novo Nordisk Group declined by 7.7%.

The high growth in NNIT's project business with low backlog visibility and a stagnating multiyear outsourcing business makes the backlog numbers less useful as a predictor for revenue growth. Therefore, the backlog for the current year should be interpreted with caution.

Backlog for the following two calendar years, beginning of quarter

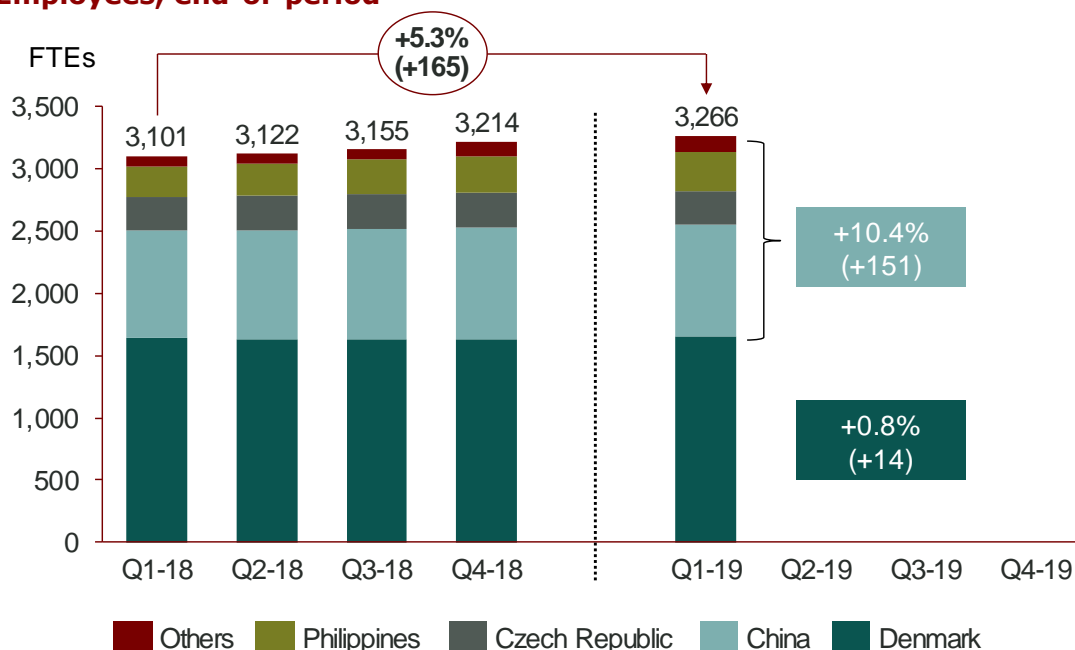


The mentioned shift towards relatively increased project business has an even larger impact on the usefulness of the backlog as a predictor for revenue growth in the following two calendar years since projects typically have a time horizon below one

year. Further, large fluctuations in the order entry backlog can be due to the expiration of service level agreements which are up for renewal.

The order entry backlog for 2020 and 2021 at the beginning of Q2 2019 was 3.8% below the corresponding backlog for 2019 and 2020 at the beginning of Q2 2018. The backlog from life sciences clients excluding the Novo Nordisk Group decreased by 42% due to expiry of large service level agreements with three Danish life sciences clients. The expected high growth in the project business is not reflected in the backlog two to three years ahead. The Novo Nordisk Group declined by 15.7% due to expiration of several large service level agreements. Private & public increased by 18.2% following the prolongation of agreements with PFA, Vestas and DSB as well as the addition of AP Pension and SDC.

Employees, end-of-period



At the end of Q1 2019, the number of employees increased by 165 FTE corresponding to 5.3% compared to the same time last year. The increase was driven by the Philippines (75 FTEs) and China (34 FTEs) in-line with the long-term offshoring strategy as well as the inclusion of Valiance Partners. Employees in Denmark increased by 0.8%.

Balance sheet

Total assets at March 31, 2019 increased by DKK 451.6m to DKK 2,573.1m compared to DKK 2,121.5m at March 31, 2018 primarily due to an increase in intangible assets after the acquisition of Valiance Partners and work in progress.

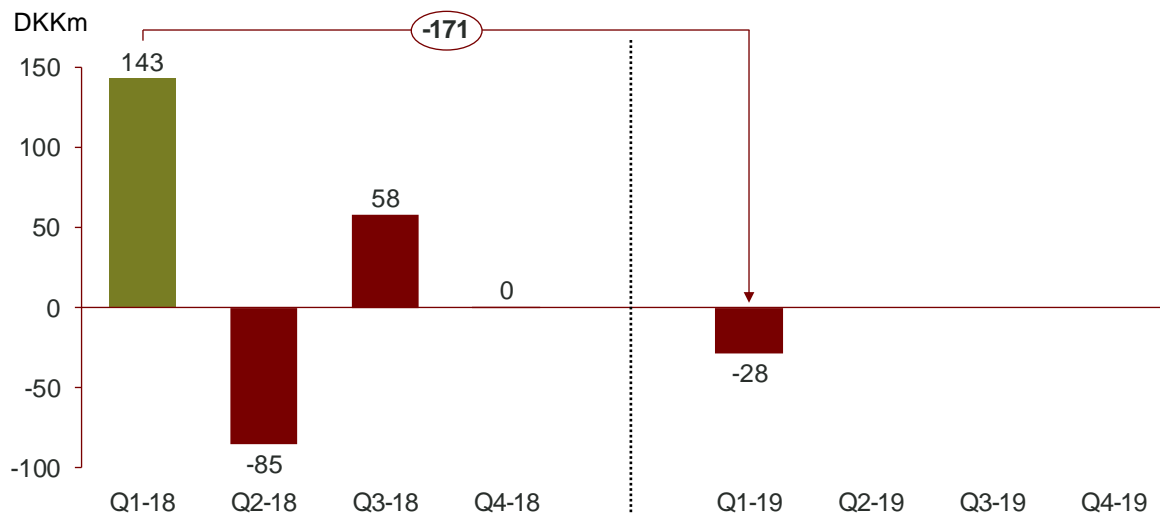
The net of Cash and cash equivalents amounted to DKK -254.1m at March 31, 2019, a decrease of DKK 261.3m compared to March 31, 2018. The decrease was due to the up-front payment for Valiance Partners (DKK 162.3m), the payment of interim dividend for 2018 (DKK 49.1m) and ordinary dividend for 2018 (DKK 63.9m) partly countered by net profits from operating activities.

Equity at March 31, 2019 amounted to DKK 1,068.1m, an increase of DKK 139.5m compared to March 31, 2018. The improvement was mainly due to net profits for the period offset by the payment of interim dividend for 2018 (DKK 49.1m) and ordinary dividend for 2018 (DKK 63.9m).

Investments

Investments amounted to DKK 56.8m in Q1 2019 compared to DKK 29.5m in Q1 2018 mainly due to timing of investments and replacement of fully depreciated equipment.

Free cash flow



The free cash flow for Q1 2019 was negative with DKK 28.3m which was DKK 171.3m below Q1 2018 due to higher working capital and higher investments. Free cash flow in Q1 2018 was extraordinarily high following payment of project milestones and hardware contracts being invoiced in Q4 2017 and paid in Q1 2018 as also seen in the trade receivable development. A similar development was not present for Q1 2019.

NNIT expects to pay out an interim dividend in August 2019 as in August 2018.

Events after balance sheet date

On April 24, 2019 NNIT has acquired Halfmann Goetsch Partner AG (HGP).

HGP is a highly specialized service provider for IT compliance and quality management to the life science industry.

The acquisition price consists of an upfront cash payment of CHF 8.55m (DKK 55.6m) and an earn-out cash payment in the range of CHF 0 to 3.85m (DKK 25.0m), where CHF 2.85m (DKK 18.5m) is target. The earn-out depends on performance in gross profit for the combined operation of HGP and NNIT Life Sciences Europe. The earn-out period is April 2019 to March 2022 with a yearly payment after each year/period. The earn-out weights are highest at the end of the period.

The fair value of net assets acquired and goodwill at the date of acquisition will be assessed during Q2 2019. The allocation of the purchase price is expected to primarily relate to goodwill.

Goodwill relates to future revenue in HGP and expected revenue synergies in NNIT.

HGP will be included in NNIT's accounts from April 1, 2019, see company announcement 6/2019 April 24, 2019. This acquisition is expected to increase NNIT's 2019 full year revenue growth by around 1.25 percentage points and is expected to have a neutral impact on NNIT's operation profit margin.

The revenue and operating profit margin outlook for 2019 in constant currencies remains unchanged.

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, 2019

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 2019 with comparative figures for the first three months of 2018. 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 2019 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 for 2018 of NNIT A/S. Furthermore, the interim consolidated financial statement for the first three months of 2019 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 2019 are adequate and give a true and fair view of the Group's assets, liabilities and financial position as at March 31, 2019 and of the results of the Group's operations and cash flow for the three months ended March 31, 2019. 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 2019, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the Annual Report for 2018 of NNIT A/S.

Søborg, May 14, 2019

Executive management

Per Kogut
CEO

Board of Directors

Carsten Krogsgaard Thomsen
CFO

Carsten Dilling
Chairman

Peter H. J. Haahr
Deputy Chairman

Anne Broeng

Eivind Kolding

Christian Kanstrup

Caroline Serfass

Anders Vidstrup

Brankica Markovic

Trine Io Bjerregaard

Consolidated financial statements

Income statement and Statement of comprehensive income

	Note	Q1 2019 DKK '000	Q1 2018 DKK '000	12M 2018 DKK '000
Income statement				
	1			
Revenue	2	750,014	698,502	3,007,154
Cost of goods sold		645,470	579,145	2,465,941
Gross profit		104,544	119,357	541,213
Sales and marketing costs		32,061	31,975	127,613
Administrative expenses		26,972	26,681	106,191
Operating profit		45,511	60,701	307,409
Financial income		9,206	862	11,203
Financial expenses		3,380	2,884	13,481
Profit before income taxes		51,337	58,679	305,131
Income taxes		11,110	12,869	69,525
Net profit for the period		40,227	45,810	235,606

Earnings per share

	DKK	DKK	DKK
Earnings per share	1.64	1.87	9.60
Diluted earnings per share	1.62	1.86	9.52

Statement of comprehensive income

	DKK '000	DKK '000	DKK '000
Net profit for the period	40,227	45,810	235,606
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to the Income statement:</i>			
Remeasurement related to pension obligations	21	-15	4,441
Tax on other comprehensive income	0	7	-846
<i>Items that will be reclassified subsequently to the Income statement, when specific conditions are met:</i>			
Currency revaluation related to subsidiaries (net)	3,190	-1,164	1,246
Recycled to financial items	6,817	804	8,875
Unrealized value adjustments	-457	3,410	-5,076
Cash flow hedges	6,360	4,214	3,799
Tax on other comprehensive income related to cash flow hedges	-864	-927	-1,371
Other comprehensive income, net of tax	8,707	2,115	7,269
Total comprehensive income	48,934	47,925	242,875

Balance sheet

Assets

	Note	March 31, 2019	March 31, 2018	Dec 31, 2018
		DKK '000	DKK '000	DKK '000
Intangible assets		430,937	210,014	432,152
Tangible assets		594,919	588,172	593,649
Lease assets		364,428	352,466	371,742
Contract assets		106,272	97,604	111,070
Deferred tax		39,491	57,761	39,336
Deposits		32,879	32,766	32,730
Total non-current assets		1,568,926	1,338,783	1,580,679
Inventories		1,780	1,686	1,718
Contract assets		49,873	76,039	52,459
Trade receivables	3	482,514	451,192	500,627
Work in progress	3	180,085	77,564	151,050
Other receivables and pre-payments		179,857	150,676	140,135
Tax receivable		14,646	10,694	224
Derivative financial instruments		18,699	7,672	9,842
Cash and cash equivalents		76,706	7,182	107,547
Total current assets		1,004,160	782,705	963,602
Total assets		2,573,086	2,121,488	2,544,281

Equity and liabilities

		March 31, 2019	March 31, 2018	Dec 31, 2018
		DKK '000	DKK '000	DKK '000
Share capital		250,000	250,000	250,000
Treasury shares		-4,097	-4,676	-4,641
Retained earnings		801,966	672,130	764,110
Other reserves		20,212	11,153	11,526
Proposed dividends		0	0	63,935
Total equity		1,068,081	928,607	1,084,930
Leasing liability		297,426	281,875	298,823
Deferred tax		3,621	0	2,741
Employee benefit obligation		16,748	15,684	15,497
Contingent consideration (earn out)		113,869	54,345	112,715
Provisions		24,515	24,489	24,576
Total non-current liabilities		456,179	376,393	454,352
Prepayments received, contract assets		77,535	126,255	87,533
Prepayments received, work in progress	3	92,455	108,608	115,252
Leasing liability		78,443	80,611	83,590
Bank overdraft		330,785	0	242,675
Trade payables		146,133	166,402	97,476
Employee cost payable		214,818	201,401	253,285
Tax payables		3,930	4,633	6,675
Other current liabilities		103,742	128,050	117,207
Derivative financial instruments		702	366	1,306
Provisions		283	162	0
Total current liabilities		1,048,826	816,488	1,004,999
Total equity and liabilities		2,573,086	2,121,488	2,544,281
Contingent liabilities and legal proceedings	4			
Currency hedging	5			

Statement of cash flow

	Q1 2019	Q1 2018	12 M 2018
	DKK '000	DKK '000	
Net profit for the period	40,227	45,810	235,606
Reversal of non-cash items	82,038	79,618	341,402
Interest received	85	58	185
Interest paid	-3,380	-844	-13,453
Income taxes paid	-28,566	-34,416	-63,204
Cash flow before change in working capital	90,404	90,226	500,536
Changes in working capital	-64,228	82,230	-61,840
Cash flow from operating activities	26,176	172,456	438,696
Capitalization of intangible assets	-3,787	-1,083	-14,283
Purchase of tangible assets	-37,026	-52,020	-164,347
Change in trade payables related to investments	-15,964	23,606	18,105
Dividends received	0	0	0
Sale/(purchase) of shares (net)	0	89	89
Payment of deposits	-147	-129	51
Acquisition of subsidiary	2,404	0	-162,253
Cash flow from investing activities	-54,520	-29,537	-322,638
Dividends paid	-63,935	-56,418	-105,488
Purchase of treasury shares	-5,003	-37,345	-37,345
Installments on lease liabilities	-21,669	-23,357	-89,736
Bank overdraft	88,110	-93,194	149,481
Cash flow from financing activities	-2,497	-210,314	-83,088
Net cash flow	-30,841	-67,395	32,970
Cash and cash equivalents at the beginning of the period	107,547	74,577	74,577
Cash and cash equivalents at the end of the period	76,706	7,182	107,547
Additional information¹:			
Cash and cash equivalents	76,706	7,182	107,547
Bank overdraft	-330,785	0	-242,675
Committed credit facilities	540,000	400,000	540,000
Financial resources at the end of the period	285,921	407,182	404,872
Cash flow from operating activities	26,176	172,456	438,696
Cash flow from investing activities	-54,520	-29,537	-322,638
Free cash flow	-28,344	142,919	116,058

¹ 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 '000	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
March 31, 2019									
Balance at the beginning of the period	250,000	-4,641	764,110	6,480	7,320	-2,274	11,526	63,935	1,084,930
Net profit for the period	0	0	40,227	0	0	0	0	0	40,227
Other comprehensive income for the period	0	0	21	3,190	6,360	-864	8,686	0	8,707
Total comprehensive income for the period	0	0	40,248	3,190	6,360	-864	8,686	0	48,934
Transactions with owners:									
Purchase of treasury shares	0	-255	-4,748	0	0	0	0	0	-5,003
Transfer of treasury shares	0	799	-866	0	0	0	0	0	-67
Share-based payments	0	0	4,127	0	0	0	0	0	4,127
Deferred tax on share-based payments	0	0	-905	0	0	0	0	0	-905
Adjustment to proposed dividend	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	-63,935	-63,935
Balance at the end of the period	250,000	-4,097	801,966	9,670	13,680	-3,138	20,212	0	1,068,081

DKK '000	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
December 31, 2018									
Balance at the beginning of the period	250,000	-6,567	665,444	5,234	3,521	-57	8,698	55,990	973,565
Net profit for the period	0	0	235,606	0	0	0	0	0	235,606
Other comprehensive income for the period	0	0	4,441	1,246	3,799	-2,217	2,828	0	7,269
Total comprehensive income for the period	0	0	240,047	1,246	3,799	-2,217	2,828	0	242,875
Transactions with owners:									
Purchase of treasury shares	0	-2,030	-35,315	0	0	0	0	0	-37,345
Transfer of treasury shares	0	3,956	-5,059	0	0	0	0	0	-1,103
Share-based payments	0	0	16,092	0	0	0	0	0	16,092
Deferred tax on share-based payments	0	0	-3,666	0	0	0	0	0	-3,666
Adjustment to proposed dividend	0	0	-428	0	0	0	0	428	0
Dividends paid	0	0	0	0	0	0	0	-105,488	-105,488
Interim dividend for 2018	0	0	-49,070	0	0	0	0	49,070	0
Proposed dividend for 2018	0	0	-63,935	0	0	0	0	63,935	0
Total dividends for 2018	0	0	-113,005	0	0	0	0	113,005	0
Balance at the end of the period	250,000	-4,641	764,110	6,480	7,320	-2,274	11,526	63,935	1,084,930

DKK '000	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
March 31, 2018									
Balance at the beginning of the period	250,000	-6,567	665,914	5,190	3,521	-57	8,654	55,990	973,991
Net profit for the period	0	0	45,810	0	0	0	0	0	45,810
Other comprehensive income for the period	0	0	-15	-1,164	4,214	-920	2,130	0	2,115
Total comprehensive income for the period	0	0	45,795	-1,164	4,214	-920	2,130	0	47,925
Transactions with owners:									
Transfer of treasury shares	0	-2,030	-35,315	0	0	0	0	0	-37,345
Share-based payments	0	3,921	441	0	0	0	0	0	4,362
Deferred tax on share-based payments	0	0	-3,908	0	0	0	0	0	-3,908
Adjustment to proposed dividend	0	0	-428	0	0	0	0	428	0
Dividends paid	0	0	0	0	0	0	0	-56,418	-56,418
Proposed interim dividend for 2018	0	0	-49,070	0	0	0	0	49,070	0
Total dividends for 2017	0	0	-49,070	0	0	0	0	49,070	0
Balance at the end of the period	250,000	-4,676	623,429	4,026	7,735	-977	10,784	49,070	928,607

Notes**Note 1***Accounting policies*

The consolidated financial statements for the first three months of 2019 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 2018.

The financial reporting including the consolidated financial statements for the first three months of 2019 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim report of listed companies. See pages 63 to 71 of the Annual Report 2018 for a comprehensive description of the accounting policies applied for recognition and measurement.

Note 2

Quarterly numbers

DKK '000	2019		2018		
	Q1	Q4	Q3	Q2	Q1
Revenue	750,014	822,870	733,226	752,557	698,502
Cost of goods sold	645,470	657,559	611,712	617,526	579,145
Gross profit	104,544	165,311	121,514	135,031	119,357
Sales and marketing costs	32,061	30,480	30,483	34,676	31,975
Administrative expenses	26,972	28,662	25,022	25,825	26,681
Operating profit	45,511	106,169	66,009	74,530	60,701
Net financials	5,826	1,450	-274	-1,432	-2,022
Profit before income taxes	51,337	107,619	65,735	73,098	58,679
Income taxes	11,110	22,845	17,290	16,521	12,869
Net profit for the period	40,227	84,774	48,445	56,577	45,810

Segment disclosures

As announced on January 29, 2019 NNIT have implemented a new strategy with effect as of March 1, 2019.

The segments to drive revenue growth for NNIT going forward is the international life sciences and the Private & Public segments. To reflect the new strategy and organization the segment reporting have been changed from IT Operation Services and IT Solution Services to the international life sciences and Private & Public. Comparison figures for 2018 have been restated.

The Life science segment contains both the Novo Nordisk Group and our other life science customers in Denmark as well as internationally.

The Private and Public segment contains customers within the enterprise, public and finance segment.

DKK '000	2019		2018		
	Q1	Q4	Q3	Q2	Q1
Revenue by customer group					
<i>Novo Nordisk Group</i>	258,805	323,025	266,613	278,434	256,084
<i>Life sciences international</i>	77,411	73,097	48,457	45,348	44,812
<i>Life sciences Denmark</i>	53,745	59,699	51,183	56,379	54,425
Life sciences	389,961	455,822	366,253	380,161	355,321
<i>Enterprise</i>	198,226	72,396	65,366	62,311	187,251
<i>Public</i>	89,510	92,551	103,324	103,902	99,379
Finance	72,317	202,102	198,283	206,183	56,551
Private & Public	360,053	367,048	366,973	372,396	343,181
Total revenue	750,014	822,870	733,226	752,557	698,502
Gross profit by business unit					
Life sciences	86,167	122,347	85,801	102,456	98,342
Private & Public	18,377	42,964	35,713	32,575	21,015
Total Gross profit	104,544	165,311	121,514	135,031	119,357
Operating profit by business unit					
Life sciences	52,553	89,639	55,325	69,069	66,165
Private & Public	-7,042	16,530	10,684	5,461	-5,464
Total operating profit	45,511	106,169	66,009	74,530	60,701

The Danish operations generated 83.5% of NNIT's revenue in 3M 2019 and 87.9% in 3M 2018 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'000	March 31, 2019	March 31, 2018	Dec 31, 2018
Assets			
Receivables from related parties	136,401	143,430	163,882
Work in progress related parties	92,589	25,866	90,547
Liabilities			
Liabilities to related parties	90,584	91,953	3,364
Prepayments from related parties	17,250	27,615	24,315

Note 4

Contingent liabilities and legal proceedings

Contingent liabilities

None

Legal proceedings

None

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 British pound.

At present NNIT's sales in Chinese yuan, Czech koruna, and Swiss franc are not sufficiently 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, 2019 is recognized in Equity (Other comprehensive income) with an amount of DKK 6.4m before tax (DKK 5.5m after tax).

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 28 million	-
CNY	DKK -21 million	14
CZK	DKK -11 million	14
PHP	DKK -7 million	14
USD	DKK 1 million	-
CHF	DKK -0 million	-

Hedging gains and losses do not impact operating profit as they are recognized under net financials. For further details on hedging, please see note 6 above.

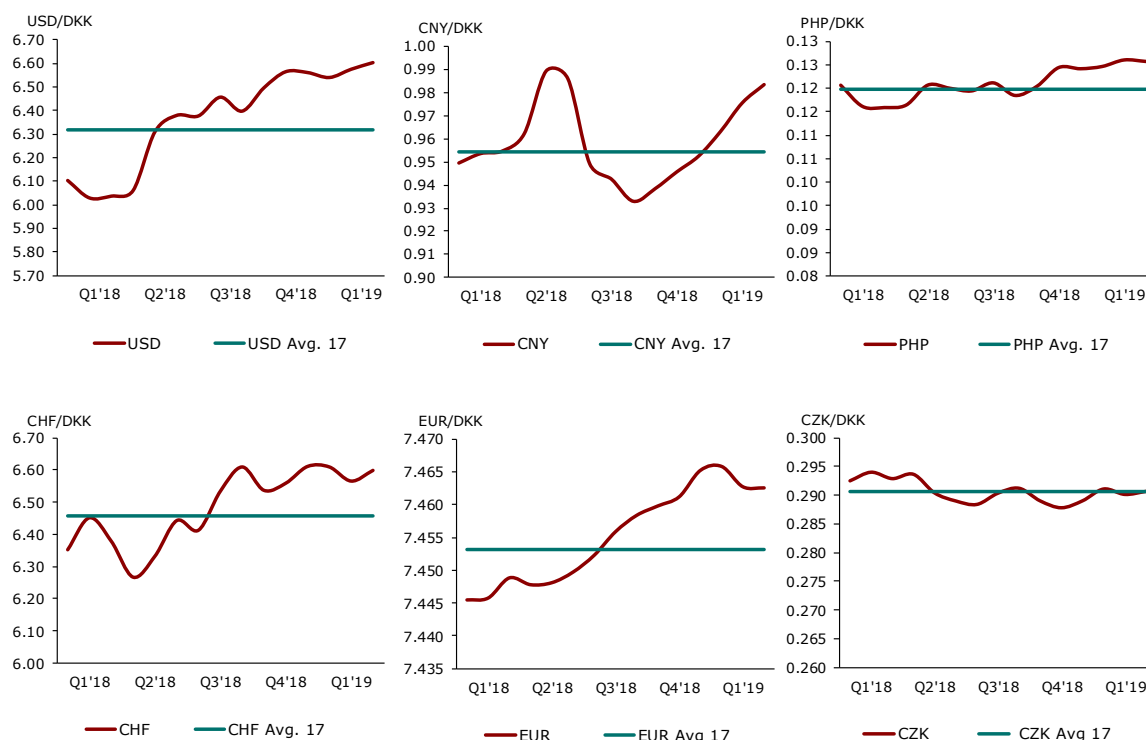
* The above sensitivities address hypothetical situations and are provided for illustrative purposes only. The sensitivities assume the business develops consistent with the current 2019 business plan.

Key currency assumptions

DKK per 100	2017 average exchange rates	2018 average exchange rates	YTD 2019 average exchange rates at May 7, 2019	Current exchange rates at May 7, 2019
CNY	97.57	98.08	97.80	98.61
EUR	743.86	746.11	746.40	746.57
CZK	28.27	29.08	29.06	29.01
PHP	13.08	12.65	12.61	12.85
CHF	669.63	657.13	659.04	654.03
USD	659.53	655.29	659.22	667.47

Currency development

NNIT has a net cost exposure in the Chinese yuan, the Czech koruna, the Philippine peso 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)) and Czech koruna (CZK) for the coming 14 months.

Note 7
Performance in constant and reported currencies
Performance overview

DKK million (reported currencies)	Q1 2019	Q1 2019 (constant*)	Q1 2018	Change	Change (constant)
Revenue	750.0	743.8	698.5	7.4%	6.5%
Cost of goods sold	645.5	638.0	579.1	11.5%	10.2%
Gross profit	104.5	105.8	119.4	-12.4%	-11.4%
<i>Gross profit margin</i>	13.9%	14.2%	17.1%	-3.1pp	-2.9pp
Sales and marketing costs	32.1	31.9	32.0	0.3%	-0.3%
Administrative expenses	27.0	26.8	26.7	1.1%	0.4%
Operating profit	45.5	47.1	60.7	-25.0%	-22.3%
<i>Operating profit margin</i>	6.1%	6.3%	8.7%	-2.6pp	-2.4pp
Net financials	5.8	n.a.	-2.0	n.a.	n.a.
Profit before tax	51.3	n.a.	58.7	-12.5%	n.a.
Tax	11.1	n.a.	12.9	-13.7%	n.a.
<i>Effective tax rate</i>	21.6%	n.a.	21.9%	-0.3pp	n.a.
Net profit	40.2	n.a.	45.8	-12.2%	n.a.

*Constant currencies measured using average exchange rates for Q1 2018.

Revenue distribution

DKKm (reported currencies)	Q1 2019	Q1 2019 (constant*)	Q1 2018	Pct Change (reported)	Pct Change (constant)
Novo Nordisk Group	258.8	256.5	256.1	1.1%	0.2%
Life sciences international	77.4	73.7	44.8	72.7%	64.5%
Life sciences Denmark	53.7	53.7	54.4	-1.2%	-1.2%
Life sciences	390.0	384.0	355.3	9.7%	8.1%
Enterprise	198.2	198.0	187.3	5.9%	5.8%
Public	89.5	89.5	99.4	-9.9%	-10.0%
Finance	72.3	72.3	56.6	27.9%	27.9%
Private & Public	360.1	359.8	343.2	4.9%	4.9%
Total	750.0	743.8	698.5	7.4%	6.5%

*Constant currencies measured using average exchange rates for Q1 2018.