



**nnit**  
We make a mark

# Interim financial report Q2 2024

August 26, 2024

## EXECUTIVE SUMMARY

# SOLID ORGANIC GROWTH OF 11%, PROFITABILITY CONTINUED TO IMPROVE, AND IMPORTANT STRATEGIC MILESTONES REACHED

### Q2 2024 key highlights

- **Financial performance continued to improve** during the second quarter with organic growth at 11.0% meaning NNIT is capturing market share, specifically in Denmark and Europe. Growth was seen across all regions, with the exception of Region US, which continued to be negatively impacted by the temporary decline in the data migration business, despite gradual improvements.
- **Group operating profit margin excluding special items ended at 6.7%**, which is an 0.8%-point increase compared with last year. The improvement in profitability was partly driven by leveraging the cost base due to the top line increase, and partly due to the tight cost control and efforts made in Region Asia during the first quarter.
- **Important steps on our transformative journey continued** with the new global ERP and HR systems going live, on-track completion of the IT separation of the infrastructure business, and re-location of offices in Czech Republic and China and our headquarters in Denmark.
- **Confirming full-year financial outlook** for organic revenue growth of around 10% and group operating profit margin excl. special items of between 8 to 9%.

In the second quarter, NNIT captured market share despite still being impacted by the macroeconomic headwind especially in Europe and China. Growth was mainly driven by NNIT continuing to expand its business within its existing customer portfolio whilst also bringing in new customers, and partly due to the timing of Easter.

During Q2 2024, NNIT delivered on several important milestones as part of the new strategic direction initiated last year. The more focused NNIT has also resulted in improved customer relationships being reflected by continued high customer satisfaction scores, and with NNIT also being recognized by Everest Group, an independent consultancy firm, in terms of highest value delivered<sup>1</sup>.

NNIT expects the rest of the year to be back-end loaded in terms of revenue growth and profitability to gradually increase quarter over quarter. The backlog and pipeline are intact, leading to the full-year financial outlook being confirmed.

Pär Fors, President and CEO of NNIT, comments *"We are pleased to see that our key strategic choice of becoming a pure-play IT consulting business is paying off. Significant wins in early Q3 underlines that we are on the right path. As a whole, the business continued to grow, and profitability increased whilst we continue to take important steps on the transformational journey, we initiated last year."*

### Financial overview – Selected key figures

NNIT A/S, DKK million	Q2 2024	Q2 2023	6M 2024	6M 2023	FY 2023
<b>Revenue</b>	<b>474.0</b>	<b>424.1</b>	<b>937.4</b>	<b>836.8</b>	<b>1,728</b>
Revenue growth, %	11.8%	15.3%	12.0%	15.6%	15.2%
Revenue growth, organic %	11.0%	10.9%	9.5%	11.5%	10.8%
<b>Group operating profit excl. special items</b>	<b>32.0</b>	<b>25.0</b>	<b>55.9</b>	<b>45.0</b>	<b>116</b>
Group operating profit margin excl. special items, %	6.7%	5.9%	6.0%	5.4%	6.7%
Special items	15.2	30.0	3.9	44.0	69
<b>Group operating profit incl. special items</b>	<b>16.8</b>	<b>-5.0</b>	<b>52.0</b>	<b>1.0</b>	<b>47</b>
Group operating profit margin incl. special items, %	3.5%	-1.2%	5.5%	0.1%	2.7%

<sup>1</sup> Everest Group - Life Sciences Digital Services for Mid-market Enterprises PEAK Matrix® Assessment 2024

## BUSINESS REVIEW

### IMPROVEMENT IN FINANCIAL FIGURES DRIVEN BY BUSINESS PERFORMANCE

In the second quarter, NNIT maintained its strong strategic focus to grow within the Life Science- and Public-Private space. This resulted in DKK 474.0m in total revenue which is DKK 50.1m above last year corresponding to a total revenue growth of 11.8%. Organic growth was 11.0%, which developed in line with expectations. Growth was primarily driven by expansion of engagements in Region Europe and Region DK both bringing in new customers and prolonging contracts, and partly the timing of Easter. The macroeconomic headwind highlighted in connection with the Q1 2024 trading statement continues to impact the business, and the temporary decline in the data migration business continues to dampen the growth especially in Region US. While the data migration business is recovering according to plan, Region US is expected to be negatively impacted the rest of the year.

For Q2 2024, the group operating profit margin excl. special items was 6.7% (Q2 2023 was 5.9%) equal to DKK 32.0m in profit compared with DKK 25.0m, same quarter last year. The improvement in profit and margin compared with last year is driven by stronger cost management and the corrective actions taken in Region Asia to return to profitability.

Special items amounted to DKK 15.2m, which is roughly split between earn-out payments and the restructuring cost related to the actions taken in Region Asia. Group operating profit margin incl. special items was an improvement of 4.7%-points compared with last year and group operating profit incl. special items improved by DKK 21.8m.

NNIT expects to further improve its profitability throughout the year as streamlining of processes and systems will continue to lower cost, including the structural cost reductions made in connection with relocating to new facilities and further improvement of utilization levels. On the customer side, significant wins also signal that NNIT is on the right path.

### GROUP FINANCIAL HIGHLIGHTS – SELECTED KEY FIGURES

NNIT A/S, DKK million	Q2 2024	Q2 2023	6M 2024	6M 2023	FY 2023
<b>KEY FINANCIAL HIGHLIGHTS</b>					
Revenue growth, %	11.8%	15.3%	12.0%	15.6%	15.2%
Revenue growth, organic YoY, %	11.0%	11%	9.5%	11.5%	10.8%
Group operating profit margin excl. special items, %	6.7%	5.9%	6.0%	5.4%	6.7%
Special items from continuing operation	15	30	4	44	69
Group operating profit incl. special items	17	-5	52	1	47
Group operating profit margin incl. special items, %	3.5%	-1.2%	5.5%	0.1%	2.7%
Depreciation, amortization and impairment	13	7	23	20	28
<b>OTHER FINANCIAL HIGHLIGHTS</b>					
<b>Revenue</b>	<b>474</b>	<b>424</b>	<b>937</b>	<b>837</b>	<b>1,727.9</b>
- of which Region Europe	135	119	261	232	465.1
- of which Region US	88	103	181	202	386.7
- of which Region Asia	37	36	69	74	143.9
- of which Region Denmark	214	166	426	329	732.3
Production cost	353	321	691	623	1,283.0
<b>Gross profit</b>	<b>121</b>	<b>103</b>	<b>246</b>	<b>213</b>	<b>444.9</b>
<i>Gross margin, %</i>	<i>25.5%</i>	<i>24.3%</i>	<i>26.3%</i>	<i>25.5%</i>	<i>25.7%</i>
Regional overhead cost	46	44	93	83	157.5
<b>Regional operating profit</b>	<b>75</b>	<b>60</b>	<b>153</b>	<b>130</b>	<b>287.5</b>
<i>Regional operating profit margin, %</i>	<i>15.8%</i>	<i>14.1%</i>	<i>16.3%</i>	<i>15.6%</i>	<i>16.6%</i>
Corporate cost	43	35	97	85	171.8
<b>Group operating profit excl. special items</b>	<b>32</b>	<b>25</b>	<b>56</b>	<b>45</b>	<b>115.7</b>
<i>Group operating profit margin excl. special items, %</i>	<i>6.7%</i>	<i>5.9%</i>	<i>6.0%</i>	<i>5.4%</i>	<i>6.7%</i>
Special items	15.2	30	3.9	44	69
<b>Group operating profit incl. special items</b>	<b>17</b>	<b>-5</b>	<b>52</b>	<b>1</b>	<b>47</b>
<i>Group operating profit margin incl. special items, %</i>	<i>3.5%</i>	<i>-1.2%</i>	<i>5.5%</i>	<i>0.1%</i>	<i>2.7%</i>
Executive Summary	Business & Regional Performance Review	Financial Outlook	Other Events & Contact	Financial Statements	Accounting Notes

## REGIONAL PERFORMANCE REVIEW

### Region Europe

In Q2 2024, the revenue growth for Region Europe was 13.3% corresponding to DKK 135.0m. Organic growth ended at 12.3%. Region Europe continued to see strong demand for digital transformation within the manufacturing space including data and digital area, which was the primary cause for growth, and partly the timing of Easter. During the quarter, Region Europe increased its diversification of services with existing customers emphasizing the strong customer partnership NNIT has built over time. The growth was partly offset by the continued macroeconomic headwind in Europe which is most evident within Research & Development, where the demand for bigger transformations is dampened. Moreover, the temporary decline in the data migration business also affected Region Europe with lower demand for large scale Veeva programs.

Region Europe's group operating profit excl. special items was DKK 8.8m compared with DKK 2.2m in Q2 last year. The margin was 6.5%, which is a 4.7%-point increase. The improvement in profitability is mainly driven by an increasing utilization rate, leveraging the cost base and tight cost control. The margin increase was partly offset by the temporary decline in the data migration business and keeping a minor number of billable employees on the bench as they will be engaged in future projects later this year.

DKK million	Q2 2024	Q2 2023	6M 2024	6M 2023	FY 2023
<b>Revenue</b>	<b>135.0</b>	<b>119.2</b>	<b>261.4</b>	<b>231.6</b>	<b>465</b>
Revenue growth, YoY, %	13.3%	0.1%	12.9%	0.4%	-0.6%
Revenue growth, organic YoY, %	12.3%	-0.3%	12.3%	-4.8%	-2.8%
Production cost	101.2	93.1	198.4	177.4	330
<b>Gross profit</b>	<b>33.8</b>	<b>26.1</b>	<b>63.0</b>	<b>54.2</b>	<b>135</b>
Gross margin, %	25.1%	21.9%	24.1%	23.4%	29.0%
Regional overhead cost	13.8	13.8	28.8	25.7	57
<b>Regional operating profit</b>	<b>20.0</b>	<b>12.3</b>	<b>34.2</b>	<b>28.4</b>	<b>78</b>
Regional operating profit margin, %	14.8%	10.3%	13.1%	12.3%	16.8%
Corporate cost	11.2	10.1	23.7	25.3	47
<b>Group operating profit excl. special items</b>	<b>8.8</b>	<b>2.2</b>	<b>10.5</b>	<b>3.1</b>	<b>32</b>
Group operating profit margin excl. special items, %	6.5%	1.8%	4.0%	1.4%	6.9%

### Region US

During the second quarter, the revenue performance in Region US continues to be dampened by the temporary decline in the data migration business. Even though the core business of Region US and Excellis Health Solutions both demonstrated growth, the region's revenue growth was negative by 14.5%, and organic growth was negative by 15.2%. Despite the underwhelming performance within the data migration business, the recovery is tracking according to plan. However, the following quarter is expected to be soft with an acceleration expected in the last quarter of the year.

In the other business areas, Region US has continued to strengthen the backlog and pipeline, bringing in 19 new customers and expansions of existing engagements as demand continues to be at a good level. The US team won its largest deal ever in the region with a value of approx. DKK 130m early Q3. The contract, which is with an existing customer and prominent US player, will generate revenue from Q3, and is a testimony to the strong customer relationship NNIT has built over the years.

The group operating profit for the region was DKK 3.7m, equal to a margin of 4.2%, which is a decline of 11.0%-p compared with last year. The primary driver for the lower margin vs last year can be directly

attributed to the temporary decline in the migration business. As in Region Europe, some billable employees are kept on the bench to be ready for the second half of the year as they are assigned to future projects. To protect profitability, Region US has made a calibration of the cost base adjusting its capacity to fit current demand in early July.

DKK million	Q2 2024	Q2 2023	6M 2024	6M 2023	FY 2023
<b>Revenue</b>	<b>88.1</b>	<b>103.0</b>	<b>180.9</b>	<b>201.8</b>	<b>387</b>
<i>Revenue growth, YoY, %</i>	-14.5%	35.8%	-10.3%	37.5%	23.9%
<i>Revenue growth, organic YoY, %</i>	-15.2%	38.8%	-10.4%	36.5%	27.4%
Production cost	60.9	65.6	118.3	133.5	252
<b>Gross profit</b>	<b>27.2</b>	<b>37.4</b>	<b>62.6</b>	<b>68.3</b>	<b>135</b>
<i>Gross margin, %</i>	30.8%	36.3%	34.6%	33.8%	34.9%
Regional overhead cost	14.1	13.8	31.9	27.7	55
<b>Regional operating profit</b>	<b>13.1</b>	<b>23.5</b>	<b>30.7</b>	<b>40.6</b>	<b>80</b>
<i>Regional operating profit margin, %</i>	14.9%	22.9%	17.0%	20.1%	20.7%
Corporate cost	9.4	7.9	21.2	18.9	37
<b>Group operating profit excl. special items</b>	<b>3.7</b>	<b>15.7</b>	<b>9.5</b>	<b>21.7</b>	<b>42</b>
<i>Group operating profit margin excl. special items, %</i>	4.2%	15.2%	5.3%	10.7%	10.9%

## Region Asia

In Q2, Region Asia returned to growth and positive profitability after two quarters with negative results. The region delivered revenue growth of 3.3% in total DKK 37.3m and organic growth of 6.4%. The step-change in performance is a direct result of the actions taken during the past two quarters when the organization has been rightsized to fit the current market demand. In addition, Region Asia has reorganized its organization where the sales function is now being a part of the delivery units to be closer to market. Furthermore, commercial initiatives have been launched with enhanced focus on sales excellence and pricing. Despite improved momentum, NNIT continues to face headwind from the Chinese macroeconomic climate where NNIT experiences lower demand for external support and customers are hesitant to sign new or expand existing contracts.

The region's group operating profit margin improved significantly from -17.4% in Q2 last year to 3.9% in Q2 2024. The improvement in profitability can be attributed to the actions taken in connection with the turnaround such as the capacity reductions made. In addition, the utilization rate has increased, and staffing of projects has been optimized.

DKK million	Q2 2024	Q2 2023	6M 2024	6M 2023	FY 2023
<b>Revenue</b>	<b>37.3</b>	<b>36.1</b>	<b>69.2</b>	<b>73.9</b>	<b>144</b>
<i>Revenue growth, YoY, %</i>	3.3%	-2.3%	-6.4%	6.5%	-8.3%
<i>Revenue growth, organic YoY, %</i>	6.4%	2.1%	-3.1%	9.7%	-4.2%
Production cost	26.7	35.0	55.1	71.1	135
<b>Gross profit</b>	<b>10.6</b>	<b>1.1</b>	<b>14.1</b>	<b>2.9</b>	<b>9</b>
<i>Gross margin, %</i>	28.4%	3.1%	20.4%	3.9%	6.3%
Regional overhead cost	5.7	4.0	10.9	6.9	13
<b>Regional operating profit</b>	<b>4.9</b>	<b>-2.8</b>	<b>3.2</b>	<b>-4.1</b>	<b>-4</b>
<i>Regional operating profit margin, %</i>	13.2%	-7.9%	4.7%	-5.5%	-2.8%
Corporate cost	3.5	3.5	7.5	8.7	14
<b>Group operating profit excl. special items</b>	<b>1.5</b>	<b>-6.3</b>	<b>-4.3</b>	<b>-12.8</b>	<b>-18</b>
<i>Group operating profit margin excl. special items, %</i>	3.9%	-17.4%	-6.2%	-17.3%	-12.5%

## Region Denmark

During the second quarter, Region Denmark continued to deliver strong total revenue growth of 28.8% reaching DKK 213.6m including revenue generated towards Aeven. Organic growth was 27.3%, which is partly due to NNIT continuing to expand its footprint with Private and Public customers and partly due to the timing of Easter.

In the quarter within the Public space, Region Denmark prolonged its contract with “Danish Veterinary and Food administration (Fødevarestyrelsen)” with two years, won a public tender with “Department of Prisons and Probation (Kriminalforsorgen)” to develop and support systems and expanded within SKI<sup>2</sup> agreements by becoming a supplier on the upcoming SKI 02.14 IT Consulting Frame Agreement amongst others. Moreover, Region DK is close to signing a large strategically important contract with an existing public customer. The signing of the contract is planned in the third quarter.

SCALES continued to expand its position as Denmark's largest supplier of Microsoft Dynamics 365 for Finance & Operations (D365FO) to Danish-based companies expanding their collaboration with existing customers. SCALES accounted for around 30% of the region's revenue.

Region Denmark's group operating profit was DKK 18.0m in Q2, which is an increase of DKK 4.5m compared with same quarter last year. The group operating profit margin was 8.4%, which is a 0.3%-p increase vs last year. Even though the profit and margin slightly increased, Region Denmark is still affected by the material number of billable employees spending time on important internal projects such as the finalization of the IT separation from Aeven, which will be completed during the third quarter.

DKK million	Q2 2024	Q2 2023	6M 2024	6M 2023	FY 2023
<b>Revenue</b>	<b>213.6</b>	<b>165.8</b>	<b>425.8</b>	<b>329.5</b>	<b>732</b>
<i>Revenue growth, YoY, %</i>	28.8%	22.1%	29.2%	18.9%	29.8%
<i>Revenue growth, organic YoY, %</i>	27.3%	7.5%	22.7%	12.0%	17.0%
<i>Production cost</i>	164.4	127.3	319.2	241.5	566
<b>Gross profit</b>	<b>49.1</b>	<b>38.5</b>	<b>106.7</b>	<b>88.0</b>	<b>166</b>
<i>Gross margin, %</i>	23.0%	23.2%	25.1%	26.7%	22.7%
<i>Regional overhead cost</i>	12.1	11.9	21.6	22.8	33
<b>Regional operating profit</b>	<b>37.1</b>	<b>26.7</b>	<b>85.0</b>	<b>65.2</b>	<b>133</b>
<i>Regional operating profit margin, %</i>	17.4%	16.1%	20.0%	19.8%	18.2%
<i>Corporate cost</i>	19.1	13.2	44.9	32.2	73
<b>Group operating profit excl. special items</b>	<b>18.0</b>	<b>13.5</b>	<b>40.1</b>	<b>33.0</b>	<b>60</b>
<i>Group operating profit margin excl. special items, %</i>	8.4%	8.1%	9.4%	10.0%	8.2%

<sup>2</sup> The State and Local Government Procurement Service

## FINANCIAL OUTLOOK

### FULL-YEAR FINANCIAL OUTLOOK IS CONFIRMED

The current financial outlook announced on 19 February 2024 in connection with the Annual Report 2023, cf. company announcement no. 01/2024, is confirmed. NNIT's organic revenue growth is expected to be around 10% with a group operating profit margin excl. special items of between 8-9%. The organic growth is expected to be back-end loaded meaning low-single digit growth in Q3 and double-digit growth in Q4. Group operating profit margin excl. special items is expected to gradually improve compared with the first half year margin result.

	<i>Announced on 19 Feb 2024</i>
<b>NNIT A/S</b>	<b>2024 outlook confirmed</b>
Organic growth	Around 10%
Group operating profit margin excl. special items	8-9%

### 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 27-28 of the Annual Report 2023.

## OTHER EVENTS

### OTHER IMPORTANT EVENTS AFTER THE REPORTING PERIOD

#### Sale of vendor loan note

On 10<sup>th</sup> July, NNIT announced the sale of its vendor loan note to Novo Holdings A/S. The vendor loan note was sold at a book value of DKK 221m with an effective date of 1<sup>st</sup> July 2024 which has been paid in full.

#### NNIT signs its largest contract in the US

On 21<sup>st</sup> August, NNIT announced it has entered into an agreement with an existing large pharma customer in Region US to deliver strategic consulting services in the areas of Quality & Computer System Validation support. NNIT starts to deliver on the project during the third quarter, and the contract runs for three years and is worth approx. DKK 130m with the possibility of extensions.

There have been no other events after the balance sheet date that would have a significant impact on an assessment of NNIT's financial position as of June 30, 2024.

## CONTACT

### CONFERENCE CALL

August 27, 2024, at 9:30 AM CEST:

[Webcast link](#)

Dial in information:

DK: +45 7876 8490

SE: +46 8 1241 0952

UK: +44 203 769 6819

US: +1 646-787-0157

Participant Access code: 472855

For more information, please contact:

#### Investor Relations

Carsten Ringius

EVP & CFO

Tel: +45 3077 8888

carr@nnit.com

#### Media Relations

Tina Joanne Hindsbo

Media Relations Manager

Tel: +45 3077 9578

tnjh@nnit.com

## ABOUT NNIT

NNIT is a leading provider of IT solutions to life sciences internationally, and to the public and private sectors in Denmark.

We focus on high complexity industries and thrive in environments where regulatory demands and complexity are high.

Executive  
Summary

Business & Regional  
Performance Review

Financial  
Outlook

Other Events &  
Contact

Financial  
Statements

Accounting  
Notes



We advise on and build sustainable digital solutions that work for the patients, citizens, employees, end users or customers.

We strive to build unmatched excellence in the industries we serve, and we use our domain expertise to represent a business first approach – strongly supported by a selection of partner technologies, but always driven by business needs rather than technology.

NNIT consists of group company NNIT A/S and subsidiaries SCALES, Excellis Health Solutions and SL Controls. Together, these companies employ more than 1,700 people in Europe, Asia and USA. Read more at [www.nnit.com](http://www.nnit.com).

## FINANCIAL STATEMENTS

### GROUP FINANCIAL OVERVIEW

DKK million	6M 2024	6M 2023	FY 2023
<b>Financial performance</b>			
<b>Revenue</b>			
Region Europe	261	232	465
Region US	181	202	387
Region Asia	69	74	144
Region Denmark	426	329	732
<b>Total revenue</b>	<b>937</b>	<b>837</b>	<b>1,728</b>
Production cost	691	602	1,283
<b>Gross profit</b>	<b>246</b>	<b>235</b>	<b>445</b>
<i>Gross margin</i>	<i>26.3%</i>	<i>28.1%</i>	<i>25.8%</i>
<b>EBITDA before special items</b>	<b>79</b>	<b>65</b>	<b>144</b>
Depreciations, amortizations and impairment	23	20	28
Group operating profit before special items <sup>1</sup>	56	45	116
Special items, costs <sup>1</sup>	4	44	69
<b>EBITDA incl. special items</b>	<b>75</b>	<b>21</b>	<b>75</b>
<b>Operating profit/loss (EBIT)</b>	<b>52</b>	<b>1</b>	<b>47</b>
Net financials	-3	-34	-30
Net profit/loss from continuing operations	34	-33	6
Net profit/loss from discontinued operations	0	129	24
<b>Total net profit/loss for the period</b>	<b>34</b>	<b>96</b>	<b>30</b>
Investments in tangible assets	-28	-7	-4
Investments in intangible assets incl. acquisition of subsidiaries	-8	-4	-18
Total assets	1,903	1,998	1,977
Equity	876	897	827
Dividends paid	0	0	0
Interest-bearing debt, net <sup>2</sup>	-370	-84	-77
Free cash flow from continuing operations	-262	-201	-109
<b>Total free cash flow for the period</b>	<b>-262</b>	<b>676</b>	<b>698</b>
<b>Earnings per share</b>			
Earnings per share (DKK)	0.99	-1.31	0.24
Diluted earnings per share (DKK)	0.99	-1.31	0.24
<b>Employees</b>			
Average number of full-time employees, continuing	1,746	1,763	1,773
<b>Financial ratios</b>			
Revenue growth	12.0%	15.6%	15.2%
Organic growth	9.5%	11.5%	10.8%
Gross margin	26.3%	28.1%	25.8%
EBITDA margin before special items	8.4%	7.8%	8.3%
Group operating profit margin before special items	6.0%	5.4%	6.7%
Group operating profit margin	5.5%	0.2%	2.7%
Effective tax rate	30.6%	1.3%	64.7%
Return on equity <sup>3</sup>	-3.6%	-1.0%	0.7%
Solvency ratio	46.0%	44.9%	41.8%
Return on invested capital (ROIC) <sup>3,4</sup>	-2.5%	-1.0%	2.9%

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

2) Net interest bearing debt defined as Cash and cash equivalents, Derivative financial instruments, Bank overdraft, leasing Liabilities

3) Financial metrics are moving annual total cost (MAT) relative to ultimo balance

4) Net profit (MAT) / ultimo invested capital

Executive  
Summary

Business & Regional  
Performance Review

Financial  
Outlook

Other Events &  
Contact

**Financial  
Statements**

Accounting  
Notes

## **BALANCE SHEET**

Intangible increases with DKK 38 million to DKK 742 million on June 30, 2024, from DKK 704 million on December 31, 2023. The increase is primarily due to the ongoing implementation and development of a new ERP system.

The decrease of DKK 214 million. in non-current other receivables related to a classification of the vendor note from non-current to current.

Other current facilities have decreased after settlement of liabilities primarily related to the divestment. The change in credit facilities is due to the establishment of a new long-term credit facility.

## **FREE CASH FLOW**

The Group's free cash flow on June 30, 2024 was DKK -262 million, compared to DKK 698 million on December 31, 2023. The free cash flow has been allocated to payment of current liabilities.

## MANAGEMENT STATEMENT

### Statement by the Board of Directors and the Executive Management on the unaudited interim consolidated financial statements of NNIT A/S for the first six months ended June 30, 2024.

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 six months of 2024 with comparative figures for the first six months of 2023. 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 six months of 2024 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 2023 of NNIT A/S. Furthermore, the interim consolidated financial statement for the first six months of 2024 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 six months of 2024 are adequate and give a true and fair view of the Group’s assets, liabilities and financial position as of June 30, 2024 and of the results of the Group’s operations and cash flow for the six months ended June 30, 2024. 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 six months of 2024, no changes in the Group’s most significant risks and uncertainties have occurred relative to disclosures published in the Annual Report 2023 of NNIT A/S.

Copenhagen, August xx, 2024

#### **Executive Management**

Pär Fors  
*President and CEO*

Carsten Ringius  
*Executive Vice President and CFO*

#### **Board of Directors**

Carsten Dilling  
*Chairman*

Eivind Kolding  
*Deputy Chairman*

Jan Winther

Christian Kanstrup

Caroline Serfass

Nigel Govett

Frederik Willumsen

Dorte Broch Pedersen

Kim Høyer

**CONSOLIDATED FINANCIAL STATEMENT**  
**INCOME STATEMENT AND STATEMENTS OF COMPREHENSIVE INCOME**

DKK million	Note	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
<b>INCOME STATEMENT</b>				
	1			
<b>Revenue</b>		<b>937</b>	<b>837</b>	<b>1,728</b>
Production cost		691	602	1,283
<b>Gross profit</b>		<b>246</b>	<b>235</b>	<b>445</b>
Sales and marketing costs		32	37	63
Administrative expenses		158	153	266
<b>Operating profit before special items</b>		<b>56</b>	<b>45</b>	<b>116</b>
Special items, costs	4	4	44	69
<b>Operation profit / loss</b>		<b>52</b>	<b>1</b>	<b>47</b>
Financial income		10	3	16
Financial expenses		13	37	46
<b>Profit/(loss) before income taxes</b>		<b>49</b>	<b>-33</b>	<b>17</b>
Income Taxes		15	0	11
<b>Profit/(loss) from continuing operations</b>		<b>34</b>	<b>-33</b>	<b>6</b>
Profit/(loss) from discontinuing operations	3	0	129	24
<b>Net profit/(loss) for the period</b>		<b>34</b>	<b>96</b>	<b>30</b>
<b>Earnings per share from continuing operations</b>				
<b>Earning per share</b>		<b>0.99</b>	<b>-1.31</b>	<b>0.24</b>
<b>Diluted earnings per share</b>		<b>0.99</b>	<b>-1.31</b>	<b>0.24</b>
<b>Earnings per share from total operations</b>				
<b>Earning per share</b>		<b>0.99</b>	<b>3.87</b>	<b>1.20</b>
<b>Diluted earnings per share</b>		<b>0.99</b>	<b>3.85</b>	<b>1.20</b>

DKK million	Note	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>Net profit/(loss) for the period</b>		<b>34</b>	<b>96</b>	<b>30</b>
Other comprehensive income:				
<b>Items that will not subsequently be reclassified to the income statement:</b>				
Remeasurement related to defined benefit pension obligations		-2	0	0
Tax on other comprehensive income defined benefit pension obligations		0	0	-1
<b>Items that may be reclassified subsequently to the income statement, when specific conditions are met:</b>				
Exchange rate adjustments related to subsidiaries (net)		18	-14	-19
Tax related to exchange rate adjustments related to subsidiaries (net)		-2	1	2
<b>Other comprehensive income, net of tax</b>		<b>14</b>	<b>-13</b>	<b>-18</b>
<b>Total comprehensive income</b>		<b>48</b>	<b>83</b>	<b>12</b>
<b>Total comprehensive income arises from:</b>				
Discontinued operations		0	129	24
Continuing operations		48	-46	-12

Executive  
Summary

Business & Regional  
Performance Review

Financial  
Outlook

Other Events &  
Contact

**Financial  
Statements**

Accounting  
Notes

## BALANCE SHEET

DKK million	Note	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
<b>ASSETS</b>				
Intangible assets		742	694	704
Tangible assets		12	18	8
Lease assets		50	34	45
Transition cost		13	12	14
Deferred tax		42	93	78
Deposits		37	27	31
Trade receivables		11	58	25
Other receivables	5	0	213	214
<b>Total non-current assets</b>		<b>907</b>	<b>1,149</b>	<b>1,119</b>
Inventories		2	3	2
Transition cost		3	2	3
Trade receivables	5	518	433	451
Work in progress	5	19	124	67
Other receivables		237	23	44
Pre-payments		44	93	27
Tax receivable		11	19	10
Cash and cash equivalents		162	158	254
<b>Total current assets</b>		<b>996</b>	<b>855</b>	<b>858</b>
<b>Total assets</b>		<b>1,903</b>	<b>2,004</b>	<b>1,977</b>
DKK million		Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
<b>EQUITY AND LIABILITIES</b>				
Share capital		250	250	250
Treasury shares		-1	2	-1
Retained earnings		601	619	556
Other reserves		26	26	22
<b>Total equity</b>		<b>876</b>	<b>897</b>	<b>827</b>
Leasing liability		29	34	13
Employee benefit obligation		11	3	6
Provisions		28	27	27
Trade payables		2	23	12
Other non-current liabilities		10	10	10
Credit facilities		271	0	267
<b>Total non-current liabilities</b>		<b>351</b>	<b>97</b>	<b>335</b>
Prepayments received, transition cost		18	16	20
Prepayments received, work in progress	5	51	60	74
Deferred income		0	0	67
Leasing liabilities		32	56	51
Employee benefit obligations		6	38	57
Provisions		10	0	15
Trade payables		102	56	98
Employee cost payable		113	160	122
Tax payables		33	151	70
Other current liabilities		111	315	241
Credit facilities		200	158	0
<b>Total current liabilities</b>		<b>676</b>	<b>1,010</b>	<b>815</b>
<b>Total liabilities</b>		<b>1,903</b>	<b>2,004</b>	<b>1,977</b>

Contingent liabilities and legal proceedings 6

Executive  
Summary

Business & Regional  
Performance Review

Financial  
Outlook

Other Events &  
Contact

**Financial  
Statements**

Accounting  
Notes

## STATEMENT OF CASH FLOW

DKK million	Note	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
<b>STATEMENT OF CASH FLOW</b>				
<b>Net profit / loss for the period</b>		<b>34</b>	<b>96</b>	<b>30</b>
Reversal of non-cash items		47	-74	-14
Interest received/paid		-9	-34	-40
Income taxes paid		-16	59	36
<b>Cash flow before change in working capital</b>		<b>56</b>	<b>47</b>	<b>12</b>
Changes in working capital		-284	-337	-214
<b>Cash flow from operating activities</b>		<b>-228</b>	<b>-290</b>	<b>-202</b>
Cash flow from operating activities, discontinued		0	-94	-97
<b>Cash flow from operating activities, continuing</b>		<b>-228</b>	<b>-196</b>	<b>-105</b>
Capitalization of intangible assets		-28	-9	-24
Purchase of tangible assets		-8	-46	-46
Sale of tangible assets		0	0	2
Divestment of infrastructure business		0	1,021	1,001
Sublease payment received		2	0	18
Adjustment acquisition cost		0	0	-51
Loan related to aquisition of subsidiaries		0	0	0
<b>Cash flow from investing activities</b>		<b>-34</b>	<b>966</b>	<b>900</b>
Cash flow from investing activities, discontinued		0	971	904
<b>Cash flow from investing activities, continuing</b>		<b>-34</b>	<b>-5</b>	<b>-4</b>
Dividends paid		0	0	0
Deposit (paid)/received		-6	8	4
Installments on lease liabilities		-27	-36	-66
Draw/(repaid) on credit facilities		204	-698	-590
<b>Cash flow from financing activities</b>		<b>171</b>	<b>-726</b>	<b>-652</b>
Cash flow from financing activities, continuing		171	-726	-652
<b>Net cash flow</b>		<b>-91</b>	<b>-50</b>	<b>46</b>
Cash and cash equivalents at the beginning of the period		254	208	208
Cash and cash equivalents at the end of the period		163	158	254
<b>Additional information <sup>1</sup>:</b>				
Cash and cash equivalents, assets		163	158	254
Drawn on credit facilities		-471	-158	-267
Committed credit facilities		500	450	300
<b>Financial resources at the end of the period</b>		<b>192</b>	<b>450</b>	<b>287</b>
Cash flow from operating activities		-228	-290	-202
Cash flow from investing activities		-34	966	900
<b>Free cash flow</b>		<b>-262</b>	<b>676</b>	<b>698</b>

### 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 million	Share capital	Treasury shares	Retained earnings	Currency revaluation	Tax	Total other reserves	Proposed dividends	Total
<b>EQUITY - June 30, 2024</b>								
<b>Balance at the beginning of the period</b>	<b>250</b>	<b>-1</b>	<b>556</b>	<b>27</b>	<b>-5</b>	<b>22</b>	<b>0</b>	<b>827</b>
Net profit/loss for the period	0	0	34	0	0	0	0	34
Other comprehensive income for the period	0	0	-2	18	-2	16	0	14
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>32</b>	<b>18</b>	<b>-2</b>	<b>16</b>	<b>0</b>	<b>48</b>
Transactions with owners:								
Transfer of treasury shares	0	0	1	0	0	0	0	1
Dividends paid	0	0	0	0	0	0	0	0
<b>Balance at the end of the period</b>	<b>250</b>	<b>-1</b>	<b>589</b>	<b>45</b>	<b>-7</b>	<b>38</b>	<b>0</b>	<b>876</b>

DKK million	Share capital	Treasury shares	Retained earnings	Currency revaluation	Tax	Total other reserves	Proposed dividends	Total
<b>EQUITY - December 31, 2023</b>								
<b>Balance at the beginning of the period</b>	<b>250</b>	<b>-1</b>	<b>526</b>	<b>46</b>	<b>-7</b>	<b>39</b>	<b>0</b>	<b>814</b>
Net profit/loss for the period	0	0	30	0	0	0	0	30
Other comprehensive income for the period	0	0	-1	-19	2	-17	0	-18
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>29</b>	<b>-19</b>	<b>2</b>	<b>-17</b>	<b>0</b>	<b>12</b>
Transactions with owners:								
Share-based payments	0	0	1	0	0	0	0	1
Dividends paid	0	0	0	0	0	0	0	0
<b>Balance at the end of the period</b>	<b>250</b>	<b>-1</b>	<b>556</b>	<b>27</b>	<b>-5</b>	<b>22</b>	<b>0</b>	<b>827</b>

DKK million	Share capital	Treasury shares	Retained earnings	Currency revaluation	Tax	Total other reserves	Proposed dividends	Total
<b>EQUITY - June 30, 2023</b>								
<b>Balance at the beginning of the period</b>	<b>250</b>	<b>-1</b>	<b>526</b>	<b>46</b>	<b>-7</b>	<b>39</b>	<b>0</b>	<b>814</b>
Net profit for the period	0	0	96	0	0	0	0	96
Other comprehensive income for the period	0	0	0	-14	1	-13	0	-13
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>96</b>	<b>-14</b>	<b>1</b>	<b>-13</b>	<b>0</b>	<b>83</b>
Transactions with owners:								
Transfer of treasury shares	0	4	-4	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0
<b>Balance at the end of the period</b>	<b>250</b>	<b>3</b>	<b>618</b>	<b>32</b>	<b>-6</b>	<b>26</b>	<b>0</b>	<b>897</b>



## **ACCOUNTING NOTES**

### **NOTE 1**

#### **Accounting policies**

The consolidated financial statements for the first six months of 2024 are prepared in accordance with IAS 34 'Interim Financial Reporting' and based on the same accounting policies for recognition and measurement as were applied in the Annual Report 2023.

The financial reporting including the consolidated financial statements for the first six months of 2024 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

See pages 49 to 56 of the Annual Report 2023 for a comprehensive description of the accounting policies applied for recognition and measurement.

## NOTE 2

### Segment information

NNIT consists of four regions, which individually are considered an operating segment:

- Region Denmark (excluding life sciences)
- Region Europe (including life sciences in Denmark)
- Region US
- Region Asia

The four regional P&Ls include allocated corporate cost such as legal, human resources, finance and global delivery centers. The operating segments reflect the internal reporting that is reviewed by the “Chief Operating Decision makers” consisting of the Executive Management and the Board of Directors. The internal reporting includes communication of revenue, costs and operating results for each of the operating segments. No reporting is made on assets.

DKK million	Region Denmark	Region Europe	Region Asia	Region US	Total
<b>6M 2024</b>					
Revenue	425,8	261,4	69,2	180,9	937,4
Production cost	319,2	198,4	55,1	118,3	690,9
<b>Gross profit</b>	<b>106,7</b>	<b>63,0</b>	<b>14,1</b>	<b>62,6</b>	<b>246,4</b>
Gross profit Margin	25,1%	24,1%	20,4%	34,6%	26,3%
<b>Regional operating profit</b>	<b>85,0</b>	<b>34,2</b>	<b>3,2</b>	<b>30,7</b>	<b>153,2</b>
Regional operating profit margin	20,0%	13,1%	4,7%	17,0%	16,3%
<b>Group operating profit<sup>1</sup></b>	<b>40,1</b>	<b>10,5</b>	<b>-4,3</b>	<b>9,5</b>	<b>55,9</b>
Group operating profit margin	9,4%	4,0%	-6,2%	5,3%	6,0%
<b>6M 2023</b>					
Revenue	329,5	231,6	73,9	201,8	836,8
Production cost	226,4	174,1	71,1	130,3	601,8
<b>Gross profit</b>	<b>103,1</b>	<b>57,5</b>	<b>2,9</b>	<b>71,5</b>	<b>234,9</b>
Gross profit Margin	31,3%	24,8%	3,9%	35,4%	28,1%
<b>Regional operating profit</b>	<b>80,7</b>	<b>31,1</b>	<b>-3,6</b>	<b>43,8</b>	<b>152,1</b>
Regional operating profit margin	24,5%	13,5%	-4,8%	21,7%	18,2%
<b>Group operating profit<sup>1</sup></b>	<b>40,2</b>	<b>-0,5</b>	<b>-14,5</b>	<b>20,0</b>	<b>45,3</b>
Group operating profit margin	12,2%	-0,2%	-19,6%	9,9%	5,4%
<b>FY 2023</b>					
Revenue	732,3	465,1	143,9	386,7	1.728,0
Production cost	566,1	329,8	135,0	252,0	1.282,9
<b>Gross profit</b>	<b>166,2</b>	<b>135,3</b>	<b>8,9</b>	<b>134,7</b>	<b>445,1</b>
Gross profit Margin	22,7%	29,0%	6,3%	34,9%	25,8%
<b>Regional operating profit</b>	<b>133,0</b>	<b>78,4</b>	<b>-3,8</b>	<b>79,9</b>	<b>287,4</b>
Regional operating profit margin	18,2%	16,8%	-2,8%	20,7%	16,6%
<b>Group operating profit<sup>1</sup></b>	<b>59,6</b>	<b>31,9</b>	<b>-18,1</b>	<b>42,4</b>	<b>115,9</b>
Group operating profit margin	8,2%	6,9%	-12,5%	10,9%	6,7%

<sup>1</sup> When deducting special items and net financials consolidated profit before income taxes is obtained.

## NOTE 3

### Discontinued operations

In June 2022, it was announced that NNIT was divesting the Infrastructure Operations business (Hybrid Cloud Solutions and selected parts of Cloud & Digital Solutions). In 2023, all costs related to the divestment are considered separation costs related to negotiations with the buyer and are recognized in special items in the discontinued operations, and all costs regarding the transaction are recognized in the gain statement.

Executive  
Summary

Business & Regional  
Performance Review

Financial  
Outlook

Other Events &  
Contact

Financial  
Statements

Accounting  
Notes

In the financial report for the first six months of 2023, the discontinued operations include the period from January to April 2023 and gain from sale of the discontinued operations. The result of the business classified within discontinued operations is a profit of DKK 129 million. Profits from discontinued operations include gain on sale of discontinued operations after tax of DKK 138 million. Carveout and separation costs related to the divestment of DKK 81 million are recognized in special items.

Cash flow from investing activities from discontinued operations in the financial report for the first six months of 2023 includes cash consideration from divestment of the infrastructure business of DKK 1,021 million. The cash consideration excludes a vendor note of DKK 200 million, which will be repaid no later than six years after closing.

The Vendor note has been sold in July 2024, see further in note 8, and is classified as Other receivables, current in the balance sheet on 30<sup>th</sup> June 2024.

## NOTE 4

### Special items

DKK million	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
<b>Special items</b>			
<b>Related to:</b>			
Gain from subleases			-15
Employee benefit cost (contingent consideration agreement)	16	32	52
Restructuring cost	8	12	31
Cost regarding acquisition and disposal of operations (Income)	-20	81	103
<b>Total special items</b>	<b>4</b>	<b>125</b>	<b>171</b>
Total special items, discontinuing operations	0	81	102
<b>Total special items, continuing operations</b>	<b>4</b>	<b>44</b>	<b>69</b>
<b>If special items had been recognized in operating profit before special items, they would have been included in the following items:</b>			
Cost of goods sold	-12	5	3
Sales and marketing costs	0	0	0
Administrative expenses	16	39	66
<b>Cash flow from operating activities</b>	<b>4</b>	<b>44</b>	<b>69</b>

## NOTE 5

### Related party transactions

DKK million	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023		
<b>Related party transactions</b>					
<b>Assets</b>					
Receivables from related parties	71	53	64		
Work in progress related parties	4	24	2		
<b>Liabilities</b>					
Liabilities to related parties	1	1	1		
Prepayments from related parties	3	10	17		
Executive Summary	Business & Regional Performance Review	Financial Outlook	Other Events & Contact	Financial Statements	Accounting Notes

## NOTE 6

### *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 7

### Currency sensitivities

Estimated annual impact of NNIT's operating profit of a 10% increase in the outlined currencies against DKK

EUR	2
CNY	2
CZK	-3
PHP	-7
CHF	1
USD	15

### Key currency assumptions

DKK per 100	2022 average exchange rates	2023 average exchange rates	2024 average exchange rates
CNY	104.44	99.61	95.61
EUR	744.08	744.61	745.80
CZK	30.21	31.43	29.82
PHP	12.87	12.49	12.12
CHF	717.56	754.92	775.94
USD	663.02	689.35	689.80

### Currency development

NNIT has a net cost exposure in the Czech koruna and the Philippine peso. 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.

For the other main currencies, NNIT has a net profit exposure. Therefore, an increase of EUR, CNY, CHF, and USD versus Danish kroner has a positive impact on reported operating profit, whereas a decrease will have the reverse effect.

The effect from currency development in H1 2024 gives a positive impact of DKK 1.4 million.