

Netcompany

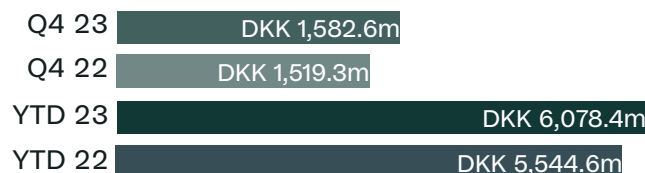
# Q4 2023 Company Announcement

Twelve months ended 31 December 2023

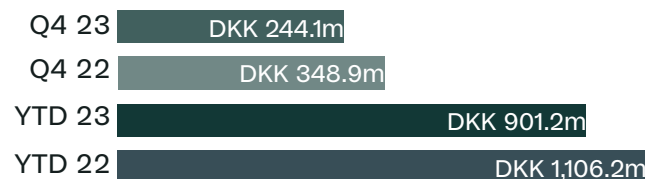
Double digit growth and strong cash flow delivered  
in a challenging year

# Summary

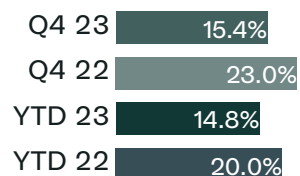
## ■ Revenue increased by 4.2% (constant 4.9%)



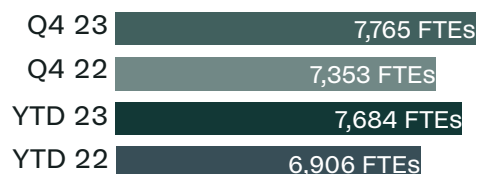
## ■ Adj. EBITDA decreased 30%



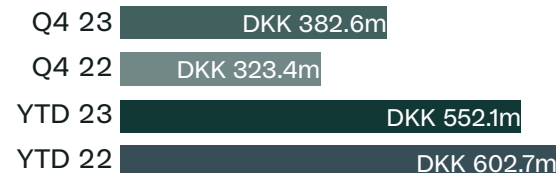
## ■ Adj. EBITDA margin decreased by 7.5pp



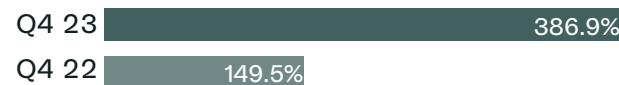
## ■ Average employees increased by 412 FTEs



## ■ Free cash flow increased by 18.3%



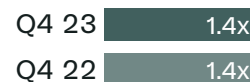
## ■ Cash conversion ratio (tax normalised) was 386.9%



## ■ Cash conversion ratio was 135.1% for the full year



## ■ Debt leverage was unchanged



### ■ Conference call details

In connection with the publication of the results for Q4 2023, Netcompany will host a conference call on 25 January at 11.00 CET.

The conference call can be followed live via <https://netcompany-as.eventcdn.net/events/annual-report-for-the-financial-year-2023>  
 For further dial-in details please visit the company's website; [www.netcompany.com](http://www.netcompany.com)

“Based on strong performance in the international part of the Group of more than 20% growth, we ended the year satisfactorily, and in line with our guidance, at 10.7% revenue growth for the Group, and at 14.9% adjusted EBITDA margin.

Towards the end of the year, we have seen a shift in customer sentiment in the Danish private segment and we have begun to convert pipeline cases accordingly. Furthermore, we begin the year with improved revenue visibility. Macroeconomic outlook still looks uncertain though, and the high level of geo-political unrest experienced in 2023 prevails. Therefore, we expect to grow revenue between 7% and 10% and deliver adjusted EBITDA margin between 15% and 18% in 2024.

We remain committed to our midterm financial targets, and based on strong free cash flow generated in Q4 2023, we initiate the first tranche of our DKK 2bn share buyback programme. The first tranche of our share buyback programme amounts to DKK 150m and will be executed between 25 January and 1 May 2024.

I am proud of the results delivered in a challenging year by our more than 7,700 dedicated and talented employees. In combination with our enhanced Go-To-Market strategy focussing more on products and platforms and reusability, I am confident that we are on track to become a European market leader.”

**André Rogaczewski**

NETCOMPANY CEO AND CO-FOUNDER

# Performance overview Q4

DKK million	Q4 2023 (reported)	Q4 2023 (constant)*	Q4 2022	% change (reported)	% change (constant)*
Revenue	1,582.6	1,594.2	1,519.3	4.2%	4.9%
Cost of services	-1,125.0	-1,131.1	-999.3	12.6%	13.2%
<b>Gross profit</b>	<b>457.7</b>	<b>463.1</b>	<b>520.0</b>	<b>-12.0%</b>	<b>-11.0%</b>
<i>Gross profit margin</i>	28.9%	29.0%	34.2%	-5.3pp	-5.2pp
Sales and marketing costs	-16.1	-14.6	-12.1	33.0%	21.2%
Administrative costs	-244.9	-247.2	-198.8	23.2%	24.3%
<b>Adjusted EBITA</b>	<b>196.7</b>	<b>201.2</b>	<b>309.1</b>	<b>-36.4%</b>	<b>-34.9%</b>
<i>Adjusted EBITA margin</i>	12.4%	12.6%	20.3%	-7.9pp	-7.7pp
Special items	-0.5	-0.5	0.0	N/A	N/A
Other operating income / expense	-0.6	-0.6	6.3	-109.7%	-109.7%
<b>EBITA</b>	<b>195.7</b>	<b>200.1</b>	<b>315.4</b>	<b>-38.0%</b>	<b>-36.6%</b>
<i>EBITA margin</i>	12.4%	12.6%	20.8%	-8.4pp	-8.2pp
Amortisation	-29.7	-29.8	-33.8	-12.2%	-12.1%
<b>Operating profit (EBIT)</b>	<b>165.9</b>	<b>170.4</b>	<b>281.6</b>	<b>-41.1%</b>	<b>-39.5%</b>
<i>Operating profit margin</i>	10.5%	10.7%	18.5%	-8.0pp	-7.8pp
Net financials	-38.2	-38.3	-30.5	25.4%	25.9%
<i>Income / loss, joint venture / associates</i>	-0.9	-0.9	5.2	-116.9%	-116.9%
<b>Profit / loss before tax</b>	<b>126.9</b>	<b>131.1</b>	<b>256.4</b>	<b>-50.5%</b>	<b>-48.9%</b>
Tax	-61.3	-61.2	-41.0	49.7%	49.5%
<i>Effective tax rate</i>	48.3%	46.7%	16.0%	32.3pp	30.7pp
<b>Net profit / loss</b>	<b>65.6</b>	<b>69.9</b>	<b>215.4</b>	<b>-69.6%</b>	<b>-67.5%</b>
<b>Additional KPIs</b>					
Adjusted EBITDA	244.1	248.7	348.9	-30.0%	-28.7%
<i>Adjusted EBITDA margin</i>	15.4%	15.6%	23.0%	-7.5pp	-7.4pp
Free cash flow	382.6	N/A	323.4	18.3%	N/A
<i>Cash conversion rate</i>	431.1%	N/A	133.7%	297.4pp	N/A

\*Constant currencies measured using average exchange rates for Q4 2022

**CONTINUED** PERFORMANCE OVERVIEW Q4

Reported revenue grew 4.2% (constant 4.9%) in Q4 2023 to DKK 1,582.6m. Revenue from public clients increased by 7.3%, whereas revenue from private clients were in line with the same period last year. Client facing FTEs grew 5.9% and FTEs at the end of Q4 2023 amounted to 7,274.

Gross profit margin was 28.9%, compared to 34.2% the same period last year. The lower gross profit margin was driven by lower margins in all business units mainly due to lower utilisation, besides in the Netherlands.

Sales and marketing costs were 33% higher than the same period in 2022 at DKK 16.1m, driven by an increased level of market awareness activities internationally. In absolute terms the increase was minor at DKK 4m of which currency fluctuation accounted for DKK 1.5m.

Administrative costs increased by 23.2% to DKK 244.9m in Q4 2023. The increase was related to provision for severance payment and an increase in depreciation. Depreciation accounted for DKK 9.4m of the total increase of DKK 46m. The increase in de-

preciation mainly related to leases regarding the new HQ in Copenhagen and Athens. In addition, approximately DKK 7m were related to the enhanced Go-To-Market in line with previous quarters in 2023.

Adjusted EBITDA was DKK 244.1m in Q4 2023, yielding an adjusted EBITDA margin of 15.4%. The 7.5 percentage point lower margin compared to the same quarter last year, was a result of lower gross profit and increased administrative costs. Margin was negatively impacted by the provision for severance payment by DKK 14.2m corresponding to approximately 1 percentage point.

Amortisation were DKK 29.7m in Q4 2023 and DKK 4.1m lower than the same period last year driven by some intangibles recognised at the acquisition of Netcompany Norway and Netcompany-Intrasoft being fully amortised in the beginning of the quarter.

Operating profit (EBIT) was DKK 165.9m and thereby DKK 115.7m lower than for Q4 2022 yielding a margin of 10.5% compared to 18.5% for Q4 2022.

Net financials were negative DKK 38.2m compared to negative DKK 30.5m for the same period last year. The main reason for the increased financial costs were the increase in the interest rate level.

Income taxes in Q4 2023 were DKK 61.3m compared to DKK 41m in the same quarter last year. Effective tax rate was 48.3% compared to 16% for Q4 2022. The increase in the effective tax rate was mainly caused by non-deductible interest in Netcompany Denmark and completion of tax audit in Netcompany-Intrasoft regarding 2017-2020 resulting in an additional tax expense.

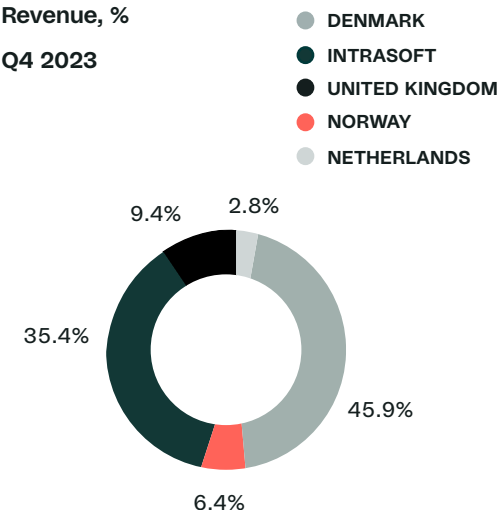
Free cash flow was strong and improved significantly to DKK 382.6m in Q4 2023 corresponding to an improvement of DKK 59.2m compared to the same quarter last year.

# Business Segments Q4

DKK million Constant (2022 rate)	Q4 2023					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	1,594.2	732.0	563.9	150.6	102.5	45.3
<b>Gross profit</b>	<b>467.5</b>	<b>286.5</b>	<b>109.2</b>	<b>35.2</b>	<b>22.8</b>	<b>13.8</b>
<i>Gross profit margin</i>	29.3%	39.1%	19.4%	23.4%	22.2%	30.4%
Local admin costs	-214.2	-120.5	-53.6	-18.3	-14.3	-7.6
<b>Adjusted EBITDA before allocated cost from HQ</b>	<b>253.3</b>	<b>166.1</b>	<b>55.6</b>	<b>16.9</b>	<b>8.5</b>	<b>6.2</b>
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	15.9%	22.7%	9.9%	11.2%	8.3%	13.7%
Allocated costs from HQ	-4.6	-3.2	0.0	-0.7	-0.5	-0.2
Special Items, allocated	-0.5	-0.3	0.0	-0.1	-0.0	-0.0
Depreciation	-47.6	-23.6	-16.0	-3.8	-2.5	-1.6
Amortisation	-29.8	-12.5	-12.6	-2.4	-1.5	-0.8
Other operating income / expense	-0.6	0.0	-0.6	0.0	0.0	0.0
<b>EBIT</b>	<b>170.4</b>	<b>126.5</b>	<b>26.4</b>	<b>10.0</b>	<b>4.0</b>	<b>3.5</b>
Client facing FTEs	7,275	2,766	3,340	629	367	173

Revenue, %

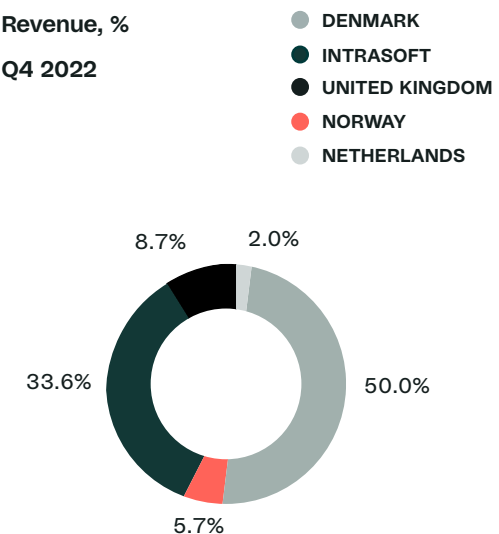
Q4 2023



DKK million Reported	Q4 2022					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	1,519.3	759.3	510.4	132.4	86.6	30.6
<b>Gross profit</b>	<b>526.4</b>	<b>341.2</b>	<b>116.5</b>	<b>41.5</b>	<b>20.0</b>	<b>7.2</b>
<i>Gross profit margin</i>	34.6%	44.9%	22.8%	31.3%	23.1%	23.5%
Local admin costs	-178.2	-101.1	-37.9	-16.4	-14.8	-7.9
<b>Adjusted EBITDA before allocated cost from HQ</b>	<b>348.1</b>	<b>240.1</b>	<b>78.6</b>	<b>25.0</b>	<b>5.2</b>	<b>-0.7</b>
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	22.9%	31.6%	15.4%	18.9%	6.0%	-2.2%
Allocated costs from HQ	0.7	0.5	0.0	0.1	0.1	0.1
Depreciation	-39.8	-22.7	-10.2	-3.6	-1.8	-1.5
Amortisation	-33.8	-18.8	-8.7	-3.2	-2.0	-1.0
Other operating income / expense	6.3	0.0	6.3	0.0	0.0	0.0
<b>EBIT</b>	<b>281.6</b>	<b>199.0</b>	<b>66.1</b>	<b>18.3</b>	<b>1.4</b>	<b>-3.1</b>
Client facing FTEs	6,871	2,843	3,024	528	336	141

Revenue, %

Q4 2022



## CONTINUED BUSINESS SEGMENTS Q4

### Netcompany Denmark

In Q4 2023, public revenue in the Danish business unit declined 1.9% compared to the same period last year and the private segment declined 6%, which led to a 3.6% decline in total revenue in the Danish business unit in the quarter. Despite the decline in revenue, we have seen a positive development in conversion of the pipeline – especially in the private segment, during the period.

Gross profit margin was 39.1% in Q4 2023 compared to 44.9% in the same period last year as utilisation continued to be below normal levels.

Adjusted EBITDA margin was 22.7% in compared to 31.6% in Q4 2022. The lower margin was a result of lower activity in both the public and private segment.

Client facing FTEs decreased 2.7% compared to Q4 2022, as effect of the right-sizing of the pyramid structure during 2023.

### Netcompany-Intrasoft

Revenue in Netcompany-Intrasoft grew by 10.5% to DKK 563.9m in Q4 2023. The growth in Q4 was driven by strong performance in the public and EU area that grew

13.9%, while the private segment revenue was on level with Q4 last year.

During Q4 2024 Netcompany-Intrasoft continued to win new contracts within the Recovery and Resilience Facility (RRF) in Greece, but as comparables are getting tougher, a more normalised growth level is expected for Netcompany-Intrasoft going forward.

Client facing FTEs grew 10.5% in Q4 2023.

Adjusted EBITDA margin was 9.9% in Q4 2023 compared to 15.4% in the same period last year due to lower license revenue in Q4 2023 compared to Q4 2022 and higher local administration costs.

### Netcompany UK

In the UK, revenue grew 13.7% compared to the same period last year. The growth was driven by the public segment, where revenue grew by 16.2%. The private segment grew 8.1% compared to the same period last year.

During Q4 2023, Netcompany UK spent increased time on tender writing for the first four tenders within the DALAS framework – a four-year framework agreement that

Netcompany UK was selected as supplier for in Q3 2023. The increased tender writing activities associated with DALAS led to lower utilisation and thus lower gross profit margin.

Adjusted EBITDA margin was 11.2% in Q4 2023 compared to 18.9% in the same period last year. The lower margin in Q4 this year was expected due to increased amount of time spent on tender writing for the DALAS framework. Revenue from the DALAS framework is expected in the second half of 2024.

Client facing FTEs grew by 19% in Q4 2023.

### Netcompany Norway

Revenue growth in Norway was 18.4% in Q4 2023 compared to the same period last year.

The private segment grew 28% in Q4 2023 compared to the same period last year, whereas the public segment grew 11.9% compared to the year before.

Gross margin declined 0.9 percentage points compared to the same quarter last year, but sequentially increased 17.7 percentage point compared to Q3 2023, as utilisation increased.

Adjusted EBITDA margin was 8.3% compared to 6% in Q4 2022. The positive development in Netcompany Norway is expected to continue into 2024.

In December 2023, Netcompany Norway was chosen as exclusive strategic partner by Avinor, the operator of 43 airports and the airspace over Norway. An agreement for up to seven years, valued at NOK 1.2bn.

### Netcompany Netherlands

Revenue in the Dutch business unit continued its strong momentum and grew 48% in Q4 2023. Growth was generated in the public segment, that grew revenue 50.6%

Adjusted EBITDA margin was 13.7% in Q4 2023 compared to negative 2.2% in Q4 2022. The increase in margin was a result of the continued improvement in project execution and better pricing.

Pipeline in Netcompany Netherlands continue to look promising, and the number of client facing FTEs increased by 23% compared to the same quarter last year.

# Performance overview 12 months

DKK million	YTD 2023 (reported)	YTD 2023 (constant)*	YTD 2022	% change (reported)	% change (constant)*
Revenue	6,078.4	6,135.7	5,544.6	9.6%	10.7%
Cost of services	-4,375.5	-4,415.1	-3,772.2	16.0%	17.0%
<b>Gross profit</b>	<b>1,703.0</b>	<b>1,720.6</b>	<b>1,772.5</b>	<b>-3.9%</b>	<b>-2.9%</b>
<i>Gross profit margin</i>	28.0%	28.0%	32.0%	-4.0pp	-3.9pp
Sales and marketing costs	-54.7	-52.6	-41.0	33.5%	28.3%
Administrative costs	-935.5	-945.7	-763.9	22.5%	23.8%
<b>Adjusted EBITA</b>	<b>712.7</b>	<b>722.2</b>	<b>967.6</b>	<b>-26.3%</b>	<b>-25.4%</b>
<i>Adjusted EBITA margin</i>	11.7%	11.8%	17.5%	-5.7pp	-5.7pp
Special items	-0.5	-0.5	0.0	N/A	N/A
Other operating income / expense	-0.0	-0.0	5.9	-100.1%	-100.0%
<b>EBITA</b>	<b>712.2</b>	<b>721.7</b>	<b>973.5</b>	<b>-26.8%</b>	<b>-25.9%</b>
<i>EBITA margin</i>	11.7%	11.8%	17.6%	-5.8pp	-5.8pp
Amortisation	-134.2	-134.3	-134.1	0.1%	0.2%
<b>Operating profit (EBIT)</b>	<b>578.0</b>	<b>587.4</b>	<b>839.4</b>	<b>-31.1%</b>	<b>-30.0%</b>
<i>Operating profit margin</i>	9.5%	9.6%	15.1%	-5.6pp	-5.6pp
Net financials	-138.0	-138.5	-77.8	77.5%	78.0%
Income / loss, joint venture / associates	-7.7	-7.7	-5.1	51.5%	51.5%
<b>Profit / loss before tax</b>	<b>432.3</b>	<b>441.3</b>	<b>756.5</b>	<b>-42.9%</b>	<b>-41.7%</b>
Tax	-128.2	-128.4	-153.8	-16.6%	-16.5%
<i>Effective tax rate</i>	29.7%	29.1%	20.3%	9.3pp	8.8pp
<b>Net profit / loss</b>	<b>304.0</b>	<b>312.9</b>	<b>602.8</b>	<b>-49.6%</b>	<b>-48.1%</b>
<b>Additional KPIs</b>					
Adjusted EBITDA	901.2	911.8	1,106.2	-18.5%	-17.6%
<i>Adjusted EBITDA margin</i>	14.8%	14.9%	20.0%	-5.1pp	-5.1pp
Free cash flow	552.1	N/A	602.7	-8.4%	N/A
<i>Cash conversion rate</i>	135.1%	N/A	85.2%	49.9pp	N/A

\*Constant currencies measured using average exchange rates for 2022

Revenue grew 9.6% in 2023 (constant 10.7%) to DKK 6,078.4m in 2023. The international part of the Group grew 20.2% in 2023 and accounted for 52.8% of the Group revenue. The public segment grew revenue by 14.3%, while private segment revenue was on level with 2022.

Client facing FTEs grew 11.5% and the average number of FTEs amounted to 7,684.

Gross profit margin was 28% in 2023, which was 4 percentage points lower than in 2022. The decrease in gross margin was mainly caused by a lower margin in the Danish segment.

Adjusted EBITDA was DKK 901.2m in 2023, a 18.5% decrease compared to the year before. The adjusted EBITDA margin was 14.8% (constant 14.9%), as provision for severance payment realised in Q4 2023 amounted to DKK 14.2m and impacted margin negatively by 0.2 percentage points, consequently adjusted EBITDA margin before severance payments was 15.1%.

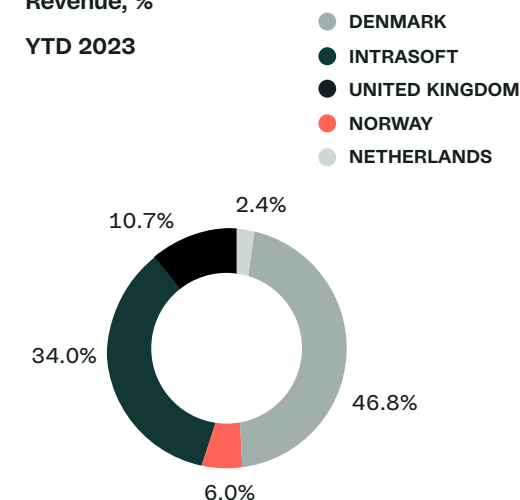


# Business Segments 12 months

DKK million Constant (2022 rate)	YTD 2023					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	6,135.7	2,872.0	2,089.2	658.4	367.4	148.6
<b>Gross profit</b>	<b>1,738.8</b>	<b>1,069.2</b>	<b>416.6</b>	<b>165.4</b>	<b>55.7</b>	<b>31.8</b>
<i>Gross profit margin</i>	28.3%	37.2%	19.9%	25.1%	15.2%	21.4%
Local admin costs	-784.0	-431.7	-186.5	-77.5	-60.4	-27.8
<b>Adjusted EBITDA before allocated cost from HQ</b>	<b>954.8</b>	<b>637.5</b>	<b>230.1</b>	<b>87.9</b>	<b>-4.7</b>	<b>4.0</b>
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	15.6%	22.2%	11.0%	13.4%	-1.3%	2.7%
Allocated costs from HQ	-43.0	-30.1	0.0	-7.2	-3.7	-2.0
Special Items, allocated	-0.5	-0.3	0.0	-0.1	-0.0	-0.0
Depreciation	-189.6	-105.6	-56.5	-12.7	-8.7	-6.1
Amortisation	-134.3	-64.5	-44.9	-13.8	-7.2	-3.9
<b>EBIT</b>	<b>587.4</b>	<b>437.0</b>	<b>128.7</b>	<b>54.2</b>	<b>-24.4</b>	<b>-8.0</b>
Client facing FTEs	7,195	2,837	3,228	613	355	162

Revenue, %

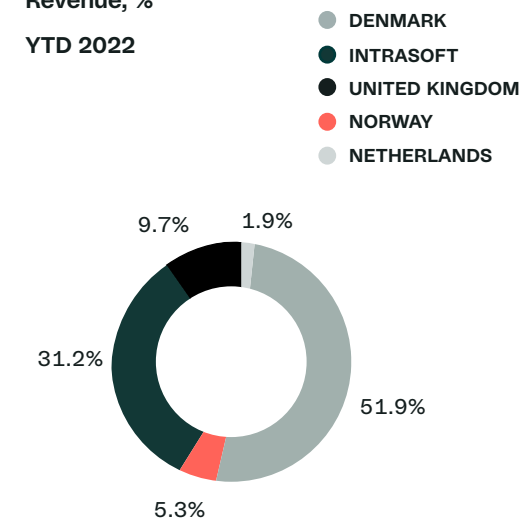
YTD 2023



DKK million Reported	YTD 2022					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	5,544.6	2,877.2	1,732.7	540.1	292.0	102.7
<b>Gross profit</b>	<b>1,796.7</b>	<b>1,231.4</b>	<b>351.3</b>	<b>155.6</b>	<b>41.6</b>	<b>16.8</b>
<i>Gross profit margin</i>	32.4%	42.8%	20.3%	28.8%	14.2%	16.3%
Local admin costs	-653.2	-362.5	-145.3	-62.6	-54.2	-28.4
<b>Adjusted EBITDA before allocated cost from HQ</b>	<b>1,143.5</b>	<b>868.9</b>	<b>206.0</b>	<b>93.0</b>	<b>-12.6</b>	<b>-11.6</b>
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	20.6%	30.2%	11.9%	17.2%	-4.3%	-11.3%
Allocated costs from HQ	-37.3	-27.0	0.0	-5.8	-3.0	-1.4
Depreciation	-138.6	-75.4	-38.9	-11.5	-7.4	-5.5
Amortisation	-134.1	-77.4	-28.6	-15.6	-8.5	-4.0
Other operating income / expense	5.9	0.0	5.9	0.0	0.0	0.0
<b>EBIT</b>	<b>839.4</b>	<b>689.0</b>	<b>144.4</b>	<b>60.0</b>	<b>-31.5</b>	<b>-22.6</b>
Client facing FTEs	6,453	2,659	2,856	505	297	137

Revenue, %

YTD 2022



**CONTINUED** BUSINESS SEGMENTS 12 MONTHS

**Netcompany Denmark**

Revenue in the Danish business unit was on level with the year before. The public segment grew 4.9% compared to 2022 and the private segment declined 7.3%. During 2023 pipeline conversion in the private segment was prolonged as a consequence of the high level of macroeconomic uncertainty. This improved during Q4 2023 where more pipeline cases were converted to projects.

Client facing FTEs grew 6.7% in 2023.

Adjusted EBITDA margin was 22.2% compared to 30.2% in 2022. The lower margin was an effect of higher level of forced churn, lower utilisation, costs related to movement into the new corporate HQ in Denmark and costs related to the enhanced Go-To-Market strategy.

Depreciation increased by DKK 30.2m to DKK 105.6m in the 2023. The increase was mainly related to leases of which DKK 18.1m was due to the termination of the previous HQ in Copenhagen.

**Netcompany-Intrasoft**

Revenue in Netcompany-Intrasoft grew by 20.6% to DKK 2,089.2m in 2023. The growth was driven by strong performance in both the public and EU area that grew 22.1% and in the private segment that grew 16.3%. Revenue in Netcompany-Intrasoft is expected to grow more moderate, between 5-10%, in the years to come, as 2023 was impacted by extraordinary high revenue growth from the RRF programme. This relative increase is not expected in 2024 and 2025.

Client facing FTEs grew 13% in 2023.

Adjusted EBITDA margin was 11% in 2023 compared to 11.9% last year. The lower margin was a result of one-off items realised in 2022. Adjusted for these, margin in 2022 would have been 11.3%.

**Netcompany UK**

Revenue in Netcompany UK grew by 21.9% in 2023 to DKK 658.4m. The continued strong revenue growth in UK was driven by

growth in the public sector in UK that grew 29.8% in 2023 compared to 2022.

Client facing FTEs grew 21.4% in 2023.

Adjusted EBITDA margin was 13.4% in 2023 compared to 17.2% the year before. The decline in margin was caused by increased time spent on tender preparation and business development for the DALAS framework especially in the second half of 2023.

**Netcompany Norway**

Revenue growth in Netcompany Norway was 25.8% in 2023 compared to the year before. The growth in revenue was driven by an increase in the private segment, that grew 42.4% and the public segment that grew 14.7% in 2023.

Client facing FTEs grew 19.7% in 2023.

Adjusted EBITDA margin was negative 1.3% compared to negative 4.3% in 2022. Netcompany Norway is expected to become profitable within 2024.

**Netcompany Netherlands**

Revenue in Netcompany Netherlands grew 44.7% in 2023. The strong revenue growth in the Dutch business unit was solely driven by the public sector.

Client facing FTEs grew 18.5% in 2023.

Adjusted EBITDA margin was 2.7% compared to negative 11.3% in 2022. The margin improvement is expected to continue and to contribute positive to the midterm 2026 EBITDA margin target.

# Revenue visibility

Netcompany measures revenue visibility on a 12-month rolling basis, based on two main input parameters, defined as total value of committed engagements, which comprise of fixed price engagements and service agreements, and ongoing time and material engagements with a high likelihood of conversion and/or prolongation, defined as total value of planned continued engagements.

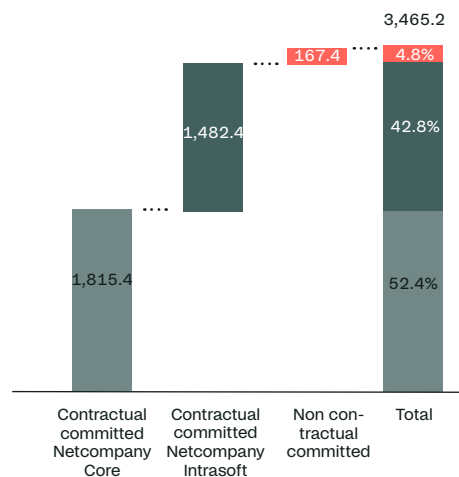
Revenue visibility for 2024 amounts to DKK 4,904.1m, of which contractual committed revenue amounts to DKK 4,566.1m and non-contractual committed engagements amount to DKK 338m.

Revenue visibility improved by 17.3% from DKK 4,179.9m for 2023 to DKK 4,904.1m for 2024.

Revenue visibility for 2024 in the public segment amounts to DKK 3,465.2m, an increase of 19.9% compared to last year, of which contractual committed revenue amounts to DKK 3,297.8m and non-contractual committed engagements amount to DKK 167.4m.

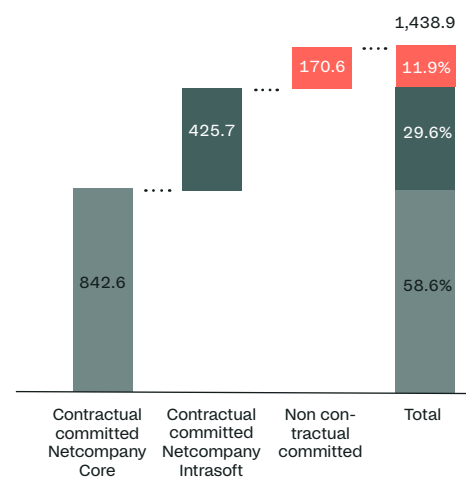
DKK million

## Public segment



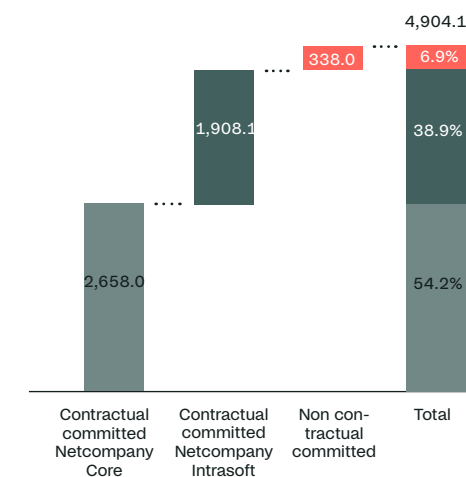
Revenue visibility for 2024 in the private segment amounts to DKK 1,438.9m, an increase of 11.6% compared to last year, of which contractual committed revenue amounts to DKK 1,268.3m and non-contractual committed engagements amount to DKK 170.6m.

## Private segment



In 2024, DKK 1,908.1m is expected to be released from the Netcompany-Intrasoft order backlog, mainly within EU institutions, and additional DKK 5,081.7m is expected to be released in the period from 2025 to 2031, also mainly within EU institutions.

## Total segment



# Employees

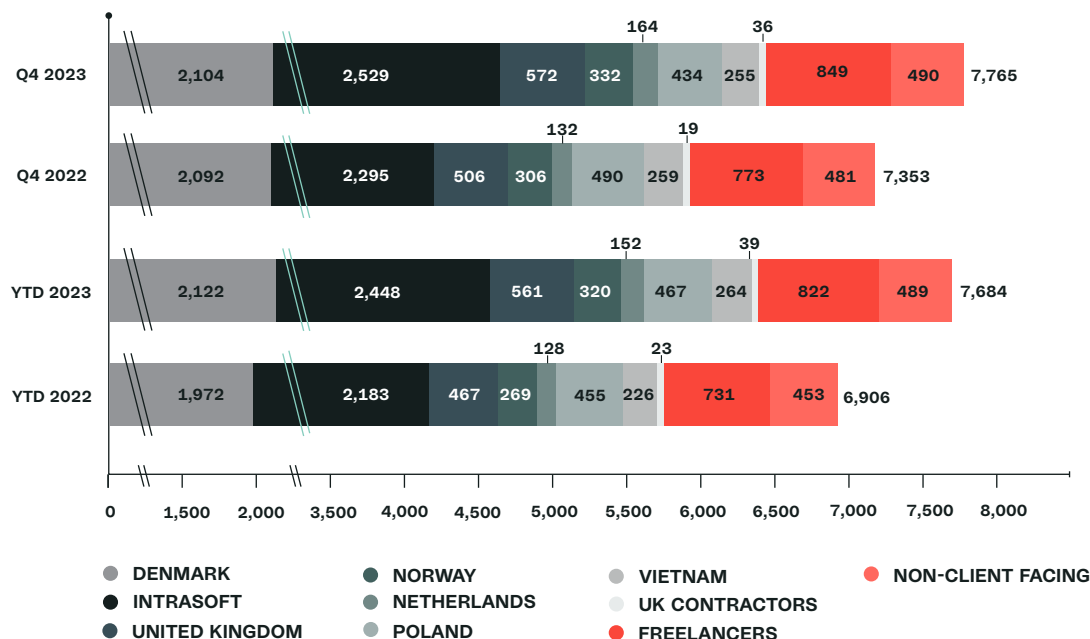
Netcompany employed an average of 7,765 FTEs in Q4 2023, which was an increase of 412 FTEs or 5.6% compared to Q4 2022 (7,353). On a sequential basis FTEs in Q4 2023 were on par with FTEs in Q3 2023.

The number of client facing employees for the Group increased by 404 from 6,871 in Q4 2022 to 7,275 in Q4 2023, while the level of non-client facing employees was 6.3% in Q4 compared to 6.5% in Q4 2022.

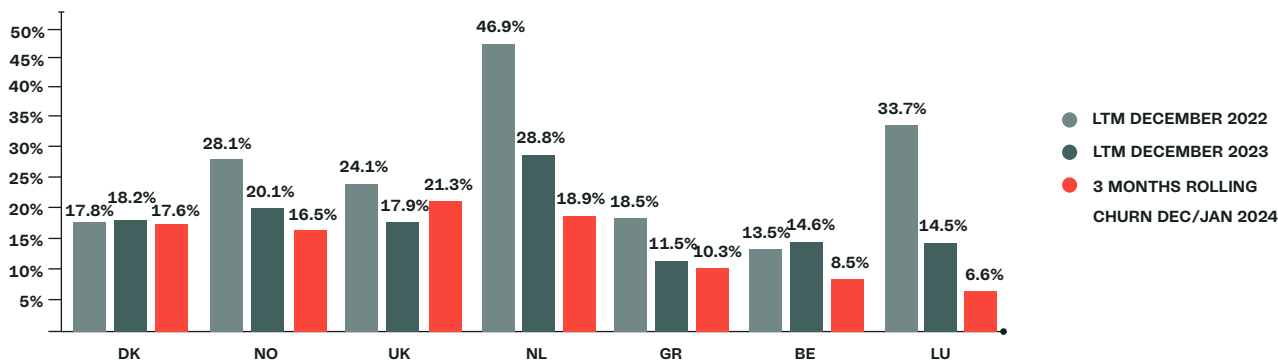
Sequentially, client facing employees increased by four FTEs from Q3 to Q4 2023.

The attrition rate for the last twelve months was 15.3%, which was a decrease of 5.9 percentage points compared to 21.2% in 2022.

**Avg. FTEs increased to 7,765 during Q4 2023**



**Attrition rate**



# Capital and other financial positions

## Free cash flow and cash conversion rate<sup>1</sup>

The Group generated a free cash flow of DKK 382.6m in Q4 2023, which was an increase of 18.3% compared to DKK 323.4m in Q4 2022 despite an operating profit that was DKK 115.7m lower. Adjusted for taxes paid on account, the Group generated a free cash flow of DKK 343.4m in Q4 2023 compared to DKK 361.4m in Q4 2022.

The strong cash flow was driven by improved working capital changes. Changes in working capital were mainly driven by release from work in progress in Q4 2023 of DKK 318.4m. This was somewhat offset by trade receivables, which increased by DKK 180.2m in Q4 2023.

Cash conversion rate improved from 133.7% in Q4 2022 to 431.1% in Q4 2023. Adjusted for the taxes paid on account and the fair value adjustments of the purchase price of the acquired Netcompany Netherlands (QDelft B.V.) recognised in 2022, cash conversion rate increased from 144.7% in Q4 2022 to 386.9% in Q4 2023.

For the full year, Netcompany generated a free cash flow of DKK 552.1m correspond-

ing to a decrease of 8.4% compared to 2022 caused by earnings which decreased by 30%.

Cash conversion ratio increased from 85.2% in 2022 to 135.1% in 2023.

## Trade receivables

At 31 December 2023, Group trade receivables increased 13.5% from DKK 1,112.0m to DKK 1,261.8m compared to 9.6% growth in revenue. Trade receivables was impacted by the release of DKK 318.4m from work in progress during Q4 2023 compared to a release of DKK 161.6m in Q4 2022.

Days sales outstanding increased from 67 days in Q4 2022 to 73 days in Q4 2023.

The overdue part of trade receivables excluding expected credit losses increased from 33.9% by the end of Q4 2022 to 35.5% by the end of Q4 2023 solely caused by trade receivables overdue by 0-30 days.

The overdue part of trade receivables overdue by more than 30 days accounted for 11.8% end of Q4 2023, compared to 14% end of Q4 2022.

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Provision	Total
<b>Trade receivables, 31 December 2023</b>	<b>826.2</b>	<b>302.9</b>	<b>67.8</b>	<b>13.4</b>	<b>70.7</b>	<b>-19.1</b>	<b>1,261.8</b>

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Provision	Total
<b>Trade receivables, 31 December 2022</b>	<b>746.5</b>	<b>224.0</b>	<b>61.4</b>	<b>33.4</b>	<b>63.2</b>	<b>-16.6</b>	<b>1,112.0</b>

<sup>1</sup>Taxes paid within the Group are, due to local tax regulations, paid on account in Q1 and in Q4. To adjust for this timing mismatch between expensed and paid corporate income taxes the free cash flow should be viewed in a tax normalised manner to better reflect the underlying development in free cash flow based on operations rather than impact from local tax legislation in Denmark.

**CONTINUED CASH FLOW AND OTHER SIGNIFICANT FINANCIAL POSITIONS**

**Work in progress**

At 31 December 2023, Netcompany's work in progress amounted to DKK 702.6m, represented by contract work in progress of DKK 1,263.9m and prepayments received from customers of DKK 561.3m.

Combined work in progress increased by 3.2% from DKK 681m in Q4 2022 to DKK 702.6m in Q4 2023. In the same period revenue increased by 4.2% from DKK 1,519.3m in Q4 2022 to DKK 1,582.6m in Q4 2023,

while revenue for the last twelve months increased by 9.6%.

As a percentage of revenue, the combined work in progress, prebilled invoices, and trade receivables was 32.3%, which was on level with 2022, despite a different revenue mix. In 2023, a larger part of revenue came from projects under the RRF programme, which are collected later in the project than private projects in the Danish business unit are.

**Funding and liquidity**

Originally, the maturity of the Group bank loan expired in 2025. In April 2023, the loan was prolonged by one year and now runs to 2026. The loan can be prolonged further by one year.

The combined committed facilities constitute DKK 2,854m and an additional facility of DKK 2,000m, available only for new acquisitions. At 31 December 2023, DKK 1,643m of the committed lines were utilised on ordinary borrowings, DKK 37.5m on guarantees and DKK 106.5m utilised for acquisitions, leaving a total of DKK 3,076m available in unutilised funding of which DKK 1,182.5m can be utilised for normal operations if needed with no additional costs or covenants.

In addition, Netcompany-Intrasoft had utilised DKK 489.7m on local guarantees, having no impact on the Group facilities except for leverage.

Including net cash balance as of 31 December 2023 of DKK 448.1m available Group funding was DKK 1,630.6m.

**Risk management**

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

**Capital structure**

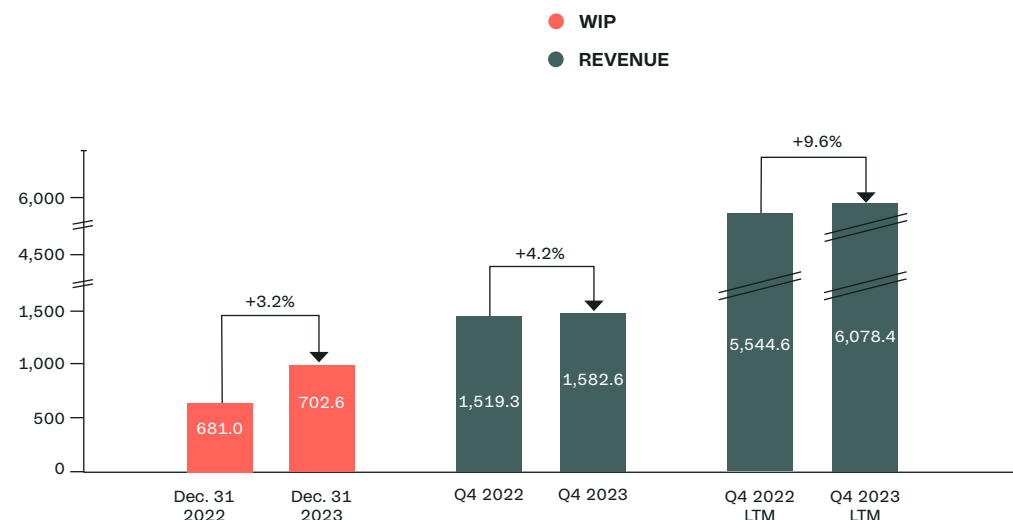
The debt ratio based on adjusted EBITDA remained unchanged at 1.4x when comparing end of 2022 to end of 2023, which is fully compliant with current covenants.

In 2024, we will initiate share buyback programmes of at least DKK 500m to reach our mid-term target of DKK 2bn in total cash redistributing by the end of 2026. The first tranche of DKK 150m will be initiated after the release of the Annual Report for 2023, and completed before reporting Q1 2024 results in May 2024.

**Events after the balance sheet date**

For events after the balance sheet date please read note 13.

**Work in progress overview (DK million)**



# Guidance 2024

Financial metrics in constant currencies	Target 2024	Actual performance 2023	Updated target Q3 2022	Original Target 2023
Group revenue growth, organic	7-10%	10.7%	8-10%	8-12%
Group adjusted EBITDA margin	15-18%	14.9%	lower end of 15-18%	15-18%

## Financial performance against original guidance

Entering 2023, we highlighted the potential spillover effects from the uncertain macro- and geopolitical environments on our financial performance. Unfortunately, those risks prevailed and impacted our revenue and margin for the year.

Group revenue grew 10.7% - well within our original guidance of 8%-12% revenue growth for the year and slightly better than the narrowed guidance of 8%-10% revenue growth, which was communicated in connection with our Q3 2023 report. The growth was driven by strong performance in the international part of the Group. Offsetting some of that growth was the performance in the Danish operation that ended up realising revenue in line with 2022, caused by the

negative impact from macro- and geopolitical environments, particular in the Danish private segment.

The changed revenue mix - with more growth from the international part of the Group and no growth from the Danish part of the Group - had a negative impact on margins as higher margin revenue was substituted with lower margin revenue. In addition, the ongoing right-sizing of the employee pyramid structure in Denmark, the costs related to the enhanced Go-To-Market approach and the move into new headquarters in both Denmark and Greece diluted the margin further in the Group. Finally, the Danish and Norwegian operation realised lower than anticipated utilisation ratios which also had a negative impact on margins.

As a result, adjusted EBITDA margin in constant currencies ended at 14.9% - in line with the original guided range of 15% to 18% and the narrowed guidance towards the lower end of the guided range, given in connection with the Q3 2023 report. Provision for severance payment realised in Q4 2023 amounted to DKK 14.2m and impacted margin negatively by 0.2 percentage points. EBITDA margin before severance payments was consequently 15.1%.

## Guidance for 2024

Our financial guidance for the Group for 2024 is based on an assumption that macro and geopolitical uncertainty to some extent continues. However, we do not expect that uncertainty will continue to pause decision processes in the private segment in Denmark as experienced in 2023. We also

expect a higher level of activity in the public sector in Denmark in 2024, driven by legislative changes and new tenders.

For Netcompany-Intrasoft we do not expect the same level of revenue growth in 2024 as realised in 2023, as most of the growth in the previous year was driven by a significant ramp up in projects under the Recovery and Resilience Facility in Greece. While these are expected to be at a continued high level in 2024, they are not expected to drive significant revenue growth.

As communicated during 2023, the projects under the DALAS framework in the UK are expected to be yielding revenue from the end of June and onwards. Revenue growth in the UK will thus be back-end loaded in 2024.

**CONTINUED GUIDANCE 2024**

For Norway and the Netherlands revenue growth is expected to build up gradually during the year with some acceleration to be expected during Q1 2024 in Norway following the win of the Avinor contract.

The proportion of license revenue as a percentage of total revenue is expected to be at around the same level in 2024 as realised in 2023.

Based on these assumptions we expect revenue to grow between 7% and 10% in 2024.

During 2023, a number of activities related to right-sizing of the pyramid structure in particular in Denmark was carried out and to a large extent completed. Combined with an expected higher level of activity and more projects being initiated, this is likely to impact margins positively. In addition, the increase in costs related to the enhanced Go-To-Market initiatives incurred in 2023 will be at similar absolute level in 2024 and thus not have a dilute impact on margins in 2024. The costs related to moving into new headquarters in 2023 in Copenhagen and Athens will not have a negative impact on margins in 2024 as they had in 2023.

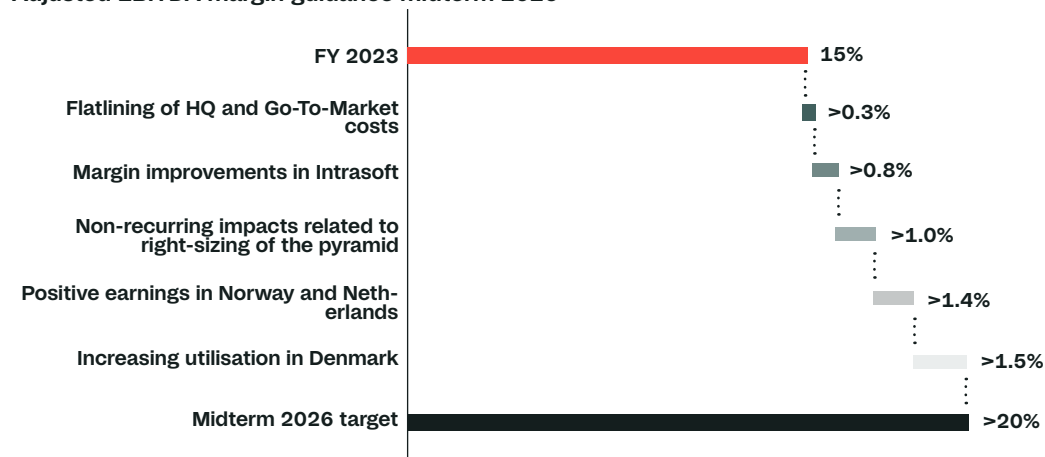
Consequently, we expect adjusted EBITDA margin of between 15% and 18% in 2024.

**Midterm financial targets**

Our midterm financial targets to be reached by the end of 2026 with revenue of at least DKK 8.5bn and adjusted EBITDA margin of more than 20% are maintained. The target to redistribute DKK 2bn to shareholders – mainly as share buybacks – is also maintained. Hence, we expect to buy back shares for at least DKK 500m in 2024 of which the first tranche of DKK 150m will be initiated after the release of the Annual Report for 2023 and completed before reporting the Q1 2024 results in May 2024.

Organic revenue growth towards 2026	
Operating entity	Annual Growth 2024-2026
Denmark	7-12%
Intrasoft	5-10%
United Kingdom	10-30%
Norway	20-30%
Netherlands	20-30%

**Adjusted EBITDA margin guidance midterm 2026**





# Shareholder information

## Capital

Netcompany's share capital is DKK 50m divided into 50m shares. Netcompany holds 429,144 treasury shares equivalent to 0.9% of the share capital. The shares will be used to honour the Group's commitments under its long-term incentive programmes.

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

In total, 322,421 restricted stock units (RSUs) and 37,920 (nil) matching shares in relation to the share-based incentive schemes were issued at 31 December 2023, of which 87,577 were granted to the Executive Management and 272,764 were granted to Other Key Management Personnel and Other employees.

The fair value of the RSUs at grant was DKK 122.1m (DKK 98.3m). The cost related hereto is expensed over the vesting period. A total amount of DKK 42.6m (DKK 24.9m) was recognised as staff costs in the income statement in 2023.

Additional information on the holdings of Netcompany shares and restricted stock

units by members of the Board of Directors and Executive Management Board is disclosed in the Remuneration Report.

## Acquisition of Netcompany shares related to the acquisition of Intrasoft International S.A.

As part of the acquisition of Intrasoft International S.A, an agreement was made for a senior executive to convert the received cash element of the purchase price into Netcompany shares entailing certain possibilities to sell shares in predefined tranches at the prevailing share price of the time of the transaction.

The last option was exercised in relation to this tranche and executed on 3 July 2023. Netcompany has in that capacity acquired 44,539 treasury shares directly from the senior executive.

## Compliance Review

The Danish Business Authorities have completed their compliance review of Netcompany Group A/S' Annual Reports for 2020 and 2021 as disclosed in the Annual Report for 2023.

Due to the outcome of the compliance review the accounting policies for business combinations has been adjusted resulting in a reduction of goodwill of DKK 120.4m, a reduction of earn-out obligation of DKK 118.4m and a net impact on the equity of DKK 2.1m including the impact from remuneration to be treated as share-based payment.

The impact is not considered material for previous periods of financial reporting and has been updated with effect from 1 January 2023 with no changes to comparison figures.

## Financial Calendar

### 29 February 2024

Annual General Meeting 2024.

### 3 May 2024

Interim report for the first 3 months of 2024.

### 14 August 2024

Interim report for the first 6 months of 2024.

### 31 October 2024

Interim report for the first 9 months 2024.

# Statement of the Board of Directors and Executive Management

Today, the Board of Directors and Executive Management considered and approved the interim consolidated financial statements for Netcompany Group A/S (“Netcompany” or “the company” and together with all its subsidiaries “the Group”) for the period 1 January 2023 to 31 December 2023. The Q4 2023 report has not been audited or reviewed by the company’s independent auditors.

The interim consolidated financial statements have been prepared in accordance with IAS 34 as adopted by the EU and additional Danish regulations for the presentation of interim reports by listed companies. Furthermore, the interim report has been prepared in accordance with the accounting policies set out in the Group’s Annual Report for 2023.

In our opinion, the accounting policies used are appropriate, and the overall presentation of the interim consolidated financial statements gives a true and fair view of

the Group’s assets, liabilities and financial position as at 31 December 2023 and of the results of the Group’s operations and cash flows for the period 1 January 2023 to 31 December 2023.

We further consider that the Management’s Review in the preceding pages includes a true and fair account of the development and performance of the Group, the results for the period and the financial position, as well as a description of the principal risks and uncertainties that the Group faces in accordance with Danish disclosure requirements for listed companies.

COPENHAGEN, 25 JANUARY 2024

## Executive Management

**André Rogaczewski**  
CEO

**Claus Jørgensen**  
COO

**Thomas Johansen**  
CFO

## Board of Directors

**Bo Rygaard**  
Chair of the Board

**Juha Christensen**  
Vice Chair of the Board

**Susan Helen Cooklin**

**Åsa Riisberg**

**Bart Walterus**

# Consolidated interim financial statements

# Income statement and Statement of comprehensive income

DKK million	Note	Q4 2023	Q4 2022	YTD 2023	YTD 2022
<b>Income statement</b>					
Revenue	1	1,582.6	1,519.3	6,078.4	5,544.6
Cost of services	2	-1,125.0	-999.3	-4,375.5	-3,772.2
<b>Gross profit</b>		<b>457.7</b>	<b>520.0</b>	<b>1,703.0</b>	<b>1,772.5</b>
Sales and marketing costs		-16.1	-12.1	-54.7	-41.0
Administrative costs	3	-244.9	-198.8	-935.5	-763.9
Special items		-0.5	0.0	-0.5	0.0
Other operating income / expense		-0.6	6.3	-0.0	5.9
<b>EBITA</b>		<b>195.7</b>	<b>315.4</b>	<b>712.2</b>	<b>973.5</b>
Amortisation		-29.7	-33.8	-134.2	-134.1
<b>Operating profit (EBIT)</b>		<b>165.9</b>	<b>281.6</b>	<b>578.0</b>	<b>839.4</b>
Financial income		6.3	11.5	25.2	30.3
Financial expenses		-44.5	-42.0	-163.3	-108.1
Income / loss, joint venture / associates		-0.9	5.2	-7.7	-5.1
<b>Profit / loss before tax</b>		<b>126.9</b>	<b>256.4</b>	<b>432.3</b>	<b>756.5</b>
Tax on the profit for the period		-61.3	-41.0	-128.2	-153.8
<b>Net profit / loss for the period</b>		<b>65.6</b>	<b>215.4</b>	<b>304.0</b>	<b>602.8</b>
<b>Of which</b>					
<i>Non-controlling interest</i>		0.4	-0.2	0.5	-0.6
Netcompany Group A/S' share		65.2	215.6	303.5	603.4
<b>Earnings per share</b>					
Earnings per share (DKK)		1.32	4.39	6.13	12.26
Diluted Earnings per share (DKK)		1.31	4.34	6.09	12.15

**CONTINUED** INCOME STATEMENT AND STATEMENT  
OF COMPREHENSIVE INCOME

DKK million	Note	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Statement of comprehensive income					
<b>Net profit / loss for the period</b>		<b>65.6</b>	<b>215.4</b>	<b>304.0</b>	<b>602.8</b>
<b>Other comprehensive income items that may be reclassified subsequently to profit or loss:</b>					
Exchange rate adjustments on translating foreign subsidiaries		3.3	-3.7	6.7	-8.0
<b>Other comprehensive income items that may not be reclassified to profit or loss:</b>					
Actuarial profit / loss on defined benefit plans		1.1	0.4	1.1	0.4
<b>Other comprehensive income, net of tax</b>		<b>4.3</b>	<b>-3.3</b>	<b>7.8</b>	<b>-7.6</b>
<b>Of which</b>					
Non-controlling interest		-0.2	-0.5	-0.2	0.2
Netcompany Group A/S' share		4.6	-2.8	7.9	-7.8
<b>Total comprehensive income</b>		<b>69.9</b>	<b>212.1</b>	<b>311.8</b>	<b>595.1</b>
<b>Of which</b>					
Non-controlling interest		0.1	-0.7	0.4	-0.4
Netcompany Group A/S' share		69.8	212.8	311.4	595.6

# Statement of financial position

DKK million	Note	31 December 2023	31 December 2022
<b>Assets</b>			
Intangible assets		3,733.1	3,879.9
Tangible assets		946.9	332.2
Investment in joint venture		89.5	97.4
Investment in associates		114.6	8.0
Other securities and investments		1.1	1.3
Other receivables		54.5	54.9
Deferred tax assets		41.8	32.7
<b>Total non-current assets</b>		<b>4,981.4</b>	<b>4,406.4</b>
Trade receivables	6	1,261.8	1,112.0
Receivables from joint venture		8.1	10.0
Receivables from associates		12.7	16.4
Contract work in progress	7	1,263.9	1,114.5
Other receivables		61.9	38.3
Prepayments		122.0	124.4
Tax receivables		0.0	36.0
<b>Total receivables</b>		<b>2,730.3</b>	<b>2,451.5</b>
Cash		448.1	336.0
<b>Total current assets</b>		<b>3,178.4</b>	<b>2,787.5</b>
<b>Total assets</b>		<b>8,159.8</b>	<b>7,193.9</b>

DKK million	Note	31 December 2023	31 December 2022
<b>Equity and liabilities</b>			
Share capital		50.0	50.0
Treasury shares		-193.1	-313.3
Other reserves		1.5	0.4
Retained earnings		3,965.1	3,783.6
<b>Equity attributable to Netcompany Group A/S</b>		<b>3,823.5</b>	<b>3,520.7</b>
Non-controlling interest		6.5	6.2
<b>Total equity</b>		<b>3,830.1</b>	<b>3,526.9</b>
Borrowings		1,586.9	1,872.4
Leasing liabilities		761.8	180.5
Pension obligations		19.0	13.8
Deferred tax liability		69.0	111.0
<b>Total non-current liabilities</b>		<b>2,436.7</b>	<b>2,177.6</b>
Borrowings		146.9	47.3
Leasing liabilities		114.7	85.4
Pension obligations		1.7	5.8
Prebilled invoices	7	561.3	433.5
Trade payables		340.0	265.2
Other payables	8	670.9	640.6
Provisions		16.7	11.6
Income tax payable		40.9	0.0
<b>Total current liabilities</b>		<b>1,893.1</b>	<b>1,489.4</b>
<b>Total liabilities</b>		<b>4,329.8</b>	<b>3,667.0</b>
<b>Total equity and liabilities</b>		<b>8,159.8</b>	<b>7,193.9</b>

# Cash flow statement

DKK million	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Operating profit (EBIT)	165.9	281.6	578.0	839.4
Depreciation and amortisation	77.1	73.6	322.7	272.7
Non-cash items	9.8	5.8	44.2	14.4
Working capital changes	245.9	165.9	26.7	-59.3
<b>Total</b>	<b>498.8</b>	<b>526.9</b>	<b>971.6</b>	<b>1,067.1</b>
Income taxes paid	-33.3	-96.5	-103.3	-234.1
Financial income received	2.3	1.8	7.6	7.3
Financial expenses paid	-36.3	-34.2	-117.3	-67.3
<b>Cash flow from operating activities</b>	<b>431.4</b>	<b>398.0</b>	<b>758.6</b>	<b>773.0</b>
Net cash outflow on acquisition of subsidiaries	0.0	-50.0	0.0	-50.0
Other investments	0.1	0.2	-105.7	4.4
Capitalisation of intangible assets	-23.2	-23.8	-107.9	-98.0
Acquisition of intangible assets	0.0	-20.0	0.0	-20.0
Acquisition of fixed assets	-25.6	-30.8	-98.5	-52.2
Disposals of fixed assets	4.9	0.5	4.9	0.5
Other receivables (deposits)	0.0	-6.3	4.5	-28.9
<b>Cash flow from investment activities</b>	<b>-43.8</b>	<b>-130.2</b>	<b>-302.8</b>	<b>-244.3</b>
Payment of treasury shares	-0.3	-30.5	-32.0	-131.5
Proceeds from borrowings	0.0	0.0	127.5	2,182.8
Repayment of borrowings	-9.5	-105.4	-314.3	-2,610.0
Repayment of right of use assets	-30.4	-20.1	-124.5	-87.3
<b>Cash flow from financing activities</b>	<b>-40.2</b>	<b>-156.0</b>	<b>-343.4</b>	<b>-646.0</b>
<b>Net increase in cash and cash equivalents</b>	<b>347.4</b>	<b>111.8</b>	<b>112.4</b>	<b>-117.3</b>
<b>Cash and cash equivalents at the beginning</b>	<b>100.5</b>	<b>223.6</b>	<b>336.0</b>	<b>458.8</b>
Effect of exchange rate changes on the balance cash held in foreign currencies	0.1	0.6	-0.4	-5.4
<b>Cash and cash equivalents at the end</b>	<b>448.1</b>	<b>336.0</b>	<b>448.1</b>	<b>336.0</b>

# Statement of changes in Equity

DKK million	Share capital	Treasury shares	Share-based remuneration	Foreign currency translation subsidiaries	Other Reserves	Retained earnings	Total equity, Netcompany Group A/S	Non-controlling interest	Total equity
<b>Equity at 1 October 2023</b>	<b>50.0</b>	<b>-195.5</b>	<b>61.2</b>	<b>1.7</b>	<b>0.4</b>	<b>3,828.5</b>	<b>3,746.5</b>	<b>6.4</b>	<b>3,752.9</b>
Profit for the period	0.0	0.0	0.0	0.0	0.0	65.2	65.2	0.4	65.6
Other comprehensive income	0.0	0.0	0.0	3.5	1.1	0.0	4.6	-0.2	4.3
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.5</b>	<b>1.1</b>	<b>65.2</b>	<b>69.8</b>	<b>0.1</b>	<b>69.9</b>
Share-based remuneration for the period	0.0	2.4	5.9	0.0	0.0	-1.0	7.3	0.0	7.3
<b>Total transactions with owners</b>	<b>0.0</b>	<b>2.4</b>	<b>5.9</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.0</b>	<b>7.3</b>	<b>0.0</b>	<b>7.3</b>
<b>Equity at 31 December 2023</b>	<b>50.0</b>	<b>-193.1</b>	<b>67.2</b>	<b>5.2</b>	<b>1.5</b>	<b>3,892.7</b>	<b>3,823.5</b>	<b>6.5</b>	<b>3,830.1</b>
<b>Equity at 1 January 2023</b>	<b>50.0</b>	<b>-313.3</b>	<b>54.2</b>	<b>-1.6</b>	<b>0.4</b>	<b>3,731.0</b>	<b>3,520.7</b>	<b>6.2</b>	<b>3,526.9</b>
Adjustment related to previous year*	0.0	0.0	118.4	0.0	0.0	-120.4	-2.1	0.0	-2.1
<b>Adjusted Equity at 1 January 2023</b>	<b>50.0</b>	<b>-313.3</b>	<b>172.6</b>	<b>-1.6</b>	<b>0.4</b>	<b>3,610.5</b>	<b>3,518.6</b>	<b>6.2</b>	<b>3,524.8</b>
<b>Profit for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>303.5</b>	<b>303.5</b>	<b>0.5</b>	<b>304.0</b>
Other comprehensive income	0.0	0.0	0.0	6.9	1.1	0.0	7.9	-0.2	7.8
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.9</b>	<b>1.1</b>	<b>303.5</b>	<b>311.4</b>	<b>0.4</b>	<b>311.8</b>
Treasury Shares for the period	0.0	-12.8	0.0	0.0	0.0	-18.8	-31.5	0.0	-31.5
Share-based remuneration for the period	0.0	133.0	-105.4	0.0	0.0	-2.5	25.0	0.0	25.0
<b>Total transactions with owners</b>	<b>0.0</b>	<b>120.2</b>	<b>-105.4</b>	<b>0.0</b>	<b>0.0</b>	<b>-21.3</b>	<b>-6.5</b>	<b>0.0</b>	<b>-6.5</b>
<b>Equity at 31 December 2023</b>	<b>50.0</b>	<b>-193.1</b>	<b>67.2</b>	<b>5.2</b>	<b>1.5</b>	<b>3,892.7</b>	<b>3,823.5</b>	<b>6.5</b>	<b>3,830.1</b>



**CONTINUED** STATEMENT OF CHANGES IN EQUITY

DKK million	Share capital	Treasury shares	Share-based remuneration	Foreign currency translation subsidiaries	Other Reserves	Retained earnings	Total equity, Netcompany Group A/S	Non-controlling interest	Total equity
<b>Equity at 1 October 2022</b>	<b>50.0</b>	<b>-302.9</b>	<b>54.3</b>	<b>1.6</b>	<b>-0.0</b>	<b>3,535.2</b>	<b>3,338.2</b>	<b>6.8</b>	<b>3,345.1</b>
Profit for the period	0.0	0.0	0.0	0.0	0.0	215.6	215.6	-0.2	215.4
Other comprehensive income	0.0	0.0	0.0	-3.2	0.4	0.0	-2.8	-0.5	-3.3
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-3.2</b>	<b>0.4</b>	<b>215.6</b>	<b>212.8</b>	<b>-0.7</b>	<b>212.1</b>
Treasury Shares for the period	0.0	-10.5	0.0	0.0	0.0	-20.0	-30.5	0.0	-30.5
Share-based remuneration for the period	0.0	0.1	-0.1	0.0	0.0	0.1	0.1	0.0	0.1
<b>Total transactions with owners</b>	<b>0.0</b>	<b>-10.4</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-19.9</b>	<b>-30.4</b>	<b>0.0</b>	<b>-30.4</b>
<b>Equity at 31 December 2022</b>	<b>50.0</b>	<b>-313.3</b>	<b>54.2</b>	<b>-1.6</b>	<b>0.4</b>	<b>3,730.9</b>	<b>3,520.7</b>	<b>6.2</b>	<b>3,526.9</b>
<b>Equity at 1 January 2022</b>	<b>50.0</b>	<b>-241.4</b>	<b>70.2</b>	<b>6.6</b>	<b>0.0</b>	<b>3,145.8</b>	<b>3,031.1</b>	<b>6.8</b>	<b>3,037.9</b>
Profit for the period	0.0	0.0	0.0	0.0	0.0	603.4	603.4	-0.6	602.8
Other comprehensive income	0.0	0.0	0.0	-8.2	0.4	0.0	-7.8	0.2	-7.6
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-8.2</b>	<b>0.4</b>	<b>603.4</b>	<b>595.6</b>	<b>-0.4</b>	<b>595.1</b>
Treasury Shares for the period	0.0	-111.3	0.0	0.0	0.0	-19.6	-130.9	0.0	-130.9
Share-based remuneration for the period	0.0	39.4	-16.0	0.0	0.0	1.4	24.9	0.0	24.9
Movement of non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2
<b>Total transactions with owners</b>	<b>0.0</b>	<b>-71.9</b>	<b>-16.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-18.2</b>	<b>-106.0</b>	<b>-0.2</b>	<b>-106.3</b>
<b>Equity at 31 December 2022</b>	<b>50.0</b>	<b>-313.3</b>	<b>54.2</b>	<b>-1.6</b>	<b>0.4</b>	<b>3,730.9</b>	<b>3,520.7</b>	<b>6.2</b>	<b>3,526.9</b>

NOTE 1

## Segment information

### Public Q4

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	Q4 2023	Q4 2022	% change	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022
Revenue	1,070.9	998.1	7.3%	442.5	451.2	424.0	373.2	107.6	92.1	51.6	51.7	45.2	29.9
Cost of service	-779.1	-679.3	14.7%	-282.9	-262.0	-344.8	-288.7	-84.2	-66.8	-35.6	-38.7	-31.5	-23.1
<b>Gross profit</b>	<b>291.8</b>	<b>318.8</b>	<b>-8.5%</b>	<b>159.6</b>	<b>189.2</b>	<b>79.2</b>	<b>84.5</b>	<b>23.3</b>	<b>25.3</b>	<b>16.0</b>	<b>13.0</b>	<b>13.7</b>	<b>6.8</b>
<i>Gross profit margin</i>	<i>27.3%</i>	<i>31.9%</i>	<i>-4.7pp</i>	<i>36.1%</i>	<i>41.9%</i>	<i>18.7%</i>	<i>22.6%</i>	<i>21.7%</i>	<i>27.5%</i>	<i>31.1%</i>	<i>25.2%</i>	<i>30.2%</i>	<i>22.9%</i>
Allocated costs	-169.9	-141.8	19.8%	-87.4	-72.2	-49.6	-36.2	-15.8	-14.3	-7.9	-9.8	-9.2	-9.3
<b>Adjusted EBITA before HQ costs</b>	<b>122.0</b>	<b>177.0</b>	<b>-31.1%</b>	<b>72.2</b>	<b>117.0</b>	<b>29.6</b>	<b>48.3</b>	<b>7.6</b>	<b>10.9</b>	<b>8.1</b>	<b>3.2</b>	<b>4.5</b>	<b>-2.4</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>11.4%</i>	<i>17.7%</i>	<i>-6.3pp</i>	<i>16.3%</i>	<i>25.9%</i>	<i>7.0%</i>	<i>12.9%</i>	<i>7.0%</i>	<i>11.9%</i>	<i>15.7%</i>	<i>6.2%</i>	<i>9.9%</i>	<i>-8.1%</i>
Allocated costs from HQ	-3.0	0.5	-692.2%	-2.0	0.3	0.0	0.0	-0.5	0.1	-0.2	0.0	-0.2	0.1
Special items	-0.3	0.0	N/A	-0.2	-0.0	0.0	0.0	-0.0	0.0	-0.0	-0.0	-0.0	-0.0
<b>EBITA</b>	<b>118.7</b>	<b>177.5</b>	<b>-33.2%</b>	<b>69.9</b>	<b>117.4</b>	<b>29.6</b>	<b>48.3</b>	<b>7.0</b>	<b>11.0</b>	<b>7.8</b>	<b>3.2</b>	<b>4.2</b>	<b>-2.4</b>
<i>EBITA margin</i>	<i>11.1%</i>	<i>17.8%</i>	<i>-6.7pp</i>	<i>15.8%</i>	<i>26.0%</i>	<i>7.0%</i>	<i>12.9%</i>	<i>6.5%</i>	<i>12.0%</i>	<i>15.2%</i>	<i>6.2%</i>	<i>9.4%</i>	<i>-8.0%</i>
Amortisation	-20.1	-21.9	-8.4%	-6.7	-10.7	-10.0	-6.7	-1.7	-2.3	-0.8	-1.2	-0.8	-1.0
<b>Operating profit</b>	<b>98.6</b>	<b>155.6</b>	<b>-36.6%</b>	<b>63.2</b>	<b>106.7</b>	<b>19.6</b>	<b>41.5</b>	<b>5.3</b>	<b>8.7</b>	<b>7.1</b>	<b>2.0</b>	<b>3.4</b>	<b>-3.4</b>
<i>Operating profit margin</i>	<i>9.2%</i>	<i>15.6%</i>	<i>-6.4pp</i>	<i>14.3%</i>	<i>23.6%</i>	<i>4.6%</i>	<i>11.1%</i>	<i>4.9%</i>	<i>9.5%</i>	<i>13.7%</i>	<i>3.9%</i>	<i>7.5%</i>	<i>-11.3%</i>

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## Segment information

### Private Q4

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	Q4 2023	Q4 2022	% change	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022
Revenue	511.7	521.3	-1.8%	289.5	308.1	138.4	137.3	43.8	40.3	39.9	34.9	0.2	0.6
Cost of service	-345.9	-320.0	8.1%	-168.2	-162.4	-109.0	-105.3	-31.7	-24.2	-36.9	-27.9	-0.1	-0.3
<b>Gross profit</b>	<b>165.8</b>	<b>201.2</b>	<b>-17.6%</b>	<b>121.3</b>	<b>145.7</b>	<b>29.4</b>	<b>31.9</b>	<b>12.1</b>	<b>16.2</b>	<b>3.0</b>	<b>7.0</b>	<b>0.0</b>	<b>0.3</b>
<i>Gross profit margin</i>	<i>32.4%</i>	<i>38.6%</i>	<i>-6.2pp</i>	<i>41.9%</i>	<i>47.3%</i>	<i>21.2%</i>	<i>23.3%</i>	<i>27.7%</i>	<i>40.1%</i>	<i>7.5%</i>	<i>20.1%</i>	<i>22.3%</i>	<i>54.1%</i>
Allocated costs	-86.5	-69.9	23.8%	-53.1	-45.4	-19.5	-11.7	-6.4	-5.7	-7.5	-6.8	-0.0	-0.1
<b>Adjusted EBITA before HQ costs</b>	<b>79.3</b>	<b>131.4</b>	<b>-39.6%</b>	<b>68.2</b>	<b>100.3</b>	<b>9.9</b>	<b>20.2</b>	<b>5.7</b>	<b>10.4</b>	<b>-4.5</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>15.5%</i>	<i>25.2%</i>	<i>-9.7pp</i>	<i>23.6%</i>	<i>32.6%</i>	<i>7.1%</i>	<i>14.7%</i>	<i>13.0%</i>	<i>25.9%</i>	<i>-11.2%</i>	<i>0.5%</i>	<i>11.1%</i>	<i>38.9%</i>
Allocated costs from HQ	-1.5	0.2	-753.3%	-1.1	0.2	0.0	0.0	-0.2	0.0	-0.2	0.0	-0.0	0.0
Special items	-0.2	-0.0	N/A	-0.1	-0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
Other operating income / expense	-0.6	6.3	-109.7%	0.0	0.0	-0.6	6.3	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>77.0</b>	<b>137.9</b>	<b>-44.2%</b>	<b>67.0</b>	<b>100.5</b>	<b>9.2</b>	<b>26.5</b>	<b>5.5</b>	<b>10.5</b>	<b>-4.7</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>
<i>EBITA margin</i>	<i>15.0%</i>	<i>26.5%</i>	<i>-11.4pp</i>	<i>23.1%</i>	<i>32.6%</i>	<i>6.7%</i>	<i>19.3%</i>	<i>12.5%</i>	<i>25.9%</i>	<i>-11.8%</i>	<i>0.6%</i>	<i>11.0%</i>	<i>38.9%</i>
Amortisation	-9.7	-11.9	-19.2%	-5.8	-8.2	-2.5	-2.0	-0.7	-0.9	-0.7	-0.8	-0.0	-0.0
<b>Operating profit</b>	<b>67.3</b>	<b>126.0</b>	<b>-46.5%</b>	<b>61.2</b>	<b>92.3</b>	<b>6.8</b>	<b>24.5</b>	<b>4.8</b>	<b>9.5</b>	<b>-5.4</b>	<b>-0.6</b>	<b>0.0</b>	<b>0.2</b>
<i>Operating profit margin</i>	<i>13.2%</i>	<i>24.2%</i>	<i>-11.0pp</i>	<i>21.1%</i>	<i>30.0%</i>	<i>4.9%</i>	<i>17.9%</i>	<i>10.9%</i>	<i>23.7%</i>	<i>-13.6%</i>	<i>-1.8%</i>	<i>9.9%</i>	<i>37.3%</i>

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## Segment information

### Public 12 months

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	YTD 2023	YTD 2022	% change	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022
Revenue	4,108.5	3,594.9	14.3%	1,756.8	1,674.5	1,549.9	1,271.1	475.8	373.5	178.0	175.1	148.0	100.7
Cost of service	-3,014.7	-2,561.0	17.7%	-1,153.6	-1,035.8	-1,245.1	-1,015.9	-361.9	-275.7	-137.7	-149.1	-116.4	-84.4
<b>Gross profit</b>	<b>1,093.8</b>	<b>1,033.9</b>	<b>5.8%</b>	<b>603.2</b>	<b>638.7</b>	<b>304.8</b>	<b>255.2</b>	<b>113.9</b>	<b>97.8</b>	<b>40.3</b>	<b>26.0</b>	<b>31.6</b>	<b>16.3</b>
<i>Gross profit margin</i>	26.6%	28.8%	-2.1pp	34.3%	38.1%	19.7%	20.1%	23.9%	26.2%	22.6%	14.8%	21.4%	16.2%
Allocated costs	-629.5	-513.3	22.6%	-322.8	-250.3	-175.9	-137.6	-65.1	-53.7	-31.9	-38.3	-33.9	-33.4
<b>Adjusted EBITA before HQ costs</b>	<b>464.3</b>	<b>520.6</b>	<b>-10.8%</b>	<b>280.4</b>	<b>388.4</b>	<b>128.9</b>	<b>117.5</b>	<b>48.8</b>	<b>44.2</b>	<b>8.4</b>	<b>-12.3</b>	<b>-2.3</b>	<b>-17.1</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	11.3%	14.5%	-3.2pp	16.0%	23.2%	8.3%	9.2%	10.3%	11.8%	4.7%	-7.0%	-1.5%	-17.0%
Allocated costs from HQ	-27.9	-23.7	17.7%	-18.7	-16.2	0.0	0.0	-5.3	-4.2	-1.9	-2.0	-2.0	-1.4
Special items	-0.3	0.0	N/A	-0.2	0.0	0.0	0.0	-0.0	0.0	-0.0	0.0	-0.0	0.0
<b>EBITA</b>	<b>436.1</b>	<b>496.9</b>	<b>-12.2%</b>	<b>261.5</b>	<b>372.2</b>	<b>128.9</b>	<b>117.5</b>	<b>43.4</b>	<b>39.9</b>	<b>6.5</b>	<b>-14.3</b>	<b>-4.2</b>	<b>-18.5</b>
<i>EBITA margin</i>	10.6%	13.8%	-3.2pp	14.9%	22.2%	8.3%	9.2%	9.1%	10.7%	3.6%	-8.1%	-2.9%	-18.4%
Amortisation	-88.5	-87.0	1.7%	-35.8	-45.1	-35.0	-21.3	-10.1	-11.2	-3.7	-5.3	-3.9	-4.0
<b>Operating profit</b>	<b>347.6</b>	<b>409.9</b>	<b>-15.2%</b>	<b>225.7</b>	<b>327.1</b>	<b>93.9</b>	<b>96.2</b>	<b>33.3</b>	<b>28.7</b>	<b>2.8</b>	<b>-19.6</b>	<b>-8.1</b>	<b>-22.5</b>
<i>Operating profit margin</i>	8.5%	11.4%	-2.9pp	12.8%	19.5%	6.1%	7.6%	7.0%	7.7%	1.6%	-11.2%	-5.5%	-22.3%

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## Segment information

### Private 12 months

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	YTD 2023	YTD 2022	% change	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022
Revenue	1,969.9	1,949.7	1.0%	1,115.2	1,202.7	536.0	461.6	170.4	166.5	147.5	117.0	0.8	2.0
Cost of service	-1,360.8	-1,211.2	12.3%	-668.0	-633.5	-425.9	-366.0	-122.6	-108.7	-143.6	-101.4	-0.7	-1.5
<b>Gross profit</b>	<b>609.2</b>	<b>738.5</b>	<b>-17.5%</b>	<b>447.2</b>	<b>569.2</b>	<b>110.1</b>	<b>95.5</b>	<b>47.8</b>	<b>57.8</b>	<b>3.9</b>	<b>15.6</b>	<b>0.1</b>	<b>0.5</b>
<i>Gross profit margin</i>	30.9%	37.9%	-7.0pp	40.1%	47.3%	20.5%	20.7%	28.1%	34.7%	2.6%	13.3%	16.7%	24.0%
Allocated costs	-317.7	-254.2	25.0%	-197.6	-164.1	-65.6	-45.9	-23.6	-20.5	-30.8	-23.2	-0.1	-0.5
<b>Adjusted EBITA before HQ costs</b>	<b>291.5</b>	<b>484.3</b>	<b>-39.8%</b>	<b>249.6</b>	<b>405.0</b>	<b>44.5</b>	<b>49.6</b>	<b>24.2</b>	<b>37.3</b>	<b>-26.9</b>	<b>-7.7</b>	<b>0.0</b>	<b>0.0</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	14.8%	24.8%	-10.0pp	22.4%	33.7%	8.3%	10.7%	14.2%	22.4%	-18.2%	-6.5%	1.3%	0.3%
Allocated costs from HQ	-15.1	-13.6	11.3%	-11.4	-10.9	0.0	0.0	-1.9	-1.6	-1.8	-1.1	-0.0	-0.0
Special items	-0.2	0.0	N/A	-0.1	0.0	0.0	0.0	-0.0	0.0	-0.0	0.0	-0.0	0.0
Other operating income / expense	-0.0	5.9	-100.1%	0.0	0.0	-0.0	5.9	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>276.2</b>	<b>476.6</b>	<b>-42.1%</b>	<b>238.1</b>	<b>394.2</b>	<b>44.5</b>	<b>55.5</b>	<b>22.3</b>	<b>35.7</b>	<b>-28.7</b>	<b>-8.8</b>	<b>0.0</b>	<b>-0.0</b>
<i>EBITA margin</i>	14.0%	24.4%	-10.4pp	21.4%	32.8%	8.3%	12.0%	13.1%	21.4%	-19.4%	-7.5%	0.4%	-0.9%
Amortisation	-45.8	-47.1	-2.9%	-28.7	-32.2	-9.8	-7.3	-3.6	-4.3	-3.5	-3.2	-0.0	-0.1
<b>Operating profit</b>	<b>230.4</b>	<b>429.5</b>	<b>-46.4%</b>	<b>209.4</b>	<b>361.9</b>	<b>34.7</b>	<b>48.2</b>	<b>18.6</b>	<b>31.3</b>	<b>-32.2</b>	<b>-11.9</b>	<b>-0.0</b>	<b>-0.1</b>
<i>Operating profit margin</i>	11.7%	22.0%	-10.3pp	18.8%	30.1%	6.5%	10.4%	10.9%	18.8%	-21.8%	-10.2%	-1.4%	-3.8%

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## Segment information

### Geographical

#### Segment information related to geographical areas

DKK million	Q4 2023								Total
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	
Revenue from external customers	732.8	218.4	155.5	211.9	94.1	25.6	61.6	82.7	1,582.6

DKK million	Q4 2022								Total
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	
Revenue from external customers	775.8	191.8	135.7	112.3	87.0	84.6	34.0	98.1	1,519.3

### Geographical Full year

#### Segment information related to geographical areas

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

DKK million	YTD 2022								Total
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	
Revenue from external customers	2,915.2	584.0	555.2	672.0	295.2	155.9	109.0	258.1	5,544.6

NOTE 2

## Cost of services

DKK million	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Cost of services	-320.9	-293.4	-1,163.6	-983.2
Salaries	-799.6	-699.6	-3,193.6	-2,764.9
Depreciation	-4.4	-6.2	-18.2	-24.1
<b>Cost of services total</b>	<b>-1,125.0</b>	<b>-999.3</b>	<b>-4,375.5</b>	<b>-3,772.2</b>

NOTE 3

## Administrative costs

DKK million	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Administrative costs	-120.6	-102.1	-425.9	-369.4
Salaries	-81.4	-63.2	-339.5	-280.0
Depreciation	-42.9	-33.5	-170.2	-114.5
<b>Administrative costs total</b>	<b>-244.9</b>	<b>-198.8</b>	<b>-935.5</b>	<b>-763.9</b>

NOTE 4

## Financial income and expenses

DKK million	Q4 2023	Q4 2022	YTD 2023	YTD 2022
<b>Financial Income</b>				
Exchange rate adjustments	4.8	10.7	21.9	27.3
Other financial income	1.5	0.8	3.4	3.0
<b>Financial income total</b>	<b>6.3</b>	<b>11.5</b>	<b>25.2</b>	<b>30.3</b>
<b>Financial expenses</b>				
Interest expense, bank loan	-25.9	-18.5	-88.5	-41.8
Interest expense, leasing	-10.0	-2.6	-25.3	-7.1
Exchange rate adjustments	-2.9	-10.6	-30.7	-34.7
Other financial expenses	-5.7	-2.4	-18.7	-16.6
Fair value adj. of contingent consideration	0.0	-7.9	0.0	-7.9
<b>Financial expenses total</b>	<b>-44.5</b>	<b>-42.0</b>	<b>-163.3</b>	<b>-108.1</b>

NOTE 5

## Earnings per share

DKK million	Q4 2023	Q4 2022	YTD 2023	YTD 2022
<b>Earnings per share - EPS (DKK)</b>	<b>1.32</b>	<b>4.39</b>	<b>6.13</b>	<b>12.26</b>
<b>Diluted earnings per share - EPS-D (DKK)</b>	<b>1.31</b>	<b>4.34</b>	<b>6.09</b>	<b>12.15</b>
Profit	<b>65.2</b>	<b>215.6</b>	<b>303.5</b>	<b>603.4</b>
Average number of shares	50.0	50.0	50.0	50.0
Average number of treasury shares	0.4	0.9	0.5	0.8
Average number of shares in circulation	49.6	49.1	49.5	49.2
Average number of outstanding restricted stock units	0.3	0.5	0.3	0.5
Average number of diluted shares in circulation	49.8	49.6	49.8	49.7

NOTE 6

## Trade receivables

DKK million	31 December 2023	31 December 2022
Not overdue	826.2	746.5
0-30 days overdue	302.9	224.0
31-60 days overdue	67.8	61.4
61-90 days overdue	13.4	33.4
Over 90 days overdue	70.7	63.2
<b>Total trade receivables excl. expected credit loss</b>	<b>1,280.9</b>	<b>1,128.5</b>
Expected credit loss	-19.1	-16.6
<b>Total trade receivables</b>	<b>1,261.8</b>	<b>1,112.0</b>

The Group is continuously conducting individual assessments of bad debt. If this leads to an assessment that the Group will not be able to collect the amount accounted for an allowance for bad debt is made. At 31 December 2022, the Group recognised a provision for expected credit losses of DKK 19.1m (DKK 16.9m). In 2023, the Group realised a credit loss of DKK 2.9m (DKK 0.7m).

The credit quality of trade receivables at 31 December 2023 is considered satisfactory.



NOTE 7

## Contract work in progress

DKK million	31 December 2023	31 December 2022
Selling price of work performed on fixed price projects	3,950.7	3,811.9
Invoiced amount on fixed price projects	-3,248.0	-3,130.9
<b>Total contract work in progress</b>	<b>702.6</b>	<b>681.0</b>
<i>Net value – stated on a contract-per-contract basis – is presented in the statement of financial position as follows:</i>		
Contract work in progress	1,263.9	1,114.5
Prebilled invoices	-561.3	-433.5
<b>Total contract work in progress</b>	<b>702.6</b>	<b>681.0</b>

Based on the current project portfolio including monitoring of deliveries on projects, the Group has recognised a provision of DKK 16.7m, covering legal claims and project related risk (DKK 4.8m).

NOTE 8

## Other payables

DKK million	31 December 2023	31 December 2022
Wages and salaries, payroll taxes, social security costs, etc. payable	131.2	87.4
Holiday pay obligation	112.2	97.0
VAT and duties	129.7	111.0
Contingent purchase price & earn out	0.0	101.3
Holdback	10.2	10.2
Other costs payable	287.6	233.7
<b>Total other payables</b>	<b>670.9</b>	<b>640.6</b>

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

NOTE 9

## Income Statement classified by function

DKK million	Q4 2023	Q4 2022	YTD 2023	YTD 2022
<b>Income statement</b>				
Revenue	1,582.6	1,519.3	6,078.4	5,544.6
Cost of services, incl. depreciation and amortisation	-1,139.3	-1,009.5	-4,427.2	-3,803.3
<b>Gross profit</b>	<b>443.3</b>	<b>509.8</b>	<b>1,651.2</b>	<b>1,741.3</b>
Sales and marketing costs, incl. depreciation and amortisation	-16.1	-12.1	-54.7	-41.0
Administrative costs, incl. depreciation and amortisation	-260.7	-222.5	-1,018.5	-866.8
Other operating income / expense	-0.6	6.3	-0.0	5.9
<b>Operating profit (EBIT)</b>	<b>165.9</b>	<b>281.6</b>	<b>578.0</b>	<b>839.4</b>
Financial income	6.3	11.5	25.2	30.3
Financial expenses	-44.5	-42.0	-163.3	-108.1
Income / loss from joint venture / associates	-0.9	5.2	-7.7	-5.1
<b>Profit / loss before tax</b>	<b>126.9</b>	<b>256.4</b>	<b>432.3</b>	<b>756.5</b>
Tax on the profit for the period	-61.3	-41.0	-128.2	-153.8
<b>Net profit / loss for the period</b>	<b>65.6</b>	<b>215.4</b>	<b>304.0</b>	<b>602.8</b>
<b>Depreciation and Amortisation have been presented as follows in the income statement:</b>				
Cost of services	-18.7	-16.4	-70.0	-55.3
Administrative costs	-58.3	-57.2	-252.7	-217.4
<b>Depreciation and amortisation</b>	<b>-77.1</b>	<b>-73.6</b>	<b>-322.7</b>	<b>-272.7</b>

NOTE 10

## Collateral provided and contingent liabilities

As part of its contract commitments with customers, the Group has through its banks provided performance guarantees of DKK 527.1m (DKK 491m).

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

The Group is in 2023 as well as in 2022 part of some legal claims. The outcome of these disputes is not considered likely to impact the Groups financial position significantly, besides what is already recognised in the balance sheet.

NOTE 12

## Accounting policies

The annual consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The interim consolidated financial statements included in this Q4 2023 financial report have been prepared in accordance with IAS 34 "Interim Financial

Reporting" as adopted by the European Union. The accounting policies applied are consistent with those applied in the consolidated Annual Report for the year ended 31 December 2023 for Netcompany Group A/S.

NOTE 11

## Related party transactions

In Q4 2023, Netcompany recognised revenue from Smarter Airports A/S of DKK 10m (DKK 12.7m).

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

NOTE 13

## Events after balance sheet date

After the balance sheet date, the Danish Data Protection Authority has concluded its analysis of the data breach that occurred in March 2022 related to the launch of the new digital mailbox - mit.dk. At that point it was estimated that between 10 and 50 citizens potentially could be affected by the breach. Netcompany handled the issue instantly then and reported the matter to the Danish Data Protection Authority as required. The Danish Data Protection Agency recommends that Netcompany be fined and that the fine should be at least DKK 15m. Unlike in other countries within EU, the Data Protection Authority in Denmark do not have the mandate to issue fines - this

is a matter for the legal juridical system and the case will be handed over to the Danish Prosecution Authority who will evaluate the investigations to be carried out now by the police and decide if the case should be taken to court. If the case is taken to court, the court can issue a fine. It is not expected that the matter will be resolved in the near future, as similar matters have been in process for 2-3 years.

No further events have occurred after the balance sheet date, which would influence the evaluation of this Annual Report.

NOTE 14

## Financial figures and highlights Comparative

DKK million	Q4 2023	Q4 2022	% change Q4	YTD 2023	YTD 2022	% change YTD
<b>Income statement</b>						
Public revenue	1,070.9	998.1	7.3%	4,108.5	3,594.9	14.3%
Private revenue	511.7	521.3	-1.8%	1,969.9	1,949.7	1.0%
Development revenue	469.3	723.7	-35.2%	2,047.8	2,640.2	-22.4%
Maintenance revenue	1,091.4	779.7	40.0%	3,968.2	2,876.1	38.0%
License revenue	22.0	15.9	38.6%	62.4	28.3	120.4%
Organic revenue	1,582.6	1,369.7	4.2%	6,078.4	4,172.8	9.6%
Non-organic revenue	0.0	149.6	-100.0%	0.0	1,371.9	-100.0%
<b>Revenue by growth, total</b>	<b>1,582.6</b>	<b>1,519.3</b>	<b>4.2%</b>	<b>6,078.4</b>	<b>5,544.6</b>	<b>9.6%</b>
Special items	-0.5	0.0	N/A	-0.5	0.0	N/A
Adjusted EBITDA	244.1	348.9	-30.0%	901.2	1,106.2	-18.5%
EBITDA	243.0	355.2	-31.6%	900.7	1,112.1	-19.0%
Adjusted EBITA	196.7	309.1	-36.4%	712.7	967.6	-26.3%
EBITA	195.7	315.4	-38.0%	712.2	973.5	-26.8%
Operating profit (EBIT)	165.9	281.6	-41.1%	578.0	839.4	-31.1%
Net financials	-38.2	-30.5	25.4%	-138.0	-77.8	77.5%
Net profit / loss	65.6	215.4	-69.6%	304.0	602.8	-49.6%
<b>Financial position</b>						
Capex	-48.8	-74.6	-34.6%	-206.5	-170.3	21.3%
Total assets	8,159.8	7,193.9	13.4%	8,159.8	7,193.9	13.4%
Equity	3,830.1	3,526.9	8.6%	3,830.1	3,526.9	8.6%
Net increase in cash and cash equivalents	347.4	111.8	210.8%	112.4	-117.3	-195.8%
Free cash flow	382.6	323.4	18.3%	552.1	602.7	-8.4%
Free cash flow (tax normalised)	343.4	361.4	-5.0%	496.4	642.6	-22.8%

**CONTINUED** FINANCIAL HIGHLIGHTS AND KEY FIGURES COMPARATIVE

DKK million	Q4 2023	Q4 2022	% change Q4	YTD 2023	YTD 2022	% change YTD
<b>Earnings per share</b>						
Earnings per share (DKK)	1.32	4.39	-70.0%	6.13	12.26	-50.0%
Diluted earnings per share (DKK)	1.31	4.34	-69.9%	6.09	12.15	-49.8%
<b>Employees</b>						
Average number of full-time employees	7,765	7,353	5.6%	7,684	6,906	11.3%

**Financial ratios**

Revenue growth	4.2%	31.9%	-27.7pp	9.6%	52.7%	-43.0pp
Gross profit margin	28.9%	34.2%	-5.3pp	28.0%	32.0%	-4.0pp
Adjusted EBITDA margin	15.4%	23.0%	-7.5pp	14.8%	20.0%	-5.1pp
EBITDA margin	15.4%	23.4%	-8.0pp	14.8%	20.1%	-5.2pp
Adjusted EBITA margin	12.4%	20.3%	-7.9pp	11.7%	17.5%	-5.7pp
EBITA margin	12.4%	20.8%	-8.4pp	11.7%	17.6%	-5.8pp
Operating profit margin	10.5%	18.5%	-8.0pp	9.5%	15.1%	-5.6pp
Effective tax rate	48.3%	16.0%	32.3pp	29.7%	20.3%	9.3pp
Return on equity	1.8%	6.6%	-4.8pp	8.3%	18.4%	-10.1pp
Solvency ratio	46.9%	49.0%	-2.1pp	46.9%	49.0%	-2.1pp
ROIC	1.3%	4.3%	-3.0pp	5.9%	12.0%	-6.1pp
ROIC (Adjusted for Goodwill)	3.6%	13.1%	-9.4pp	16.9%	36.6%	-19.7pp
Cash conversion ratio	431.1%	133.7%	297.4pp	135.1%	85.2%	49.9pp
Cash conversion ratio (tax normalised)	386.9%	149.5%	237.4pp	121.4%	90.9%	30.6pp

# Formulas

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

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

<sup>1</sup>Key figures defined according to IFRS.

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

# Disclaimer

This report contains forward-looking statements including, but not limited to, the statements and expectations contained in the outlook section. Forward-looking statements are statements (other than statements of historical fact) relating to future events and Netcompany's anticipated or planned financial and operational performance.

The words 'may', 'will', 'will continue', 'should', 'expect', 'foresee', 'anticipate', 'believe', 'estimate', 'plan', 'predict', 'intend' or variations of these words, including negatives thereof, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements.

Netcompany has based these forward-looking statements on its current views with respect to future events and financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of Netcompany.

Although Netcompany believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ, e.g. as the result of risks related to the industry in general or Netcompany in particular, including those described in Netcompany Group A/S' Annual Report 2023 and other information made available by Netcompany.

Factors that may affect future results include, but are not limited to, global and economic conditions, including currency exchange rate and interest rate fluctuations, delay or failure of projects related to research and/or development, unexpected contract breaches or terminations, unplanned loss of patents, government-mandated or market-driven price decreases for Netcompany's products, introduction of competing products, reliance on information technology, Netcompany's ability to successfully market current and new products, exposure to product liability, litigation and investigations, regulatory developments, actual or perceived failure to adhere to ethical marketing practices, unexpected growth in costs and expenses, failure to

recruit and retain the right employees, and failure to maintain a culture of compliance.

As a result, forward-looking statements should not be relied on as a prediction of actual results. Netcompany undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

The Annual Report 2023 of Netcompany Group A/S is available at our website [www.netcompany.com](http://www.netcompany.com)

## **About Netcompany**

Netcompany delivers business critical IT solutions and consultancy that help our customers to achieve significant business benefits in a digitised world. Netcompany also helps our customers to manage and operate IT solutions both on location and in the cloud.