

# netcompany

# Q1 | 22

Company Announcement  
Three months ended 31 March 2022

Netcompany realised a strong  
and on track start of 2022  
throughout the Group, and grew  
revenue more than 60%

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# Summary

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In Q1 2022, Netcompany grew revenue to DKK 1,371.5m – equal to 60.4% growth compared to Q1 2021, of which 46.6 percentage points was non-organic and related to Netcompany-Intrasoft. Organic revenue growth was 13.8%.

In constant currencies, revenue grew 59.4% compared to Q1 2021, of which 12.8 percentage points was organic and 46.6 percentage points was non-organic.

Adjusted EBITDA was DKK 259.4m compared to DKK 234.8m in Q1 2021. Adjusted EBITDA margin was 18.9% in Q1 2022 compared to 27.5% in Q1 2021.

Adjusted EBITA for Netcompany Core in Q1 2022 was DKK 202.3m compared to DKK 216.3m in Q1 2021. Adjusted EBITA margin for Netcompany Core was 20.8% in Q1 2022 compared to 25.3% in Q1 2021.

Average number of full time employees grew from 3,109 in Q1 2021 to 6,513 in Q1 2022. The acquisition of Netcompany-Intrasoft accounted for 2,895 employees of the growth while Netcompany Core accounted for 509 employees of the growth.

Free cash flow was DKK 50.5m compared to DKK 100.6m in Q1 2021.

A share buyback programme of DKK 50m will be initiated in connection with the release of the Q1 2022 statement and will be executed during Q2 2022.

Revenue visibility for 2022 increased by 64.3% to DKK 4,543.6m compared to DKK 2,765.4m at the same time last year. The acquisition of Netcompany-Intrasoft accounted for DKK 1,395.1m of the increase.

Netcompany maintains expectations to revenue growth and margins for 2022.

In Q1, we grew revenue by more than half a billion to DKK 1,371.5m – or more than 60% compared to Q1 in 2021. Netcompany-Intrasoft accounted for 46.6% of the growth, leaving organic revenue growth for the remainder of the Group at 13.8% against Q1 2021 – as expected.

It humbles me deeply to see the strong performance that our employees continue to deliver quarter after quarter, and I am grateful for the onboarding of all of our new colleagues from Netcompany-Intrasoft. In an ever increasing competitive labour market we have welcomed more than 3,400 new employees bringing the total headcount in the Group to 6,700.

I am confident that we will continue to deliver strong results to our clients leading to strong financial performance throughout the year.

I believe that our continued focus on delivering society and business critical projects will prove to be a strong foundation for our ability to hire the best talents – enabling our continued growth.

**André Rogaczewski**

NETCOMPANY CEO AND CO-FOUNDER

# Performance highlights Q1

## Financial overview

DKK million	Q1 2022 (reported)	Q1 2022 (constant)*	Q1 2021	% change (reported)	Netcompany Intrasoft non-organic impact**	% change (constant)*	Total 2021
Revenue	1,371.5	1,362.8	855.1	60.4%	46.6pp	59.4%	3,632.0
Gross profit	417.3	415.0	325.7	28.1%	20.9pp	27.4%	1,333.3
Adjusted EBITDA	259.4	258.2	234.8	10.5%	14.5pp	9.9%	881.1
<i>Adjusted EBITDA margin</i>	18.9%	18.9%	27.5%	-8.5pp	-4.2pp	-8.5pp	24.3%
Adjusted EBITA	227.0	226.1	216.3	5.0%	11.4pp	4.5%	793.2
<i>Adjusted EBITA margin</i>	16.6%	16.6%	25.3%	-8.7pp	-4.2pp	-8.7pp	21.8%
EBITA	227.2	226.3	216.3	5.0%	11.5pp	4.6%	755.3
<i>EBITA margin</i>	16.6%	16.6%	25.3%	-8.7pp	-4.2pp	-8.7pp	20.8%
Operating profit	194.6	193.6	207.2	-6.1%	9.1pp	-6.5%	703.8
Operating profit margin	14.2%	14.2%	24.2%	-10.0pp	-3.9pp	-10.0pp	19.4%
Net profit / loss	132.7	131.8	199.5	-33.5%	4.9pp	-34.0%	574.3
Free cash flow	50.5	N/A	100.6	-49.8%	N/A	N/A	408.0
Free cash flow (tax normalised)	126.8	N/A	173.8	-27.1%	N/A	N/A	422.4
Cash conversion ratio (tax normalised)	80.2%	N/A	84.1%	-3.9pp	N/A	N/A	68.8%

\*Constant currencies measured using average exchange rates for Q1 2021

- Revenue increased by 60.4% to DKK 1,371.5m in reported currencies and by 59.4% in constant currencies.
- Organic revenue grew by 13.8%.
- Gross profit margin was 30.4% against 38.1% in Q1 2021.
- Adjusted EBITDA increased by 10.5% and yielded a margin of 18.9%.
- Adjusted EBITDA margin was 23.2% for the organic businesses.
- Free cash flow was DKK 50.5m.
- Netcompany Core generated a tax normalised free cash flow of DKK 174m compared to DKK 173.8m in Q1 2021.
- Cash conversion rate normalised for tax payment was 80.2% compared to 84.1% in Q1 2021.
- Debt leverage to 12 months rolling adjusted EBITA was 2.8.

# Conference call details

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In connection with the publication of the results for Q1 2022, Netcompany will host a conference call on 5 May 2022 at 11.00 CEST.

The conference call will be held in English and can be followed live via the company's website; [www.netcompany.com](http://www.netcompany.com)

## Dial-in details for investors and analysts

### DK

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### US

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**Pin:** 598046

## Webcast Player URL

<https://streams.eventcdn.net/netcompany/q1-2022/>

## Additional information

### André Rogaczewski, CEO

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### Thomas Johansen, CFO

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# Performance overview Q1

DKK million	Q1 2022 (reported)	Q1 2022 (constant)*	Q1 2021	% change (reported)	Netcompany Intrasoft non-organic impact**	% change (constant)*	Total 2021
Revenue	1,371.5	1,362.8	855.1	60.4%	46.6pp	59.4%	3,632.0
Cost of services	-954.2	-947.8	-529.5	80.2%	62.4pp	79.0%	-2,298.7
<b>Gross profit</b>	<b>417.3</b>	<b>415.0</b>	<b>325.7</b>	<b>28.1%</b>	<b>20.9pp</b>	<b>27.4%</b>	<b>1,333.3</b>
<i>Gross profit margin</i>	30.4%	30.4%	38.1%	-7.7pp	-5.5pp	-7.6pp	36.7%
Sales and marketing costs	-8.8	-8.7	-6.1	43.6%	17.3pp	42.8%	-36.7
Administrative costs	-181.5	-180.1	-103.2	75.8%	40.9pp	74.5%	-503.4
<b>Adjusted EBITA</b>	<b>227.0</b>	<b>226.1</b>	<b>216.3</b>	<b>5.0%</b>	<b>11.4pp</b>	<b>4.5%</b>	<b>793.2</b>
<i>Adjusted EBITA margin</i>	16.6%	16.6%	25.3%	-8.7pp	-4.2pp	-8.7pp	21.8%
Special items	-0.0	-0.0	0.0	N/A	N/A	N/A	-37.7
Other operating income	0.2	0.2	0.0	N/A	N/A	N/A	-0.2
<b>EBITA</b>	<b>227.2</b>	<b>226.3</b>	<b>216.3</b>	<b>5.0%</b>	<b>11.5pp</b>	<b>4.6%</b>	<b>755.3</b>
<i>EBITA margin</i>	16.6%	16.6%	25.3%	-8.7pp	-4.2pp	-8.7pp	20.8%
Amortisation	-32.6	-32.6	-9.2	256.6%	65.2pp	256.6%	-51.4
<b>Operating profit (EBIT)</b>	<b>194.6</b>	<b>193.6</b>	<b>207.2</b>	<b>-6.1%</b>	<b>9.1pp</b>	<b>-6.5%</b>	<b>703.8</b>
<i>Operating profit margin</i>	14.2%	14.2%	24.2%	-10.0pp	-3.9pp	-10.0pp	19.4%
Net financials	-12.4	-12.3	-6.6	86.5%	52.5pp	86.0%	-33.4
Fair value adj. of contingent consideration	0.0	0.0	49.5	-100.0%	0.0pp	-100.0%	78.9
Income / loss, investment in joint venture	-4.1	-4.1	-6.0	-31.5%	0.0pp	-31.5%	-21.7
Income / loss, investment in associates	0.1	0.1	0.0	N/A	0.0pp	N/A	0.0
<b>Profit / loss before tax</b>	<b>178.2</b>	<b>177.2</b>	<b>244.0</b>	<b>-27.0%</b>	<b>6.3pp</b>	<b>-27.4%</b>	<b>727.6</b>
Tax	-45.5	-45.4	-44.5	2.3%	12.6pp	2.2%	-153.3
<i>Effective tax rate</i>	25.5%	25.6%	18.2%	7.3pp	1.0pp	7.4pp	21.1%
<b>Net profit / loss</b>	<b>132.7</b>	<b>131.8</b>	<b>199.5</b>	<b>-33.5%</b>	<b>4.9pp</b>	<b>-34.0%</b>	<b>574.3</b>

\*Constant currencies measured using average exchange rates for Q1 2021

**CONTINUED PERFORMANCE OVERVIEW Q1**

Reported revenue grew by 60.4% (constant 59.4%) to DKK 1,371.5m in Q1 2022 of which 13.8% was organic. Netcompany-Intrasoft realised revenue of DKK 398.5m and accounted for non-organic revenue growth of 46.6% in Q1 2022. Client facing FTEs in Netcompany Core grew with 445 to 3,368 in Q1 2022 driven by FTE growth in Denmark (17.3%), the UK (12.2%) and Norway (9.9%), whereas FTE growth in the Netherlands was flattish. Netcompany-Intrasoft added 2,717 client facing FTEs to the total client facing FTEs for the Group in Q1 2022.

Revenue growth in Q1 2021 was positively impacted by around 6 percentage points due to the deferral of vacation caused by COVID-19 related restrictions imposed in Q1 2021, which generated the equivalent of almost 4 additional working days. Adjusting for this impact on revenue in Q1 2021, the normalised revenue growth in Netcompany Core in Q1 2022 would have been around 20%.

Gross profit margin was 30.4% compared to 38.1% for the same period in 2021. As

expected, Netcompany-Intrasoft realised a lower margin compared to Netcompany Core, which impacted Group gross profit margin negatively by 5.5 percentage points. The additional decline in gross profit margin of 2.2 percentage points was mainly driven by lower gross profit margins in Denmark and Norway, which to some degree was offset by improvements in the gross profit margins in the UK and the Netherlands.

The main reason for the decline in gross profit margins in Denmark and Norway was related to the deferred vacation impacting margins in Q1 2021. In particular, Denmark and Norway, the impact was material. The improved margins in the UK and Netherlands in Q1 2022 were driven by underlying improvements in project deliveries and economics compared to Q1 2021.

Sales and marketing costs increased by 43.6% to DKK 8.8m in Q1 2022, of which 17.3 percentage points was attributed to Netcompany-Intrasoft. The remaining increase was a result of continued focus on market communication and events needed

to further establish Netcompany across Europe.

Administrative costs increased by 75.8% to DKK 181.5m in Q1 2022, of which 40.9 percentage points were attributed to the inclusion of Netcompany-Intrasoft, hence, administrative costs in Netcompany Core increased by 34.9 percentage points. The main reason for this increase was the abnormally low level of administrative costs in Q1 2021, which declined by 2 percentage points due to COVID-19 related restrictions imposed in Q1 2021, combined with the return to a normal business environment in Q1 2022, meaning that costs incurred for staff events, travel, education etc.

Adjusted EBITA was DKK 227m compared to DKK 216.3m in Q1 2021. Netcompany-Intrasoft impacted adjusted EBITA in Q1 2022 by DKK 24.7m. Adjusted EBITA for Netcompany Core was DKK 202.3m, yielding an adjusted EBITA margin of 20.8% compared to 25.3% in Q1 2021. The lower adjusted EBITA margin for Netcompany Core was driven by lower gross profit and

higher level of administrative costs – as previously explained.

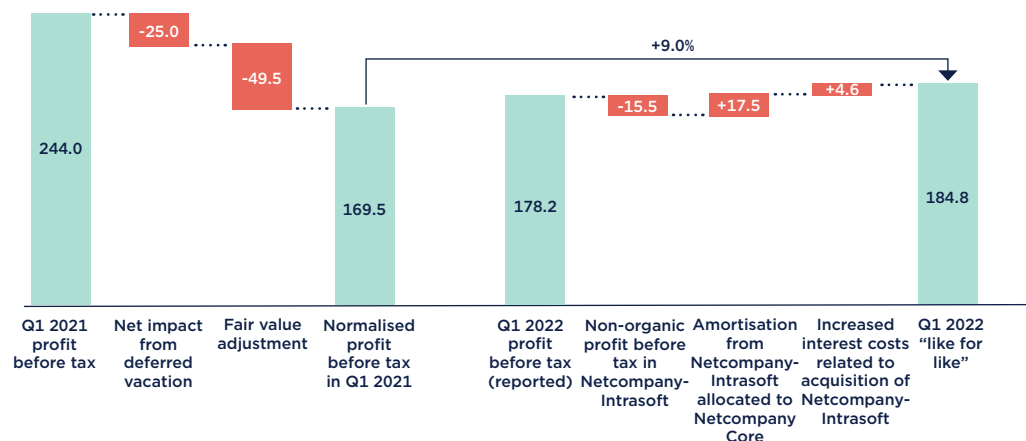
Amortisation increased by DKK 23.5m to DKK 32.6m in Q1 2022 as a result of the acquisition of Intrasoft International S.A. in 2021. As amortisation were allocated between all entities, the non-organic impact of including Netcompany-Intrasoft was, from an accounting perspective, less than the total amount of amortisation caused by the acquisition.

Operating profit (EBIT) was DKK 194.6m compared to DKK 207.2m in Q1 2021 yielding an EBIT margin of 14.2% compared to 24.2% in Q1 2022. Adjusted for the impact of Netcompany-Intrasoft, including the full amount of amortisation arising from the acquisition of Intrasoft International S.A, EBIT for Netcompany Core was DKK 193.3m yielding an EBIT margin for Netcompany Core of 19.9% for Q1 2022.

In Q1 2021, a fair value adjustment of the contingent purchase price related to the acquisition of Q Delft B.V was recognised, unlike Q1 2022, which was the main expla-

**CONTINUED PERFORMANCE OVERVIEW Q1**

**Profit before tax bridge (DKK million)**



nation of the reduced profit before taxes when comparing to the same period last year.

A part from the fair value adjustment of DKK 49.5m in Q1 2021, the deferred vacation impacted margins of around DKK 25m positively.

Normalising for impacts in Q1 2022, such as the net profit before tax from Netcompany-Intrasoft, the increased amortisation impacting Netcompany Core and the

increased interest costs related to the acquisition of Intrasoft, net profit before tax in Q1 2022 would have been DKK 184.8m on a "like for like" basis. Compared to a normalised net profit before tax of DKK 169.5m.

Income taxes was on par with the level in Q1 2021, but based on a lower absolute baseline, as the fair value adjustment on Q1 2021 was not income taxable leading to an effective income tax rate of 25.5% compared to 18.2% in Q1 2021.



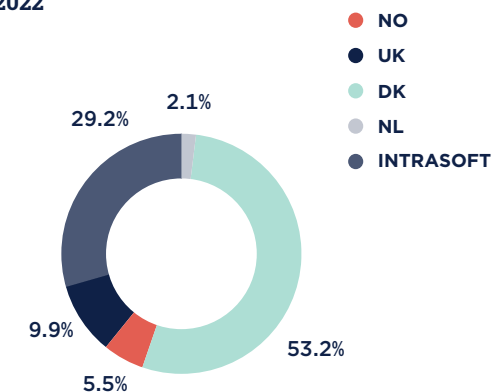
# Business Segments Q1

DKK million

Constant (2021 rate)

	Q1 2022					
	Group	Denmark	Norway	UK	Netherlands	Intrasoft
Revenue from external customers	1,362.8	725.3	75.5	135.4	28.1	398.5
<b>Gross profit</b>	<b>428.0</b>	<b>292.2</b>	<b>12.6</b>	<b>41.4</b>	<b>6.8</b>	<b>75.0</b>
<i>Gross profit margin</i>	<i>31.4%</i>	<i>40.3%</i>	<i>16.7%</i>	<i>30.6%</i>	<i>24.0%</i>	<i>18.8%</i>
Local admin costs	-155.5	-82.8	-11.9	-13.2	-6.6	-41.0
<b>Adjusted EBITDA before allocated cost from HQ</b>	<b>272.4</b>	<b>209.4</b>	<b>0.7</b>	<b>28.2</b>	<b>0.1</b>	<b>34.0</b>
<i>Adjusted EBITDA margin before allocated HQ cost</i>	<i>20.0%</i>	<i>28.9%</i>	<i>0.9%</i>	<i>20.8%</i>	<i>0.5%</i>	<i>8.5%</i>
Allocated costs from HQ	-14.1	-10.2	-1.2	-2.1	-0.6	0.0
Special Items, allocated	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	-32.3	-17.5	-1.8	-2.3	-1.3	-9.3
Amortisation	-32.6	-19.3	-2.4	-4.0	-1.1	-6.0
Other operating income	0.2	0.0	0.0	0.0	0.0	0.2
<b>EBIT</b>	<b>193.6</b>	<b>162.4</b>	<b>-4.7</b>	<b>19.8</b>	<b>-2.8</b>	<b>18.9</b>
Client facing FTEs	6,085	2,496	269	459	143	2,717

Revenue, %  
Q1 2022

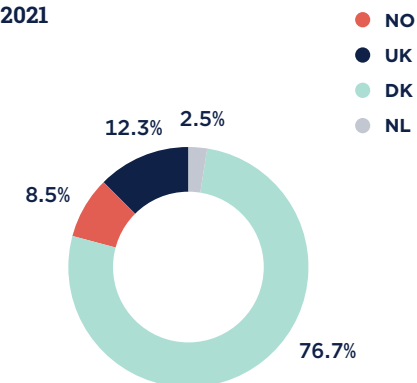


DKK million

Reported

	Q1 2021					
	Group	Denmark	Norway	UK	Netherlands	Intrasoft
Revenue from external customers	855.1	655.7	72.8	105.0	21.6	0.0
<b>Gross profit</b>	<b>331.6</b>	<b>286.2</b>	<b>21.3</b>	<b>21.4</b>	<b>2.7</b>	<b>0.0</b>
<i>Gross profit margin</i>	<i>38.8%</i>	<i>43.7%</i>	<i>29.3%</i>	<i>20.4%</i>	<i>12.5%</i>	<i>N/A</i>
Local admin costs	-89.7	-70.0	-7.3	-8.7	-3.7	0.0
<b>Adjusted EBITDA before allocated cost from HQ</b>	<b>241.9</b>	<b>216.3</b>	<b>14.0</b>	<b>12.7</b>	<b>-1.0</b>	<b>0.0</b>
<i>Adjusted EBITDA margin before allocated HQ cost</i>	<i>28.3%</i>	<i>33.0%</i>	<i>19.2%</i>	<i>12.1%</i>	<i>-4.8%</i>	<i>N/A</i>
Allocated costs from HQ	-7.1	-5.0	-0.6	-1.1	-0.3	0.0
Special Items, allocated	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	-18.5	-14.3	-0.7	-2.2	-1.3	0.0
Amortisation	-9.2	-6.5	-0.8	-1.4	-0.4	0.0
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>207.2</b>	<b>190.4</b>	<b>11.8</b>	<b>8.0</b>	<b>-3.1</b>	<b>0.0</b>
Client facing FTEs	2,923	2,128	245	409	141	0

Revenue, %  
Q1 2021



**CONTINUED BUSINESS SEGMENTS Q1**

Group revenue increased by 59.4% in Q1 2022 to DKK 1,362.8m of which Netcompany-Intrasoft contributed with DKK 398.5m corresponding to 46.6 percentage points of Group revenue growth. Netcompany Core contributed with DKK 964.3m of total Group revenue equal to an organic revenue growth of 12.8% compared to Q1 2021. Revenue in Denmark and Norway grew 10.6% and 3.7%, respectively, whereas revenue in the UK and the Netherlands grew 28.9% and 30%, respectively.

**Revenue increased by**

**59.4%**

Revenue growth in the Danish business was driven by continued growth in the private segment, although at lower growth rates compared to the last couple of years, as activity level was increasing again in the public segment. The private segment grew at 13.7% and the public segment grew at 8.4% indicating the return to a more bal-

anced growth between the two segments. Client facing FTEs in the Danish business grew by 17.3% in Q1 2022, supporting a continued strong growth for the full year. Vacation held during Q1 2022 was at a normal level compared to the low level in Q1 2021, which led revenue growth to be lower than the growth in client facing FTEs.

In Norway, revenue growth was driven by the public segment following a number of significant wins in the second half of 2021, both with the municipality of Oslo and with other Government agencies. However, this was somewhat offset by the results in the private segment. While public segment revenue grew by 18.3% in Q1 2022, private segment realised DKK 4.5m lower revenue in Q1 2022 corresponding to a decline in revenue of 13.4%. This was caused by a number of private segment projects being delivered during Q4 2021, whereas the acceleration of the project with the Moller Group began during Q1 2022. Client facing FTEs grew 9.9% in Q1 2022.

The revenue growth in the UK was driven

by strong growth in the public segment that grew by 44.8% based on increased presence with customers like the NHS and the HMRC. In addition, a number of new public agencies was also added to the client list during Q1 2022. Revenue in the private segment grew by 5.8% caused by increased business activity with existing clients. The overall growth in the UK of 28.9% was generated on a base of 459 client facing FTEs, which was an increase of 12.2%. The revenue growth, not driven by the growth in FTEs, was a result of improved utilisation and better project profitability.

In the Netherlands, revenue grew at 30% in Q1 2022, however from a relatively low comparable base. The growth was driven by the public segment, which for all practical matters continues to be the only segment we serve in the Netherlands accounting for 97.9% of the local revenue. The constitution of the Government in the Netherlands late Q4 2021 led to initiation of tenders and projects under previously won framework agreement contracts.

**Gross profit margin was**

**31.4%**

In Netcompany-Intrasoft, revenue was DKK 398.5m compared to DKK 386.2m in Q1 2021 (proforma). Revenue in the public segment (EU Institutions included) increased 7.6% supported by continued wins of new engagements with the EU and the initiation of projects under the EU Resilience and Recover Facility (RRF) in Greece. Revenue in the private segment declined by 6.5% compared to proforma Q1 2021.

No revenue on new joint projects between Netcompany Core and Netcompany-Intrasoft was recognised in Netcompany-Intrasoft in Q1 2022. New joint projects were won during Q2, and revenue and profits will be recognised for the relative share in Netcompany Core and Netcompany-Intrasoft as of Q2 2022.

**CONTINUED BUSINESS SEGMENTS Q1**

Adjusted EBITDA margin in Denmark was 28.9% compared to 33% for the same period in 2021. The decrease was caused by a high comparison base for revenue and gross profit margin due to less vacation held in Q1 2021. In addition, administrative costs increased, as Q1 2022 for all practical purposes was a “normal” business quarter with business travel, staff events and employee education, which all led to a higher spend in costs compared to Q1 2021. Hence, administrative costs returned to a normal level post COVID-19.

In Norway, adjusted EBITDA margin was 0.9% compared to 19.2% in Q1 2022. The lower margin was – as in Denmark – impacted by the deferred vacation in Q1 2021 and increased administrative costs in Q1 2022. In addition, a couple of fixed fee projects had a dilutive impact on gross profit margin in Q1 2022, which also was the case in the latter part of 2021. These projects were won at the time when the Norwegian business had a significant number of resources on bench. These projects impacted revenue and gross profit negatively by around DKK 10m in Q1 2022,

and are expected to be completed and delivered by the end of Q2 2022.

**Adjusted EBITDA margin before allocated cost from HQ was**



In the UK, adjusted EBITDA increased by more than 122% increasing the adjusted EBITDA margin to 20.8% compared to 12.1% in Q1 2021. The UK business was to a lesser degree impacted by the deferral of vacation in Q1 2021 compared to Denmark and Norway. In addition, the increased utilisation and improved pricing on projects led to an increase in the gross profit margin of more than 10 percentage points, compared to Q1 2021, supporting the strong development in EBITDA margin.

Adjusted EBITDA margin in the Netherlands was 0.5% compared to a negative margin of 4.8% in Q1 2021. Q1 2021 was negatively impacted by an adjustment

to one specific fixed fee project, which in turn is coming to an end during 2022. This increased the average hourly rate in the Netherlands and, in addition, the utilisation improved too, which in combination increased the gross profit margin by 11.5 percentage points from 12.5% in Q1 2021 to 24% in Q1 2022.

Adjusted EBITDA margin in Netcompany-Intrasoft was 8.5% compared to 8.8% (proforma) in Q1 2021. The slightly lower margin was a result of how the current joint project with Netcompany Denmark was treated. In Q1 2021, revenue and margin related to the joint project was fully recognised in Netcompany-Intrasoft, whereas the profit was eliminated in Q1 2022 in Netcompany-Intrasoft and only shown in Netcompany Denmark. The project will be completed in Q2 2022 and all new joint projects will be shown in the respective entities with the relative revenue share and associated margins.

# Revenue visibility

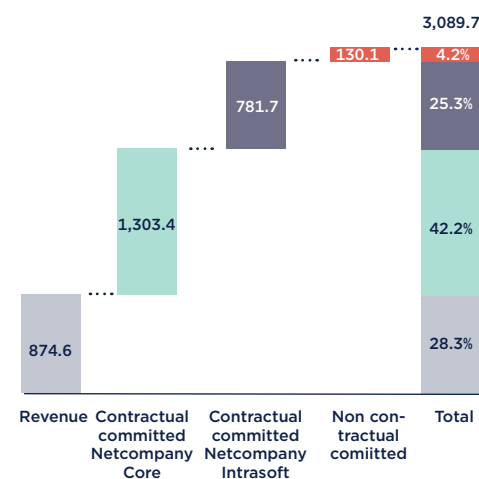
Netcompany measures revenue visibility on a 12-month rolling basis, based on two main input parameters, which are defined as total value of committed engagements (which is comprised of fixed price engagements and service agreements), and ongoing time and material engagements with a high likelihood of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

By the beginning of April 2022, revenue visibility for 2022 amounted to DKK 4,543.6m, of which contractual committed revenue amounted to DKK 2,924.5m and non-contractual committed engagements amounted to DKK 247.7m, while realised revenue in Q1 2022 amounted to DKK 1,371.5m.

Compared to Q1 2021, revenue visibility improved by 64.3% from DKK 2,765.4m for 2021 to DKK 4,543.6m for 2022. 13.9 percentage points of the improvement was organic, and 50.4 percentage points directly attributable to the acquisition of Intrasoft in October 2021.

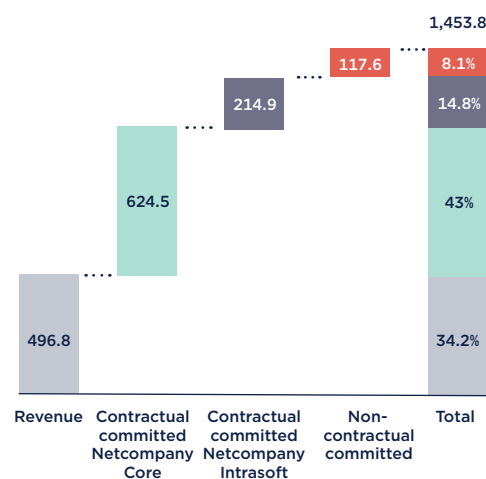
DKK million

## Public segment



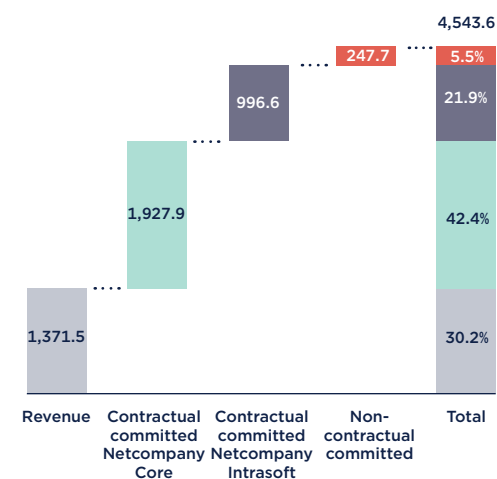
Revenue visibility in the public segment amounted to DKK 3,089.7m, of which contractual committed revenue amounted to DKK 2,085.1m and non-contractual committed engagements amounted to DKK 130.1m, while realised revenue in Q1 2022 amounted to DKK 874.6m.

## Private segment



Revenue visibility in the private segment amounted to DKK 1,453.8m, of which contractual committed revenue amounted to DKK 839.4m and non-contractual committed engagements amounted to DKK 117.6m, while realised revenue in Q1 2022 amounted to 496.8m.

## Total segment



By the beginning of April 2022, the total order backlog for Netcompany-Intrasoft amounted DKK 6,730.8m mainly within EU institutions. Of the total order backlog for Netcompany-Intrasoft DKK 996.6m is expected to be released in the last nine month of 2022.

# Employees

Netcompany employed an average of 6,513 FTEs in Q1 2022, which was an increase of 3,404 FTEs compared to Q1 2021 (3,109 FTEs). The increase in FTEs was mainly driven by the acquisition of Intrasoft in October 2021 and thereby the intake of more than 2,850 FTEs.

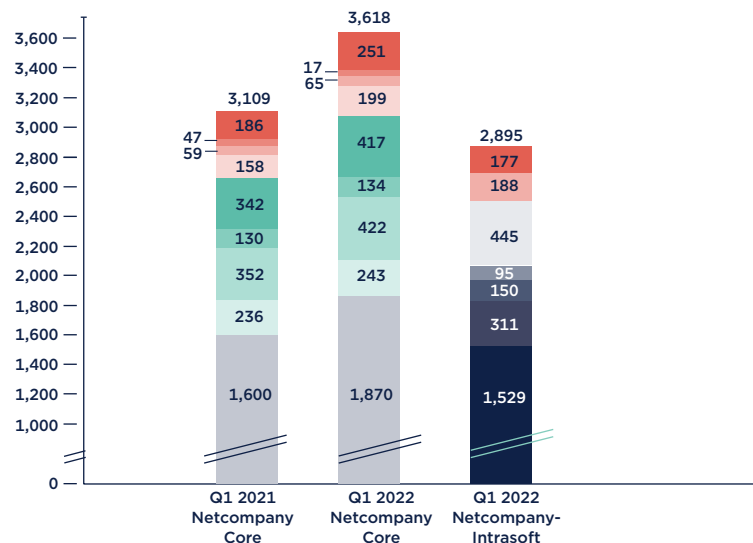
Out of the 2,850+ employees in Netcompany-Intrasoft, around 600 were either freelancers or Benelux contractors.

The number of client facing employees for the Group increased by 3,162 from 2,923 in Q1 2021 to 6,085 in Q1 2022, of which the acquisition of Intrasoft impacted by more than 2,700 client facing employees.

The level of non-client facing employees was 6.6% in Q1 2022 compared to 6% in Q1 2021. The increase in non-client facing employees was mainly driven by employees related to recruiting activities as a consequence of the increasing competitive labour market.

When comparing to Q1 2021, it is important to note that the churn in the first half of 2021 as a whole was significantly lower than normally, explained by increased attrition

Average FTEs increased to 6,513 during Q1 2022

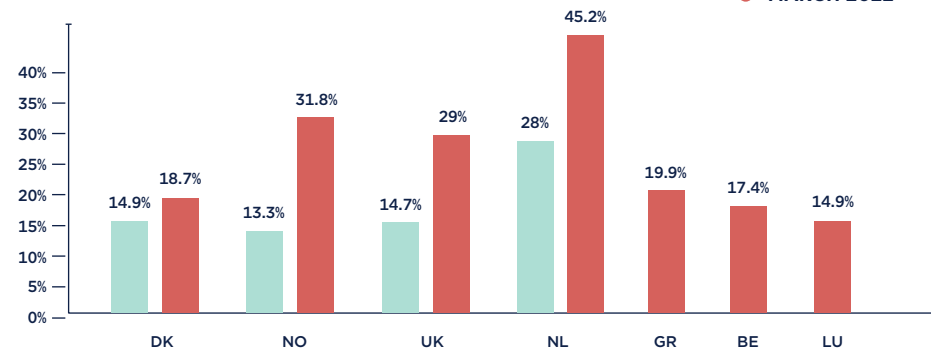


- ADMINISTRATION
- UK CONTRACTORS
- FREELANCERS
- BENELUX CONTRACTORS
- OTHER
- LUXEMBOURG
- BELGIUM
- GREECE
- VIETNAM
- UNITED KINGDOM
- NETHERLANDS
- POLAND
- NORWAY
- DENMARK

attrition rates in all countries due to a higher number of voluntary leavers in a tighter labour market post COVID-19.

The average attrition rate was 17.4% compared to 15.8% in the same period last year. The attrition rate for Netcompany Core the last twelve months was 24.4%, which was an increase of 8.6 percentage points compared to the same period last year. The attrition rate for Netcompany-Intrasoft was 19.5%, which was slightly higher than in Q4 2021.

Attrition rate LTM



# Cash flow and other significant financial positions

## Free cash flow and cash conversion rate

The Group generated a free cash flow of DKK 50.5m in Q1 2022 compared to DKK 100.6m in Q1 2021. Netcompany-Intrasoft impacted the free cash flow negatively by DKK 42.9m in Q1 2022, hence Netcompany Core generated a free cash flow of DKK 93.3m compared to DKK 100.6m.

Normalised for taxes paid on account<sup>1</sup>, the Group generated a free cash flow of DKK 126.8m in Q1 2022 compared to DKK 173.8m in Q1 2021. The decrease was driven by the development in working capital changes, and somewhat offset by a stronger operating result before depreciation and amortisation. The negative development in working capital changes was mainly driven by the development in Netcompany-Intrasoft, explained by an increase in work in progress, however slightly offset by a decrease in trade receivables, which both was purely caused by timing from different payment plans.

For Netcompany Core, the free cash flow

normalised for taxes paid on account was DKK 174m compared to DKK 173.8m in Q1 2021.

Cash conversion rate decreased from 48.7% in Q1 2021 to 32% in Q1 2022, mainly driven by the decrease in cash flow, but also impacted by the fair value adjustment in the purchase price of the acquired Netcompany Netherlands (QDelft B.V.) in Q1 2021. Normalised for the taxes paid on account and the fair value adjustment cash conversion rate decreased from 110.6% in Q1 2021 to 80.2% in Q1 2022.

## Trade receivables

At 31 March 2022, Group trade receivables excluding expected credit losses increased 109.6% from DKK 442.1m to DKK 926.4m. The increase was partly caused by the acquisition on Intrasoft, having trade receivable excluding expected credit losses of DKK 300m end of March 2022, which on a sequentially basis corresponded to a decrease of 15.1% compared to trade receivables in Netcompany-Intrasoft end of 2021.

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Total
Trade receivables, 31 March 2022	634.8	119.1	34.2	55.1	83.1	926.4
<i>Paid in the following month</i>	<i>316.5</i>	<i>79.1</i>	<i>19.8</i>	<i>8.9</i>	<i>10.2</i>	<i>434.6</i>
<i>% paid subsequently</i>	<i>49.9%</i>	<i>66.4%</i>	<i>58.0%</i>	<i>16.2%</i>	<i>12.3%</i>	<i>46.9%</i>

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Total
Trade receivables, 31 March 2021	370.2	49.2	4.6	2.1	16.0	442.1
<i>Paid in the following month</i>	<i>136.4</i>	<i>41.5</i>	<i>3.6</i>	<i>0.2</i>	<i>3.2</i>	<i>185.0</i>
<i>% paid subsequently</i>	<i>36.9%</i>	<i>84.4%</i>	<i>78.9%</i>	<i>8.9%</i>	<i>20.1%</i>	<i>41.8%</i>

In Netcompany Core, trade receivables excluding expected credit losses increased to DKK 626.4m, which was an increase of 41.7% compared to the same period last year. The increase was caused by work in progress being invoiced and the overdue part of trade receivables in Netcompany Core was on level with the period last year.

Days sales outstanding increased from 47 days in Q1 2021 to 60 days in Q1 2022. However, compared to Q4 2021, days sales outstanding improved from 73 days.

The overdue part of trade receivables increased from 16.3% by the end of Q1 2021 to 31.5% by the end of Q1 2022, caused by the inclusion of Netcompany-Intrasoft. Compared to Q4 2021, the overdue part of trade receivables decreased by 4.1 percentage points.

<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**

Trade receivables paid in the following month amounted to DKK 434.6m in, of which DKK 118.1m was overdue end of March.

**Work in progress**

At 31 March 2022, Netcompany's work in progress amounted to DKK 840.2m, of which contract work in progress amounted DKK 1,174m and prebilled invoices amounted DKK 333.8m.

Work in progress increased by 68.6% from DKK 498.4m in Q1 2021 to DKK 840.2m in Q1 2022, driven by the inclusion of work in progress from Netcompany-Intrasoft. Work in progress in Netcompany Core was reduced by 18.3%.

In the same period, revenue increased by 60.4% from DKK 855.2m in Q1 2021 to DKK 1,371.5m in Q1 2022.

As a total, trade receivables and work in progress in Netcompany Core increased by 10.1% from DKK 947m end of Q1 2021 to DKK 1,043.1m end of Q1 2022, compared to an increase in revenue by 13.8% in the same period.

**Funding and liquidity**

The combined committed facilities constitutes a total amount of DKK 2,759.6m and an additional facility of DKK 400m, available only for new acquisitions. DKK 2,239.6m of the committed lines were utilised on borrowings and DKK 236.7m on guarantees leaving a total of DKK 283.3m available in unutilised funding for normal operations if needed with no additional costs or covenants.

Netcompany is currently in the process of completing the scheduled refinancing of current debt to banks. The new funding agreement is expected to be signed by the end of May 2022 and will be at slightly better terms and improved margins than the current agreement

**Risk management**

Please refer to the overview of risk factors provided by the Group in the Annual Report for 2021.

**Capital structure**

As a consequence of the acquisition of Intrasoft, the debt ratio increased to 2.8x end of Q1 2022, which is fully compliant with current covenants.

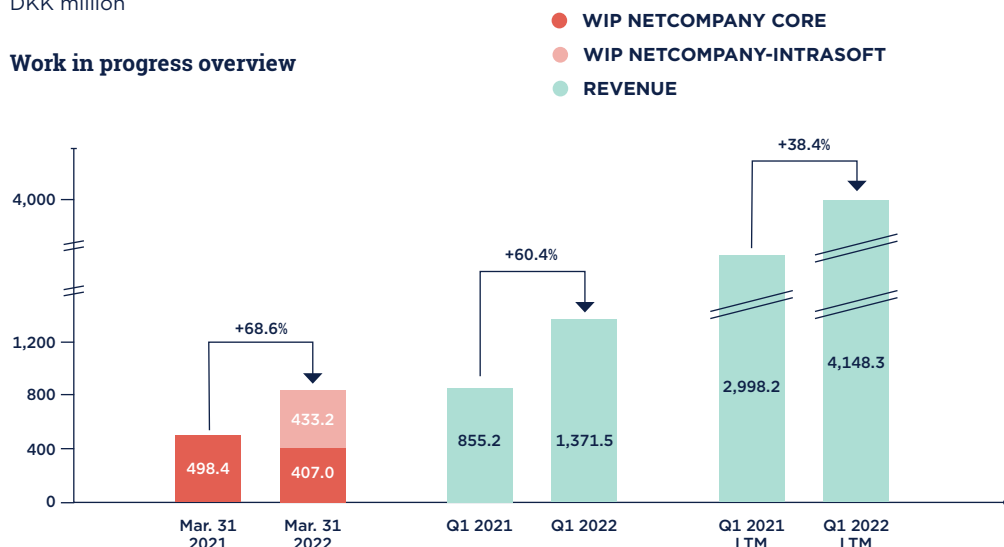
During Q1 2022, Netcompany executed a share buyback programme of DKK 50m, and another programme of DKK 50m will be executed during Q2 2022.

**Events after the balance sheet date**

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

DKK million

**Work in progress overview**



# Guidance 2022

<b>Financial metrics in constant currencies</b>	<b>Original Target 2022</b>	<b>Actual performance 2021</b>
Organic revenue growth in Netcompany Core	14-19%	17.0%
Group organic revenue growth	13-18%	17.0%
Non-organic revenue growth	35-38%	10.1%
Group revenue growth	48-56%	27.0%
Adjusted EBITA margin from Netcompany Core	>23%	23.1%
Adjusted EBITDA margin in Netcompany Core	>25%	25.5%
Adjusted EBITDA margin in Netcompany-Intrasoft	>9%	9.7%
Group adjusted EBITDA margin	>20%	24.2%

Revenue growth in both Netcompany Core and Netcompany-Intrasoft was as expected in Q1 2022 and supports the guidance for the full year.

Netcompany has no direct or indirect business activities in Ukraine, Belarus or Russia and we are not impacted in our business by the current geo-political situation in those countries.

Margins realised were also as expected and they are not expected to be further diluted from inflation and thus supports

the guidance for the full year. Business environments are more or less back to the situation pre-COVID-19 and generally vacation patterns of employees follow those of pre-COVID-19 too.

A number of risks to our guidance for 2022 was given in connection with our Annual Report for 2021. Those risks still exist and could impact our performance for the remaining part of 2022 even though they are currently unlikely to occur.



# Shareholder information

## Capital

Netcompany's share capital is DKK 50m divided into 50m shares. During Q1 2022, 111,050 treasury shares were purchased as part of a DKK 50.3m share buyback programme, while 211,674 treasury shares were transferred in relation to the share-based incentive scheme. Another 484 treasury shares were transferred in relation to the acquisition of Intrasoft. Netcompany holds 726,002 treasury shares equivalent to 1.5% of the share capital. The shares will be used to honour the Group's commitments under its RSU and LTIP programmes.

## Share-based incentive schemes/restricted stock units

In total, 238,098 RSUs were issued at 31 March 2022, of which 63,045 were granted to Executive Management and 175,053 were granted to other Key Management Personnel and other employees. The fair value of the RSUs at grant was DKK 108.4m. The cost related hereto is expensed over the vesting period. A total amount of DKK 8.4m was recognised as personnel costs in the income

statement in Q1 2022. In Q1 2022, the RSU programmes granted in 2018 were exercised, and 211,674 treasury shares (recognised at DKK 39.3m on equity) were transferred from reserves to management and other employees.

Additional information on the Remuneration to members of the Board of Directors and Executive Management Board is disclosed in the remuneration policy.

## Contingent purchase price / restricted stock units

In connection with the acquisition of 100% of the shares of QDelft B.V. (now Netcompany Netherlands) in 2019, a total of 305,067 RSUs have been granted, which will vest in February 2023. Further 285,262 RSUs will be granted and vest in February 2023 depending performance in the period 2020-2022.

## Share buyback

Netcompany will initiate a share buyback programme of DKK 50m to be executed during Q2 2022.

## Financial Calendar

### 5 May 2022

Interim report for the first 3 months of 2022

### 11 August 2022

Interim report for the first 6 months of 2022

### 3 November 2022

Interim report for the first 9 months of 2022

# 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 2022 to 31 March 2022. The Q1 2022 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 2021.

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

view of the Group’s assets, liabilities and financial position as at 31 March 2022 and of the results of the Group’s operations and cash flows for the period 1 January 2022 to 31 March 2022.

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, 5 MAY 2022

## Executive Management

**André Rogaczewski**  
CEO

**Claus Jørgensen**  
COO

**Thomas Johansen**  
CFO

## Board of Directors

**Bo Rygaard**  
Chairman of the Board

**Juha Christensen**  
Vice Chairman of the Board

**Susan Helen Cooklin**

**Scanes Bentley**

**Hege Skryseth**

**Åsa Riisberg**

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS



# Income statement and Statement of comprehensive income

DKK thousands	Note	Q1 2022	Q1 2021	Total 2021
<b>Income statement</b>				
Revenue	1	1,371,456	855,146	3,631,971
Cost of services	2	-954,169	-529,487	-2,298,687
<b>Gross profit</b>		<b>417,287</b>	<b>325,659</b>	<b>1,333,284</b>
Sales and marketing costs		-8,783	-6,114	-36,715
Administrative costs	3	-181,459	-103,215	-503,399
Special items	4	-5	0	-37,729
Other operating income		191	0	-184
<b>EBITA</b>		<b>227,231</b>	<b>216,330</b>	<b>755,256</b>
Amortisation		-32,643	-9,153	-51,424
<b>Operating profit (EBIT)</b>		<b>194,588</b>	<b>207,177</b>	<b>703,833</b>
Financial income	5	4,873	1,907	10,259
Financial expenses	5	-17,247	-8,543	-43,648
Fair value adj. of contingent consideration		0	49,485	78,906
Income / loss, investment in joint venture		-4,128	-6,027	-21,732
Income / loss, investment in associates		63	0	0
<b>Profit / loss before tax</b>		<b>178,150</b>	<b>243,999</b>	<b>727,618</b>
Tax on the profit for the period		-45,488	-44,453	-153,316
<b>Net profit / loss for the period</b>		<b>132,662</b>	<b>199,545</b>	<b>574,302</b>
<i>Of which</i>				
Non-controlling interest		-740	0	-1,840
Netcompany Group A/S' share		133,403	199,545	576,142

DKK thousands	Note	Q1 2022	Q1 2021	Total 2021
<b>Earnings per share</b>				
Earnings per share (DKK)	6	2.71	4.06	11.74
Diluted Earnings per share (DKK)	6	2.68	4.02	11.60
<b>Statement of comprehensive income</b>				
<b>Net profit / loss for the period</b>		<b>132,662</b>	<b>199,545</b>	<b>574,302</b>
<b>Other comprehensive income items that may be reclassified subsequently to profit or loss:</b>				
Exchange rate adjustments on translating foreign subsidiaries		1,055	8,289	10,792
<b>Other comprehensive income items that may not be reclassified to profit or loss:</b>				
Actuarial profit / loss on defined benefit plans		-38	0	0
<b>Other comprehensive income, net of tax</b>		<b>1,017</b>	<b>8,289</b>	<b>10,792</b>
<i>Of which</i>				
Non-controlling interest		128	0	415
Netcompany Group A/S' share		889	8,289	10,378
<b>Total comprehensive income</b>		<b>133,680</b>	<b>207,834</b>	<b>585,095</b>
<i>Of which</i>				
Non-controlling interest		-612	0	-1,425
Netcompany Group A/S' share		134,292	207,834	586,520

# Statement of financial position

DKK thousands	Note	31 March 2022	31 March 2021	31 December 2021
<b>Assets</b>				
Intangible assets		3,880,770	2,441,981	3,896,198
Tangible assets		318,979	141,683	316,895
Investment in joint venture		99,105	63,938	103,233
Investment in associates		7,275	0	7,211
Other securities and investments		1,386	0	2,102
Other receivables		31,942	18,964	26,225
Deferred tax assets		17,009	10,607	17,391
<b>Total non-current assets</b>		<b>4,356,465</b>	<b>2,677,173</b>	<b>4,369,255</b>
Trade receivables	7	906,714	436,240	1,031,880
Receivables from joint venture		10,827	12,317	7,311
Receivables from associates		16,372	0	16,369
Contract work in progress	8	1,173,969	529,971	1,019,974
Other receivables		48,723	25,830	39,557
Prepayments		126,032	47,441	74,900
Tax receivables		71,064	30,661	0
<b>Total receivables</b>		<b>2,353,700</b>	<b>1,082,459</b>	<b>2,189,992</b>
Cash		322,657	314,834	458,779
<b>Total current assets</b>		<b>2,676,357</b>	<b>1,397,294</b>	<b>2,645,648</b>
Assets held for sale		0	0	3,123
<b>Total assets</b>		<b>7,032,822</b>	<b>4,074,467</b>	<b>7,021,150</b>

DKK thousands	Note	31 March 2022	31 March 2021	31 December 2021
<b>Equity and liabilities</b>				
Share capital		50,000	50,000	50,000
Treasury shares		-252,276	-175,000	-241,409
Other reserves		-38	0	0
Retained earnings		3,326,157	2,720,869	3,222,530
<b>Equity attributable to Group</b>		<b>3,123,844</b>	<b>2,595,870</b>	<b>3,031,121</b>
Non-controlling interest		6,184	0	6,796
<b>Total equity</b>		<b>3,130,028</b>	<b>2,595,870</b>	<b>3,037,918</b>
Borrowings	9	2,176,567	761,034	2,275,788
Leasing liabilities		180,128	54,313	147,979
Pension obligations		17,231	0	18,198
Other payables	10	1,138	122,819	94,498
Deferred tax liability		132,415	67,816	134,255
<b>Total non-current liabilities</b>		<b>2,507,478</b>	<b>1,005,982</b>	<b>2,670,719</b>
Borrowings		59,565	0	74,497
Leasing liabilities		79,324	34,492	98,645
Prebilled invoices	8	333,772	31,568	350,880
Pension obligations		196,876	56,158	328,496
Trade payables		1,664	0	0
Other payables	10	715,638	350,397	446,006
Provisions	11	8,477	0	8,839
Income tax payable		0	0	5,150
<b>Total current liabilities</b>		<b>1,395,316</b>	<b>472,616</b>	<b>1,312,514</b>
Liabilities held for sale		0	0	0
<b>Total liabilities</b>		<b>3,902,794</b>	<b>1,478,598</b>	<b>3,983,233</b>
<b>Total equity and liabilities</b>		<b>7,032,822</b>	<b>4,074,467</b>	<b>7,021,150</b>

# Cash Flow statement

DKK thousands	Q1 2022	Q1 2021	Total 2021
Operating profit (EBIT)	194,588	207,177	703,833
Depreciation and amortisation	65,219	27,641	139,201
Non-cash items	9,669	17,289	43,685
Working capital changes	-64,765	-4,057	-189,249
<b>Total</b>	<b>204,711</b>	<b>248,051</b>	<b>697,470</b>
Income taxes paid	-123,008	-117,567	-197,489
Financial income received	2,788	540	2,914
Financial expenses paid	-14,905	-12,250	-37,298
<b>Cash flow from operating activities</b>	<b>69,587</b>	<b>118,774</b>	<b>465,597</b>
Net cash outflow on acquisition of subsidiaries	0	-89,405	-1,270,938
Cash and cash equivalents acquired	0	0	132,415
Other investments	4,185	0	-55,000
Acquisition of intangible assets	-16,947	0	-11,304
Acquisition of fixed assets	-2,116	-18,210	-46,246
Disposals of fixed assets	0	0	2,321
Other receivables (deposits)	-5,756	-406	-5,731
<b>Cash flow from investment activities</b>	<b>-20,633</b>	<b>-108,021</b>	<b>-1,254,484</b>
Dividends paid	0	-49,100	-49,100
Payment of treasury shares	-50,291	0	-99,993
Proceeds from borrowings	-14,952	0	1,700,545
Repayment of borrowings	-100,000	0	-612,076
Repayment of right of use assets	-20,782	-11,281	-56,988
<b>Cash flow from financing activities</b>	<b>-186,026</b>	<b>-60,382</b>	<b>882,388</b>
<b>Net increase in cash and cash equivalents</b>	<b>-137,073</b>	<b>-49,629</b>	<b>93,501</b>
<b>Cash and cash equivalents at the beginning</b>	<b>458,779</b>	<b>358,996</b>	<b>358,996</b>
Effect of exchange rate changes on the balance cash held in foreign currencies	950	5,467	6,281
<b>Cash and cash equivalents at the end</b>	<b>322,657</b>	<b>314,834</b>	<b>458,779</b>

# Statement of changes in Equity

DKK thousands	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 January 2022</b>	<b>50,000</b>	<b>-241,409</b>	<b>70,177</b>	<b>6,584</b>	<b>0</b>	<b>3,145,768</b>	<b>3,031,121</b>	<b>6,796</b>	<b>3,037,918</b>
Profit for the period	0	0	0	0	0	133,403	133,403	-740	132,662
Other comprehensive income	0	0	0	927	-38	0	889	128	1,017
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>927</b>	<b>-38</b>	<b>133,403</b>	<b>134,292</b>	<b>-612</b>	<b>133,680</b>
Treasury Shares for the period	0	-50,186	0	0	0	238	-49,948	0	-49,948
Share-based remuneration for the period	0	39,319	-32,266	0	0	1,326	8,379	0	8,379
<b>Total transactions with owners</b>	<b>0</b>	<b>-10,867</b>	<b>-32,266</b>	<b>0</b>	<b>0</b>	<b>1,564</b>	<b>-41,569</b>	<b>0</b>	<b>-41,569</b>
<b>Equity at 31 March 2022</b>	<b>50,000</b>	<b>-252,276</b>	<b>37,911</b>	<b>7,511</b>	<b>-38</b>	<b>3,280,735</b>	<b>3,123,844</b>	<b>6,184</b>	<b>3,130,028</b>

DKK thousands	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 January 2021</b>	<b>50,000</b>	<b>-175,000</b>	<b>42,478</b>	<b>-3,793</b>	<b>0</b>	<b>2,514,936</b>	<b>2,428,621</b>	<b>0</b>	<b>2,428,621</b>
Profit for the period	0	0	0	0	0	199,545	199,545	0	199,545
Other comprehensive income	0	0	0	8,289	0	0	8,289	0	8,289
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,289</b>	<b>0</b>	<b>199,545</b>	<b>207,834</b>	<b>0</b>	<b>207,834</b>
Share-based remuneration for the period	0	0	8,515	0	0	0	8,515	0	8,515
Dividend paid	0	0	0	0	0	-49,100	-49,100	0	-49,100
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>8,515</b>	<b>0</b>	<b>0</b>	<b>-49,100</b>	<b>-40,585</b>	<b>0</b>	<b>-40,585</b>
<b>Equity at 31 March 2021</b>	<b>50,000</b>	<b>-175,000</b>	<b>50,993</b>	<b>4,496</b>	<b>0</b>	<b>2,665,381</b>	<b>2,595,870</b>	<b>0</b>	<b>2,595,870</b>

**CONTINUED STATEMENT OF CHANGES IN EQUITY**

DKK thousands	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 January 2021</b>	<b>50,000</b>	<b>-175,000</b>	<b>42,478</b>	<b>-3,793</b>	<b>0</b>	<b>2,514,936</b>	<b>2,428,621</b>	<b>0</b>	<b>2,428,621</b>
Profit for the period	0	0	0	0	0	576,142	576,142	0	576,142
Other comprehensive income	0	0	0	10,378	0	0	10,378	415	10,792
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,378</b>	<b>0</b>	<b>576,142</b>	<b>586,520</b>	<b>415</b>	<b>586,934</b>
Treasury Shares for the period	0	-70,902	0	0	0	103,791	32,889	0	32,889
Share-based remuneration for the period	0	4,493	27,699	0	0	0	32,192	0	32,192
Dividend paid	0	0	0	0	0	-49,100	-49,100	0	-49,100
Addition of non-controlling interest	0	0	0	0	0	0	0	6,382	6,382
<b>Total transactions with owners</b>	<b>0</b>	<b>-66,409</b>	<b>27,699</b>	<b>0</b>	<b>0</b>	<b>54,691</b>	<b>15,981</b>	<b>6,382</b>	<b>22,362</b>
<b>Equity at 31 December 2021</b>	<b>50,000</b>	<b>-241,409</b>	<b>70,177</b>	<b>6,584</b>	<b>0</b>	<b>3,145,768</b>	<b>3,031,121</b>	<b>6,796</b>	<b>3,037,918</b>



NOTE 1

## Segment information

### Public Q1

	Group			Denmark		Norway		UK		Netherlands		Intrasoft	
DKK million	Q1 2022	Q1 2021	% change	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Revenue	874.6	502.3	74.1%	411.3	379.5	48.1	39.3	94.1	62.3	27.5	21.2	293.6	0.0
Cost of service	-641.3	-336.4	90.7%	-270.9	-236.8	-39.3	-30.6	-66.5	-50.3	-20.8	-18.6	-243.8	0.0
<b>Gross profit</b>	<b>233.3</b>	<b>166.0</b>	<b>40.6%</b>	<b>140.5</b>	<b>142.7</b>	<b>8.8</b>	<b>8.7</b>	<b>27.6</b>	<b>12.0</b>	<b>6.7</b>	<b>2.6</b>	<b>49.8</b>	<b>0.0</b>
<i>Gross profit margin</i>	26.7%	33.0%	-6.4pp	34.1%	37.6%	18.3%	22.1%	29.3%	19.3%	24.4%	12.3%	17.0%	N/A
Allocated costs	-116.9	-64.6	80.8%	-56.3	-48.7	-9.0	-4.7	-11.5	-6.4	-7.7	-4.9	-32.3	0.0
<b>Adjusted EBITA before HQ costs</b>	<b>116.4</b>	<b>101.3</b>	<b>14.9%</b>	<b>84.1</b>	<b>94.0</b>	<b>-0.2</b>	<b>4.0</b>	<b>16.1</b>	<b>5.6</b>	<b>-1.0</b>	<b>-2.3</b>	<b>17.4</b>	<b>0.0</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	13.3%	20.2%	-6.9pp	20.5%	24.8%	-0.4%	10.3%	17.1%	9.0%	-3.6%	-11.1%	5.9%	N/A
Allocated costs from HQ	-8.9	-4.5	99.0%	-6.1	-3.1	-0.8	-0.4	-1.5	-0.6	-0.5	-0.3	0.0	0.0
Special items	0.0	0.0	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.0	0.0	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>107.6</b>	<b>96.9</b>	<b>11.0%</b>	<b>78.0</b>	<b>90.9</b>	<b>-1.0</b>	<b>3.7</b>	<b>14.6</b>	<b>5.0</b>	<b>-1.5</b>	<b>-2.7</b>	<b>17.4</b>	<b>0.0</b>
<i>EBITA margin</i>	12.3%	19.3%	-7.0pp	19.0%	23.9%	-2.1%	9.3%	15.5%	8.0%	-5.6%	-12.6%	5.9%	N/A
Amortisation	-21.2	-5.8	268.7%	-11.5	-4.1	-1.5	-0.5	-2.7	-0.8	-1.0	-0.4	-4.4	0.0
<b>Operating profit</b>	<b>86.3</b>	<b>91.1</b>	<b>-5.2%</b>	<b>66.5</b>	<b>86.8</b>	<b>-2.5</b>	<b>3.2</b>	<b>11.9</b>	<b>4.2</b>	<b>-2.6</b>	<b>-3.1</b>	<b>13.0</b>	<b>0.0</b>
<i>Operating profit margin</i>	9.9%	18.1%	-8.3pp	16.2%	22.9%	-5.2%	8.1%	12.6%	6.7%	-9.3%	-14.5%	4.4%	N/A

## CONTINUED Segment information

### Private Q1

	Group			Denmark		Norway		UK		Netherlands		Intrasoft	
DKK million	Q1 2022	Q1 2021	% change	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Revenue	496.8	352.8	40.8%	314.0	276.2	30.0	33.5	47.3	42.7	0.6	0.4	105.0	0.0
Cost of service	-312.9	-193.1	62.0%	-168.2	-138.6	-25.4	-20.9	-32.0	-33.3	-0.6	-0.3	-86.7	0.0
<b>Gross profit</b>	<b>183.9</b>	<b>159.7</b>	<b>15.2%</b>	<b>145.8</b>	<b>137.6</b>	<b>4.6</b>	<b>12.6</b>	<b>15.3</b>	<b>9.4</b>	<b>0.0</b>	<b>0.1</b>	<b>18.2</b>	<b>0.0</b>
<i>Gross profit margin</i>	37.0%	45.3%	-8.2pp	46.4%	49.8%	15.3%	37.6%	32.3%	22.0%	5.2%	22.2%	17.4%	N/A
Allocated costs	-59.3	-37.6	57.7%	-38.1	-29.6	-5.1	-3.4	-4.9	-4.5	-0.2	-0.1	-11.0	0.0
<b>Adjusted EBITA before HQ costs</b>	<b>124.7</b>	<b>122.1</b>	<b>2.1%</b>	<b>107.7</b>	<b>108.0</b>	<b>-0.5</b>	<b>9.2</b>	<b>10.4</b>	<b>4.9</b>	<b>-0.2</b>	<b>0.0</b>	<b>7.3</b>	<b>0.0</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	25.1%	34.6%	-9.5pp	34.3%	39.1%	-1.8%	27.6%	21.9%	11.4%	-25.6%	1.9%	6.9%	N/A
Allocated costs from HQ	-5.2	-2.6	97.4%	-4.1	-1.9	-0.5	-0.3	-0.6	-0.5	-0.0	-0.0	0.0	0.0
Special items	0.0	0.0	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.2	0.0	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0
<b>EBITA</b>	<b>119.7</b>	<b>119.5</b>	<b>0.2%</b>	<b>103.6</b>	<b>106.1</b>	<b>-1.0</b>	<b>9.0</b>	<b>9.7</b>	<b>4.4</b>	<b>-0.2</b>	<b>0.0</b>	<b>7.5</b>	<b>0.0</b>
<i>EBITA margin</i>	24.1%	33.9%	-9.8pp	33.0%	38.4%	-3.3%	26.8%	20.6%	10.3%	-27.8%	0.8%	7.1%	N/A
Amortisation	-11.4	-3.4	236.2%	-7.7	-2.5	-0.9	-0.3	-1.2	-0.6	-0.0	-0.0	-1.6	0.0
<b>Operating profit</b>	<b>108.2</b>	<b>116.1</b>	<b>-6.7%</b>	<b>95.9</b>	<b>103.6</b>	<b>-1.8</b>	<b>8.6</b>	<b>8.5</b>	<b>3.8</b>	<b>-0.2</b>	<b>-0.0</b>	<b>5.9</b>	<b>0.0</b>
<i>Operating profit margin</i>	21.8%	32.9%	-11.1pp	30.5%	37.5%	-6.1%	25.8%	18.0%	9.0%	-32.1%	-0.8%	5.6%	N/A

## CONTAINED Segment information

### Segment information related to geographical areas

DKK thousands	Q1 2022									
	Denmark	Norway	UK	Netherlands	Belgium	Luxembourg	Greece	Spain	Other	Total
Revenue from external customers	731,455	78,450	143,160	28,742	201,565	4,250	126,628	20,491	36,714	1,371,456

DKK thousands	Q1 2021									
	Denmark	Norway	UK	Netherlands	Belgium	Luxembourg	Greece	Spain	Other	Total
Revenue from external customers	655,694	72,798	105,025	21,628	0	0	0	0	0	855,146

DKK thousands	Total 2021									
	Denmark	Norway	UK	Netherlands	Belgium	Luxembourg	Greece	Spain	Other	Total
Revenue from external customers	2,591,948	267,740	409,572	82,447	109,944	7,039	118,032	21,297	23,951	3,631,971

## NOTE 2 Cost of services

DKK thousands	Q1 2022	Q1 2021	Total 2021
Cost of services	-220,796	-64,082	-380,909
Salaries	-726,340	-459,428	-1,888,564
Depreciation	-7,033	-5,976	-29,214
<b>Cost of services total</b>	<b>-954,169</b>	<b>-529,487</b>	<b>-2,298,687</b>

## NOTE 3 Administrative costs

DKK thousands	Q1 2022	Q1 2021	Total 2021
Administrative costs	-81,947	-44,129	-237,845
Salaries	-73,969	-46,574	-206,990
Depreciation	-25,543	-12,512	-58,564
<b>Administrative costs total</b>	<b>-181,459</b>	<b>-103,215</b>	<b>-503,399</b>

## NOTE 4 Special items

DKK thousands	Q1 2022	Q1 2021	Total 2021
Costs related to M&A	-5	0	-37,729
<b>Total special items</b>	<b>-5</b>	<b>0</b>	<b>-37,729</b>

NOTE 5

## Financial income and expenses

DKK thousands	Q1 2022	Q1 2021	Total 2021
<b>Financial Income</b>			
Exchange rate adjustments	3,399	1,890	10,039
Other financial income	1,475	18	220
<b>Financial income total</b>	<b>4,873</b>	<b>1,907</b>	<b>10,259</b>
<b>Financial expenses</b>			
Interest expense, bank loan	-6,601	-2,590	-14,510
Interest expense, leasing	-1,445	-813	-4,103
Exchange rate adjustments	-5,188	-1,410	-12,906
Other financial expenses	-4,013	-3,730	-12,130
<b>Financial expenses total</b>	<b>-17,247</b>	<b>-8,543</b>	<b>-43,648</b>

NOTE 6

## Earnings per share

DKK thousands	Q1 2022	Q1 2021	Total 2021
<b>Earnings per share - EPS (DKK)</b>	<b>2.71</b>	<b>4.06</b>	<b>11.74</b>
<b>Diluted earnings per share - EPS-D (DKK)</b>	<b>2.68</b>	<b>4.02</b>	<b>11.60</b>
Profit	133,403	199,545	576,142
Average number of shares	50,000	50,000	50,000
Average number of treasury shares	752	900	906
Average number of shares in circulation	49,248	49,100	49,094
Average number of outstanding restricted stock units	480	576	582
Average number of diluted shares in circulation	49,728	49,676	49,676

The earnings per share in Q1 2021 and 2021 was affected by the fair value adjustments of the contingent consideration and would have been 3.06 in Q1 2021 and 10.13 in 2021, if normalised for fair value adjustments.

NOTE 7

## Trade receivables

DKK thousands	31 March 2022	31 March 2021	31 December 2021
Not overdue	634,837	370,161	675,255
0-30 days overdue	119,140	49,176	217,253
31-60 days overdue	34,230	4,612	73,940
61-90 days overdue	55,095	2,087	27,954
Over 90 days overdue	83,146	16,035	54,398
<b>Total trade receivables excl. expected credit loss</b>	<b>926,448</b>	<b>442,071</b>	<b>1,048,800</b>
Expected credit loss	-19,734	-5,831	-16,920
<b>Total trade receivables</b>	<b>906,714</b>	<b>436,240</b>	<b>1,031,880</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 March 2022, the Group recognised a provision for expected credit losses of DKK 19.7m (31 March 2021: DKK 5.8m), and no credit losses have incurred during Q1 2022.

The credit quality of trade receivables at 31 March 2022, is considered satisfactory.

NOTE 8

## Contract work in progress

DKK thousands	31 March 2022	31 March 2021	31 December 2021
Selling price of work performed on fixed price projects	3,925,718	1,212,977	2,594,288
Invoiced amount on fixed price projects	-3,085,521	-714,575	-1,925,194
<b>Total contract work in progress</b>	<b>840,198</b>	<b>498,403</b>	<b>669,094</b>

*Net value - stated on a contract-per-contract basis - is presented in the statement of financial position as follows:*

Contract work in progress	1,173,969	529,971	1,019,974
Prebilled invoices	-333,772	-31,568	-350,880
<b>Total contract work in progress</b>	<b>840,198</b>	<b>498,403</b>	<b>669,094</b>

## NOTE 9 Borrowings

DKK thousands	Currency	Maturity	Fixed or floating interest	Loan cost	Nominal value	Carrying amount
Bank loan	DKK	2023	Floating	2,233	980,000	977,767
Bank loan	DKK	2023	Floating	1,200	1,200,000	1,198,800
Bank loan	EUR	2022	Fixed	0	37,190	37,190
Bank loan	USD	2022	Fixed	0	14,419	14,419
Bank loan	JOD	2022	Fixed	0	7,956	7,956
<b>31 March 2022</b>				<b>3,433</b>	<b>2,239,565</b>	<b>2,236,132</b>

DKK thousands	Currency	Maturity	Fixed or floating interest	Loan cost	Nominal value	Carrying amount
Bank loan	DKK	2023	Floating	4,147	765,182	761,034
<b>31 March 2021</b>				<b>4,147</b>	<b>765,182</b>	<b>761,034</b>

Bank loan	DKK	2023	Floating	2,712	1,080,000	1,077,288
Bank loan	DKK	2023	Floating	1,500	1,200,000	1,198,500
Bank loan	EUR	2023	Floating	0	49,766	49,766
Bank loan	EUR	2023	Floating	0	15,968	15,968
<b>31 December 2021</b>				<b>4,212</b>	<b>2,345,734</b>	<b>2,341,522</b>

## NOTE 10 **Other payables**

DKK thousands	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>31 December 2021</b>
Wages and salaries, payroll taxes, social security costs, etc. payable	145,787	33,132	166,026
Holiday pay obligation	160,587	208,886	92,197
VAT and duties	106,439	74,835	105,759
Contingent purchase price & earn out	93,398	122,819	93,398
Holdback	60,816	0	60,816
Other costs payable	149,749	33,544	22,308
<b>Total other payables</b>	<b>716,776</b>	<b>473,216</b>	<b>540,504</b>

For further details on contingent purchase price and earn out, please refer Annual Report 2021 note 29.

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

## NOTE 11 **Provision**

DKK thousands	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>Total 2021</b>
<b>Other provisions beginning of period</b>	<b>8,839</b>	<b>0</b>	<b>0</b>
Additions, acquisition of subsidiaries	0	0	12,131
Decrease in the period	2,154	0	-3,291
Provisions for the period	-2,516	0	0
<b>Other provisions end of period</b>	<b>8,477</b>	<b>0</b>	<b>8,839</b>



## NOTE 12 **Income Statement classified by function**

DKK thousands	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>Total 2021</b>
<b>Income statement</b>			
Revenue	1,371,456	855,146	3,631,971
Cost of services, incl. depreciation and amortisation	-954,169	-529,487	-2,298,687
<b>Gross profit</b>	<b>417,287</b>	<b>325,659</b>	<b>1,333,284</b>
Sales and marketing costs	-8,783	-6,114	-36,715
Administrative costs, incl. depreciation, amortisation and special items	-214,106	-112,368	-592,552
Other operating income	191	0	-184
<b>Operating profit (EBIT)</b>	<b>194,588</b>	<b>207,177</b>	<b>703,833</b>
Financial income	4,873	1,907	10,259
Financial expenses	-17,247	-8,543	-43,648
Fair value adjustment of contingent consideration	0	49,485	78,906
Income / loss from investment in joint venture	-4,128	-6,027	-21,732
Income / loss from investment in associates	63	0	0
<b>Profit / loss before tax</b>	<b>178,150</b>	<b>243,999</b>	<b>727,618</b>
Tax on the profit for the period	-45,488	-44,453	-153,316
<b>Net profit / loss for the period</b>	<b>132,662</b>	<b>199,545</b>	<b>574,302</b>

### Depreciation and Amortisation have been presented as follows in the income statement:

Cost of services	-7,033	-5,976	-29,214
Administrative costs	-58,186	-21,665	-109,987
<b>Depreciation and amortisation</b>	<b>-65,219</b>	<b>-27,641</b>	<b>-139,201</b>

NOTE 13

## Collateral provided and contingent liabilities

As part of its contract commitments with customers, the Group has through its banks provided performance guarantees of DKK 496.4m (DKK 96.3m).

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

NOTE 14

## Related party transactions

In Q1 2022, Netcompany recognised revenue from Smarter Airports A/S of DKK 23.3m.

NOTE 15

## Accounting policies

The annual consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The interim consolidated financial statements included in this Q1 2022 financial report has been prepared in accordance with IAS 34 "Interim Finan-

cial 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 2021 for Netcompany Group A/S.

## NOTE 16 Financial figures and highlights Q vs. Q

DKK million	Q1 2022	Q1 2021	% change	Total 2021
<b>Income statement</b>				
Public revenue	874.6	502.3	74.1%	2,210.4
Private revenue	496.8	352.8	40.8%	1,421.6
<i>Revenue by segments, total</i>	1371.5	855.1	60.4%	3,632.0
Development revenue	654.8	517.5	26.5%	2,302.4
Maintenance revenue	713.9	337.7	111.4%	1,328.0
License revenue	2.7	0.0	0.0%	1.5
<i>Revenue by types, total</i>	1371.5	855.1	60.4%	3,632.0
Organic revenue	972.9	855.1	13.8%	3,346.4
Non-organic revenue	398.5	0.0	N/A	285.6
<i>Revenue by growth, total</i>	1371.5	855.1	60.4%	3,632.0
Special items	-0.0	0.0	N/A	-37.7
Adjusted EBITDA	259.4	234.8	10.5%	881.1
EBITDA	259.6	234.8	10.6%	843.2
Adjusted EBITA	227.0	216.3	5.0%	793.2
EBITA	227.2	216.3	5.0%	755.3
Operating profit (EBIT)	194.6	207.2	-6.1%	703.8
Net financials	-12.4	-6.6	86.5%	-33.4
Net profit / loss	132.7	199.5	-33.5%	574.3
<b>Financial position</b>				
Capex	-19.1	-18.2	4.7%	-57.6
Total assets	7,032.8	4,074.5	72.6%	7,021.1
Equity	3,130.0	2,595.9	20.6%	3,037.9
Dividends Paid	0.0	49.1	-100.0%	49.1
Net increase in cash and cash equivalents	-137.1	-49.6	176.2%	93.5
Free cash flow	50.5	100.6	-49.8%	408.0
Free cash flow (tax normalised)	126.8	173.8	-27.1%	422.4

**CONTINUED FINANCIAL HIGHLIGHTS AND KEY FIGURES Q VS. Q**

DKK million	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>% change</b>	<b>Total 2021</b>
<b>Earnings per share</b>				
Earnings per share (DKK)	2.71	4.06	-33.3%	11.74
Diluted earnings per share (DKK)	2.68	4.02	-33.2%	11.60
<b>Employees</b>				
Average number of full-time employees	6,513	3,109	109.5%	3,787
<b>Financial ratios</b>				
Revenue growth	60.4%	22.9%	37.4pp	27.9%
Gross profit margin	30.4%	38.1%	-7.7pp	36.7%
Adjusted EBITDA margin	18.9%	27.5%	-8.5pp	24.3%
EBITDA margin	18.9%	27.5%	-8.5pp	23.2%
Adjusted EBITA margin	16.6%	25.3%	-8.7pp	21.8%
EBITA margin	16.6%	25.3%	-8.7pp	20.8%
Operating profit margin	14.2%	24.2%	-10.0pp	19.4%
Effective tax rate	25.5%	18.2%	7.3pp	21.1%
Return on equity	4.6%	8.4%	-3.7pp	21.0%
Solvency ratio	44.5%	63.7%	-19.2pp	43.3%
ROIC	3.3%	6.7%	-3.4pp	14.8%
ROIC (Adjusted for Goodwill)	10.8%	27.8%	-17.0pp	54.1%
Cash conversion ratio	32.0%	48.7%	-16.7pp	66.4%
Cash conversion ratio (tax normalised)	80.2%	84.1%	-3.9pp	68.8%

## NOTE 16 Financial figures and highlights Qs

DKK million	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
<b>Income statement</b>								
Public revenue	874.6	758.5	461.6	488.0	502.3	465.9	436.3	442.2
Private revenue	496.8	393.6	336.4	338.7	352.8	306.9	258.4	233.4
<i>Revenue by segments, total</i>	1,371.5	1,152.1	798.0	826.7	855.1	772.7	694.7	675.5
Development revenue	654.8	783.3	488.4	513.2	517.5	433.7	380.1	347.4
Maintenance revenue	713.9	367.3	309.6	313.5	337.7	339.1	314.6	328.1
License revenue	2.7	1.5						
<i>Revenue by types, total</i>	1,371.5	1,152.1	798.0	826.7	855.1	772.7	694.7	675.5
Organic revenue	972.9	866.5	798.0	826.7	855.1	772.7	694.7	667.1
Non-organic revenue	398.5	285.6	0.0	0.0	0.0	0.0	0.0	8.5
<i>Revenue by growth, total</i>	1,371.5	1,152.1	798.0	826.7	855.1	772.7	694.7	675.5
Special items	-0.0	-7.7	-30.0	0.0	0.0	0.0	0.0	0.0
Adjusted EBITDA	259.4	238.6	221.1	186.6	234.8	240.1	212.0	177.5
EBITDA	259.6	230.7	191.1	186.6	234.8	240.1	212.0	177.5
Adjusted EBITA	227.0	210.3	199.9	166.7	216.3	223.5	195.5	161.3
EBITA	227.2	202.4	169.9	166.7	216.3	223.5	195.5	161.3
Operating profit (EBIT)	194.6	178.1	160.9	157.7	207.2	200.0	170.2	136.0
Net financials	-12.4	-13.9	-6.2	-6.7	-6.6	-5.4	-6.2	-16.2
Net profit / loss	132.7	153.8	108.6	112.4	199.5	5.0	128.1	96.0
<b>Financial position</b>								
Capex	-19.1	-27.2	-7.1	-5.0	-18.2	-3.7	-5.3	-3.3
Total assets	7,032.8	7,021.1	4,127.7	4,090.0	4,074.5	4,039.4	3,875.9	3,916.8
Equity	3,130.0	3,037.9	2,781.8	2,666.4	2,595.9	2,428.6	2,413.8	2,281.1
Net increase in cash and cash equivalents	-137.1	261.4	16.3	-134.6	-49.6	120.4	-62.7	92.1
Free cash flow	50.5	134.7	182.9	-10.2	100.6	208.9	149.9	103.1
Free cash flow (tax normalised)	126.8	160.9	136.9	-49.2	173.8	210.5	115.0	75.7

**CONTINUED** NOTE 16 FINANCIAL FIGURES AND HIGHLIGHTS QS

DKK million	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
<b>Earnings per share</b>								
Earnings per share (DKK)	2.71	3.17	2.21	2.29	4.06	0.10	2.61	1.96
Diluted Earnings per share (DKK)	2.68	3.13	2.19	2.26	4.02	0.10	2.60	1.95
<b>Employees</b>								
Average number of full-time employees	6,513	5,417	3,385	3,238	3,109	2,996	2,827	2,663
<b>Financial ratios</b>								
Revenue growth	60.4%	49.1%	14.9%	22.4%	22.9%	15.2%	17.3%	13.9%
Gross profit margin	30.4%	33.5%	41.2%	35.5%	38.1%	42.4%	42.2%	38.4%
Adjusted EBITDA margin	18.9%	20.7%	27.7%	22.6%	27.5%	31.1%	30.5%	26.3%
EBITDA margin	18.9%	20.0%	23.9%	22.6%	27.5%	31.1%	30.5%	26.3%
Adjusted EBITA margin	16.6%	18.3%	25.1%	20.2%	25.3%	28.9%	28.1%	23.9%
EBITA margin	16.6%	17.6%	21.3%	20.2%	25.3%	28.9%	28.1%	23.9%
Operating profit margin	14.2%	15.5%	20.2%	19.1%	24.2%	25.9%	24.5%	20.1%
Effective tax rate	25.5%	18.5%	27.2%	22.9%	18.2%	89.6%	21.9%	19.9%
Return on equity	4.6%	5.6%	4.2%	4.5%	8.4%	0.2%	5.9%	4.6%
Solvency ratio	44.5%	43.3%	67.4%	65.2%	63.7%	60.1%	62.3%	58.2%
ROIC	3.3%	4.0%	3.6%	3.7%	6.7%	0.2%	4.4%	3.3%
ROIC (Adjusted for Goodwill)	10.8%	14.5%	13.8%	13.8%	27.8%	0.8%	19.8%	14.7%
Cash conversion ratio	32.0%	78.0%	158.3%	-8.5%	48.7%	893.4%	101.4%	89.1%
Cash conversion rate (tax normalised)	80.2%	93.2%	118.5%	-41.2%	84.1%	900.4%	77.8%	65.4%

# 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</b> <sup>1</sup>	=	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$	<b>Capex</b> <sup>1,2</sup>	=	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</b> <sup>1,2</sup>	=	EBIT + Depreciation and amortisation	<b>Cash conversion ratio</b> <sup>1,2</sup>	=	$\frac{\text{Free cash flow} \times 100}{\text{Net profit} - \text{Amortisation and deferred tax of amortisation}}$
<b>Organic Growth</b> <sup>1</sup>	=	$\frac{\text{Organic revenue current year} \times 100}{\text{Revenue last year}}$	<b>EBITDA margin</b>	=	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$	<b>Days sales outstanding</b> <sup>1,2</sup>	=	$\frac{\text{Trade receivables} \times \text{days}}{\text{Revenue}}$
<b>Gross profit margin</b> <sup>1,2</sup>	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	<b>Adjusted EBITDA</b>	=	EBITDA + Special items + Other operating income	<b>Return on equity</b> <sup>2</sup>	=	$\frac{\text{Net profit for the period} \times 100}{\text{Average equity}}$
<b>EBITA</b> <sup>1,2</sup>	=	Operating profit + Amortisation	<b>Adjusted EBTIDA margin</b>	=	$\frac{\text{Adjusted EBITDA} \times 100}{\text{Revenue}}$	<b>Return on invested capital (ROIC)</b> <sup>1,2</sup>	=	$\frac{\text{Net profit} \times 100}{\text{Average invested capital}}$
<b>EBITA margin</b> <sup>1,2</sup>	=	$\frac{\text{EBITA} \times 100}{\text{Revenue}}$	<b>EPS</b> <sup>1</sup>	=	$\frac{\text{Net profit} - \text{Non-controlling interest}}{\text{Average outstanding shares}}$	<b>ROIC (Adjusted for Goodwill)</b> <sup>1</sup>	=	$\frac{\text{Net profit} \times 100}{\text{Average invested capital} - \text{average Goodwill}}$
<b>Adjusted EBITA</b>	=	EBITA + Special items + Other operating income	<b>EPS diluted</b> <sup>1</sup>	=	$\frac{\text{Net profit} - \text{Non-controlling interest}}{\text{Average outstanding shares} + \text{Diluted shares}}$	<b>Solvency (equity ratio)</b> <sup>1</sup>	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$
<b>Adjusted EBITA margin</b>	=	$\frac{\text{Adjusted EBITA} \times 100}{\text{Revenue}}$	<b>Free cash flow</b> <sup>1,2</sup>	=	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

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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.

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## 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.