

Company announcement 10/2020 August 13, 2020

Financial report for the first six months of 2020

Revenue decrease of 4.7% and an operating profit margin before special items of 6.0% in the first six months of 2020

Performance highlights for the second quarter of 2020

- Revenue decreased by 5.7% in Q2 2020 compared to Q2 2019 due to a 26% decline from the Novo Nordisk Group and a 10% decline within the enterprise segment
- Revenue from life sciences Denmark and life sciences international increased by 22% and 18% respectively whilst the public segment contributed with a strong growth of 12%. Revenue within the finance segment declined by 3.4% whilst revenue from the enterprise segment declined by 10% mainly due to the phasing out of the Pandora outsourcing contract
- By the end of Q2 2020, the share of NNIT's revenue from clients outside the Novo Nordisk Group increased to 75% from 68% in Q2 2019
- COVID-19 was seen to mainly impact NNIT's project business in April and May whilst growth returned to more normal levels in June
- Gross profit margin was 13% in Q2 2020 (13% in Q2 2019). The margin was negatively impacted by the declining business with the Novo Nordisk Group and Pandora and as a result of COVID-19. The negative impact was partly offset by the cost restructuring program. An asset review of the useful lifetime of certain assets had a positive margin impact of 1.0pp for the quarter (+0.4pp for the full year)
- Operating profit margin before special items decreased to 5.4% in Q2 2020 from 5.9% in Q2 2019. Operating profit margin after special items for the quarter was 3.6%
- Net profit was DKK 14m in Q2 2020 compared to DKK 34m in Q2 2019 due to restructuring costs of DKK 13m as well as a negative impact from financials
- Order backlog for 2020 at the beginning of Q3 2020 was DKK 2.507m, a decrease of 8.1% compared to the same time last year, negatively impacted by a large decline of 29% from the Novo Nordisk Group
- Outlook for 2020:
The guidance for 2020 is maintained:
 - Revenue growth of -4% to -8% in constant currencies
 - Operating profit margin before special items of 6-8% in constant currencies
 - Level of investments (CAPEX) is 5-7% of total revenue

Due to the continued uncertainty regarding the COVID-19 impact on the 2020 activity level there is an increased likelihood that revenue growth and operating profit margin will end in the lower end of the guidance intervals
- Due to the underlying cash flow generation and the strong financial position of NNIT, the Board of Directors has decided to pay an interim dividend for 2020 of DKK 2.00 per share corresponding to DKK 49.4 million

Per Kogut, CEO at NNIT comments: *"I'm satisfied with the financial performance of the quarter which is in line with our expectations despite COVID-19 and declining revenue from the Novo Nordisk Group and Pandora. This is achieved by solid revenue growth within our life science business growing 20%, as well as execution of the cost restructuring program"*

Financial Overview

DKK million	Q2 2020 (reported)	Q2 2020 (constant)*	Q2 2019*	Pct./pp Change (reported)	Pct./pp Change (constant)
Revenue	701	700	744	-5.7%	-5.9%
Gross profit margin	13.2%	13.2%	13.4%	-0.2pp	-0.3pp
Operating profit before special items	38	37	44	-14.1%	-15.5%
Operating profit margin before special items	5.4%	5.3%	5.9%	-0.5pp	-0.6pp
Special items	13	13	0	n.a.	n.a.
Operating profit	25	25	44	-42.9%	-44.3%
Operating profit margin	3.6%	3.5%	5.9%	-2.3pp	-2.4pp
Net profit	14	n.a.	34	-59.7%	n.a.
Investments (CAPEX)	36	n.a.	37	-4.9%	n.a.
Free cash flow	194	n.a.	-39	n.a.	n.a.

DKK million	6M 2020 (reported)	6M 2020 (constant)*	6M 2019*	Pct./pp Change (reported)	Pct./pp Change (constant)
Revenue	1,423	1,420	1,494	-4.7%	-4.9%
Gross profit margin	13.8%	13.8%	13.7%	0.1pp	0.2pp
Operating profit before special items	85	86	90	-5.1%	-4.5%
Operating profit margin before special items	6.0%	6.0%	6.0%	0pp	0pp
Special items	19	19	0	n.a.	n.a.
Operating profit	66	66	90	-26.6%	-26.1%
Operating profit margin	4.6%	4.7%	6.0%	-1.4pp	-1.3pp
Net profit	49	n.a.	75	-34.2%	n.a.
Investments (CAPEX)	77	n.a.	94	-18.1%	n.a.
Free cash flow	177	n.a.	-67	n.a.	n.a.

*Constant currencies measured using average exchange rates for Q2 2019

Guidance 2020

The order backlog for 2020 at the beginning of Q3 2020 decreased by DKK 221 million to DKK 2,507 million, or by -8.1%, compared to the order backlog one year earlier.

Further, it should be noted that the backlog development is impacted by a decline in multiyear outsourcing agreements, while business coming from projects with lower backlog visibility increases.

Based on the result for the first six months and the current backlog, NNIT maintains the guidance for 2020:

- Revenue growth of -4% to -8% in constant currencies
- Operating profit margin before special items of 6-8% in constant currencies
- Level of investments (CAPEX) is 5-7% of total revenue

Due to the continued uncertainty regarding the COVID-19 impact on the 2020 activity level there is an increased likelihood that revenue growth and operating profit margin will end in the lower end of the guidance intervals

	Guidance for 2020	Guidance for 2020 at Q1 2020 announcement
Revenue growth		
Organic in constant currencies* as reported**	-4% to -8% Around 0.2pp higher	-4% to -8% Around 0.2pp higher
Operating profit margin		
In constant currencies* as reported**	6-8% before special items of DKK 25-30m Around same level	6-8% before special items of DKK 15-25m Around same level
Investments / Revenue	5-7%	5-7%

*Constant currencies measured using average exchange rates for 2019

**Based on exchange rates as of August 6, 2020 as illustrated under key currency assumptions on page 24

Special items are expected to increase from DKK 15-25m to DKK 25-30m due to additional layoffs compared to previous expectations. This is mainly due to lower attrition in the period partly as a result of COVID-19.

About NNIT

NNIT A/S is one of Denmark's leading IT service providers and consultancies. NNIT A/S offers a wide range of IT services and solutions to its customers, primarily in the life sciences sector in Denmark and internationally and to customers in the public, enterprise and finance sectors in Denmark. As of June 30, 2020, NNIT A/S had 3,078 employees. NNIT has approximately 400 clients of which around 150 are located outside Denmark. Some 25% are international life sciences clients. For more information please visit www.nnit.com.

Conference call details

NNIT will host a teleconference August 13, 2020 at 10:30 CET about the financial report for the first six months of 2020. Please visit the NNIT webpage at www.nnit.com to access the teleconference, which can be found under 'Investors – Events & presentations. Presentation material will be available on the website approximately one hour prior to the start of the presentation.

Conference call details

<https://nnit.eventcdn.net/2020h1/>

Participant telephone numbers:

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Financial Calendar 2020

August 17, 2020 Interim dividend ex-dividend date
 August 18, 2020 Interim dividend record day
 August 19, 2020 Interim dividend payment date
 October 29, 2020 Interim report for the first nine months of 2020

Forward-looking statements

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

outlook set forth. Furthermore, some of these expectations are based on assumptions regarding future events which may prove incorrect. Please also refer to the overview of risk factors in the 'risk management' section on page 29-31 in the Annual Report 2019.

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Financial figures and highlights

DKK million, reported currencies	Q2 2020	Q2 2019	6M 2020	6M 2019	Change 6M	Total 2019
Financial performance						
Revenue						
Novo Nordisk Group	174.9	235.3	359.8	494.1	-27.2%	954.9
Life sciences international	106.5	90.1	198.1	167.5	18.3%	360.9
Life sciences Denmark	67.9	55.6	135.5	109.4	23.9%	230.0
Life sciences	349.4	381.0	693.4	771.0	-10.1%	1,545.8
Enterprise	169.7	189.5	376.2	387.8	-3.0%	802.3
Public	107.4	96.0	212.5	185.5	14.6%	392.2
Finance	74.5	77.1	140.9	149.4	-5.7%	317.6
Private & Public	351.6	362.6	729.6	722.7	1.0%	1,512.1
Total revenue	700.9	743.7	1,423.0	1,493.7	-4.7%	3,057.9
EBITDA	99.7	110.7	210.0	221.8	-5.3%	497.6
Depreciations and amortizations	61.9	66.6	125.0	132.2	-5.5%	258.8
Operating profit before special items ¹	37.9	44.1	85.0	89.6	-5.1%	238.7
Special items ¹	12.7	0.0	19.3	0.0	n.a.	23.8
Operating profit	25.2	44.1	65.8	89.6	-26.6%	215.0
Net financials	-6.1	-0.8	0.0	5.0	-99.7%	16.1
Net profit	13.8	34.4	49.1	74.6	-34.2%	182.7
Investments in tangible assets	25.9	31.3	60.2	84.3	-28.7%	134.1
Investments in intangible assets and acquisition in subsidiaries	9.6	73.6	77.2	75.0	2.9%	87.9
Total assets	2,470.5	2,666.0	2,470.5	2,666.0	-7.3%	2,612.7
Equity	1,176.6	1,096.8	1,176.6	1,096.8	7.3%	1,169.4
Dividends paid	0.0	0.0	49.4	63.9	-22.8%	113.1
Free cash flow	194.4	-38.6	177.5	-67.0	n.a.	241.7
Earnings per share						
Earnings per share (DKK)	0.57	1.40	2.00	3.03	-34.0%	7.43
Diluted earnings per share (DKK)	0.56	1.39	1.98	3.01	-34.2%	7.36
Employees						
Average number of full-time employees	3,077	3,237	3,097	3,249	-4.7%	3,237
Financial ratios						
Revenue growth	-5.7%	-1.2%	-1.9%	2.9%	-4.9pp	1.7%
Gross profit margin	13.2%	13.4%	13.8%	13.7%	0.1pp	15.5%
EBITDA margin	14.2%	14.9%	14.8%	14.9%	-0.1pp	16.3%
Operating profit margin before special items	5.4%	5.9%	6.0%	6.0%	0pp	7.8%
Operating profit margin	3.6%	-1.2%	4.6%	6.0%	-1.4pp	7.8%
Effective tax rate	27.4%	20.7%	25.4%	21.2%	4.1pp	21.0%
Investments/Revenue	5.1%	5.0%	5.4%	6.3%	-0.9pp	5.4%
Return on equity ²	13.8%	19.9%	13.8%	19.9%	-6.1pp	16.2%
Solvency ratio	47.6%	41.1%	47.6%	41.1%	6.5pp	44.8%
Return on invested capital (ROIC) ^{2,3}	9.0%	14.1%	9.0%	14.1%	-5.2pp	10.4%
Cash to earnings ²	309.3%	-4.3%	309.3%	-4.3%	313.6pp	132.3%
Cash to earnings (three-year average) ²	89.4%	20.0%	89.4%	20.0%	69.4pp	55.9%
Additional numbers⁴						
Order entry backlog for the current year	2,507	2,516	2,507	2,516	-0.4%	-

1) Special items comprises restructuring costs related to the cost restructuring plan and other special events

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

3) Net profit/average invested capital

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

COVID-19 update

Since the outbreak of the COVID-19 pandemic, NNIT has continuously secured stable IT operations for our customers.

Project business was impacted by COVID-19 in the last two weeks of March as well as April and May, but project activity picked up again in June and showed a strong growth compared to June 2019. COVID-19 had the largest negative impact on NNIT's life sciences business in China while most of the other life sciences business was more resilient. In Denmark especially Scales was impacted by customers reducing their project activity. It is still too early to conclude that project business has come back to a normal level despite stronger performance in June.

Business highlights

Key wins since the Q1 2020 company announcement:

- IT-infrastructure and SAP basis operations agreement with the Danish Defense representing a low triple-digit DKK million amount over a seven-year-period (company announcement 8/2020)
- IT-infrastructure operations agreement with dedicated private cloud solution for Saint-Gobain Nordic representing a low triple-digit DKK million amount over a five-year-period
- Extension of the IT-infrastructure operations agreement with focus on hybrid cloud and automation with PFA representing a low triple-digit DKK million amount for the additional period 2024-2025
- Veeva Quality Docs system integration, validation, migration and project services with a top20 global pharma company representing a mid double-digit DKK million amount over a three-year-period
- Implementation and application maintenance of new billing solutions with Eniig (Norlys) representing a mid double-digit DKK million amount over a five-year-period

Veeva extended partnership

NNIT becomes a Veeva Premiere Services Partner for the Veeva Development Cloud which is the highest partner acknowledgement by Veeva. This is a recognition of NNIT's customer engagements for applications in Vault RIM, Vault Clinical and Vault Quality suites for life sciences customers globally.

The new partner status will enhance NNIT's ability to support customers to an even higher degree within this, for NNIT, important area.

Business and cost restructuring plan

The business and cost restructuring plan progressed in line with expectations Q2 2020. The automation initiatives set forth in the cost restructuring plan also progressed as expected in order to enable continued high-quality services and stable operation towards the customers.

Utilization in Q2 2020 was impacted by COVID-19 resulting in a slight underperformance compared to target listed in the cost restructuring plan.

Performance overview

DKK million (reported currencies)	Q2 2020	Q2 2019	Change (reported)	2019
Revenue	700.9	743.7	-5.7%	3,057.9
Cost of goods sold	608.1	643.7	-5.5%	2,582.6
Gross profit	92.8	99.9	-7.1%	475.3
<i>Gross profit margin</i>	<i>13.2%</i>	<i>13.4%</i>	<i>-0.2pp</i>	<i>15.5%</i>
Sales and marketing costs	30.9	31.4	-1.6%	131.5
Administrative expenses	24.0	24.4	-1.6%	105.1
Operating profit before special items	37.9	44.1	-14.1%	238.7
<i>Operating profit margin before special items</i>	<i>5.4%</i>	<i>5.9%</i>	<i>-0.5pp</i>	<i>7.8%</i>
Special items	12.7	0.0	n.a.	23.8
Operating profit	25.2	44.1	-42.9%	215.0
<i>Operating profit margin</i>	<i>3.6%</i>	<i>5.9%</i>	<i>-2.3pp</i>	<i>7.0%</i>
Net financials	-6.1	-0.8	689.7%	16.1
Profit before tax	19.1	43.3	-56.0%	231.1
Tax	5.2	9.0	-41.8%	48.4
<i>Effective tax rate</i>	<i>27.4%</i>	<i>20.7%</i>	<i>6.7pp</i>	<i>21.0%</i>
Net profit	13.8	34.4	-59.7%	182.7

DKK million (reported currencies)	6M 2020	6M 2019	Change (reported)	2019
Revenue	1,423.0	1,493.7	-4.7%	3,057.9
Cost of goods sold	1,226.6	1,289.2	-4.9%	2,582.6
Gross profit	196.4	204.5	-4.0%	475.3
<i>Gross profit margin</i>	<i>13.8%</i>	<i>13.7%</i>	<i>0.1pp</i>	<i>15.5%</i>
Sales and marketing costs	61.9	63.5	-2.5%	131.5
Administrative expenses	49.4	51.4	-3.8%	105.1
Operating profit before special items	85.0	89.6	-5.1%	238.7
<i>Operating profit margin before special items</i>	<i>6.0%</i>	<i>6.0%</i>	<i>0pp</i>	<i>7.8%</i>
Special items	19.3	0.0	n.a.	23.8
Operating profit	65.8	89.6	-26.6%	215.0
<i>Operating profit margin</i>	<i>4.6%</i>	<i>6.0%</i>	<i>-1.4pp</i>	<i>7.0%</i>
Net financials	0.0	5.0	-99.7%	16.1
Profit before tax	65.8	94.7	-30.5%	231.1
Tax	16.7	20.1	-17.0%	48.4
<i>Effective tax rate</i>	<i>25.4%</i>	<i>21.2%</i>	<i>4.1pp</i>	<i>21.0%</i>
Net profit	49.1	74.6	-34.2%	182.7

Revenue in reported currencies decreased by 5.7% in Q2 2020 (-5.9% in constant currencies) mainly impacted by a 26% decline from the Novo Nordisk group and 10% decline in the enterprise segment due to the facing-out of the Pandora outsourcing agreement. The decline was partly offset by growth in life sciences Denmark and life sciences international of 22% and 18% respectively whilst the public segment also had a strong growth of 12%. Revenue from the finance segment declined with 3.4%.

Revenue growth in Q2 2020 was driven by projects outside the Novo Nordisk Group while revenue from service level agreements declined.

6M 2020 revenue in reported currencies decreased by -4.7% (-4.9% in constant currencies) due to a 27% decline from the Novo Nordisk group. The decline was partly offset by growth in life sciences Denmark and life sciences international of 24% and 18% respectively whilst the public segment also had strong growth of 15%. Revenue from the finance and enterprise segments declined by 5.7% and 3.0% respectively. Excluding business from the Novo Nordisk Group, revenue growth was 6.3% (5.2% organic) in 6M 2020.

Cost of goods sold decreased by 5.5% in Q2 2020 and 4.9% 6M 2020 compared to the same period last year. The decrease in cost is mainly due to the implementation of the cost restructuring program.

Gross profit decreased by 7.1% in Q2 2020 and 4.0% in 6M 2020 leading to a gross profit margin in reported currencies of 13.2% in Q2 2020 compared to 13.4% in Q2 2019. In 6M 2020 gross profit margin increased to 13.8% from 13.7% in 6M 2019. In the life sciences segment gross profit margin in 6M 2020 decreased by net 3.5pp due to the loss of the large application maintenance agreement and price reduction on the renewed operation maintenance agreement with the Novo Nordisk Group which were only partly mitigated by the cost restructuring program. The margin decrease in the life sciences segment was offset by a gross profit margin increase of 4.3pp in the private & public segment as a result of revenue growth and the execution of the cost restructuring plan. For further details, see the segmental analysis on the next pages.

Sales and marketing costs declined by 1.6% in Q2 2020 and 2.5% in 6M 2020 compared to the same periods last year due to staff reductions as part of the cost restructuring plan.

Administrative expenses decreased by 1.6% in Q2 2020 and 3.8% in 6M 2020 compared to the same periods last year due to cost reductions as part of the cost restructuring plan.

Operating profit before special items decreased by DKK 6.2m in Q2 2020 and 4.6m 6M 2020 compared to same period last year. This corresponds to an operating profit margin before special items of 5.4% in Q2 2020 (5.9% in Q2 2019) and 6.0% 6M 2020 (6.0% 6M 2019).

As a consequence of an asset review and slower technological development of server components NNIT has increased the useful lifetime for certain servers from 3 years to 5 years. An asset review of Datacenter assets based on the first 9 years of operations in NNIT's data center in Bagsværd has led to a change in the useful lifetime of data center components from 12-20 years to 20-30 years. The changes have positively affected operating profit margin in 6M 2020 by 0.7pp and will have a full year impact of around 0.4pp (see note 1).

Net financials in Q2 2020 were negative with DKK 6.1m which is a decrease of DKK 5.3m compared to Q2 2019. Net financials 6M 2020 was 0.0 compared to 5.0 6M 2019. The negative development in Q2 2020 compared to same period last year was due to currency fluctuations where especially USD receivables on the balance sheet in Denmark were negatively impacted. This kind of balance sheet exposure is not covered by NNIT's cash flow hedges.

The effective tax rate for Q2 2020 was 27%, an increase of 6.7pp compared to Q2 2019 due to Q2 2020 being affected by a negative adjustment regarding previous years. In 6M 2020 the effective tax rate was 25%, up by 4.1pp compared to 6M 2019. This is also explained by the negative adjustment regarding previous years.

Net profit in Q2 2020 was DKK 14m compared to DKK 34m in Q2 2019. Net profit was impacted by special items of DKK 13m (DKK 0.0m in Q2 2019) and lower net financials.

For a detailed performance overview in both reported and constant currencies please see note 8. Comparisons in this financial report are hereafter in reported currencies. NNIT's major currencies have appreciated giving operating profit margin in 6M 2020 a headwind of 0.6pp mainly due to the appreciation of CNY and PHP (average Q2 2020 compared to average 2019 exchange rates) which increases the cost of NNIT's offshore centers in DKK. Revenue growth was impacted positively by 0.2pp mainly due to appreciation of USD (average Q2 2020 compared to average 2019 exchange rates).

Life Sciences

DKK million (reported currencies)	Q2 2020	Q2 2019	Change	2019
Novo Nordisk Group	174.9	235.3	-25.6%	954.9
Life sciences international	106.5	90.1	18.2%	360.9
Life sciences Denmark	67.9	55.6	22.1%	230.0
Revenue	349.4	381.0	-8.3%	1,545.8
Cost of goods sold	292.9	308.4	-5.0%	1,211.9
Gross profit	56.5	72.7	-22.3%	333.9
Gross profit margin	16.2%	19.1%	-2.9pp	21.6%
Allocated costs	30.1	31.6	-4.8%	130.9
Operating profit before special items	26.4	41.1	-35.7%	203.0
Operating profit margin before special items	7.6%	10.8%	-3.2pp	13.1%
Special items	5.9	0.0	n.a.	11.5
Operating profit	20.6	41.1	-49.9%	191.5
Operating profit margin	5.9%	10.8%	-4.9pp	12.4%

DKK million (reported currencies)	6M 2020	6M 2019	Change	2019
Novo Nordisk Group	359.8	494.1	-27.2%	954.9
Life sciences international	198.1	167.5	18.3%	360.9
Life sciences Denmark	135.5	109.4	23.9%	230.0
Revenue	693.4	771.0	-10.1%	1,545.8
Cost of goods sold	574.8	612.2	-6.1%	1,211.9
Gross profit	118.6	158.8	-25.3%	333.9
Gross profit margin	17.1%	20.6%	-3.5pp	21.6%
Allocated costs	61.1	65.2	-6.3%	130.9
Operating profit before special items	57.5	93.6	-38.6%	203.0
Operating profit margin before special items	8.3%	12.1%	-3.9pp	13.1%
Special items	9.2	0.0	n.a.	11.5
Operating profit	48.3	93.6	-48.4%	191.5
Operating profit margin	7.0%	12.1%	-5.2pp	12.4%

Revenue

Total life sciences revenue decreased by 8.3% in Q2 2020 compared to the same period last year due to a decline of 26% from the Novo Nordisk Group. Revenue from projects increased by 8.3% in Q2 2020 while revenue from service level agreements decreased by 24% driven by the Novo Nordisk Group. Total life sciences revenue decreased 10% in 6M 2020 compared to 6M 2019 due to the reasons mentioned above. Further details on revenue and profit development are explained below.

Novo Nordisk Group:

Revenue from the Novo Nordisk Group decreased by 26% in Q2 2020 and 27% 6M 2020 compared to the same periods last year. Revenue is as expected significantly impacted by the loss of the large application maintenance agreement and the renewed operation maintenance agreement which both impacts the revenue and profitability from January 1, 2020. Further, project revenue continued to decrease with 13% compared to Q2 2019 and 17% compared to 6M 2019.

As a consequence of the continued large decline in revenue from the Novo Nordisk Group and high growth from other clients, the share of NNIT's revenue from clients outside the Novo Nordisk Group increased to 75% in Q2 2020 from 68% in Q2 2019.

NNIT's dependency on the Novo Nordisk Group is thus continuing the decreasing trend. However, the Novo Nordisk Group is still NNIT's largest and most important customer.

Life sciences international:

Revenue from international life sciences increased by 18% in Q2 2020 compared to the same period last year driven by strong growth in Europe and US. China was still heavily impacted by COVID-19 in Q2 2020 with a revenue decline of 26% compared to the same period last year. The growth in EU and US is driven by revenue from Valiance, Veeva related projects and other technology areas such as paperless validation (MES), Research & Early Development (pRED). Revenue increased by 18% 6M 2020 compared to 6M 2019.

Danish life sciences:

Revenue from Danish life sciences increased by 22% in Q2 2020 compared to Q2 2019 mainly driven by the Association of Danish Pharmacies. Further, additional activities with AJ Vaccines and Genmab contributed to the growth in Q2 2020. Revenue increased by 24% 6M 2020 compared to 6M 2019.

Gross profit and operating profit

In Q2 2020 gross profit margin was 16%, a decrease of 2.9pp compared to Q2 2019. Gross profit margin in 6M 2020 was 17%, a decrease of 3.5pp compared to 6M 2019. The gross profit decline was due to the loss of the application maintenance agreement and price reductions on the prolonged operations maintenance agreement with the Novo Nordisk Group. The cost restructuring program has been executed as planned but could not fully compensate for the significant loss of business from the Novo Nordisk Group. However, gross profit margin in other life sciences showed a healthy increase in Q2 2020 and 6M 2020 compared to same periods last year supported by the cost restructuring program and high growth in the project business.

Operating profit margin before special items was 7.6% in Q2 2020 (11% in Q2 2019) and 8.3% 6M 2020 (12% 6M 2019).

Private & Public

DKK million (reported currencies)	Q2 2020	Q2 2019	Change	2019
Enterprise	169.7	189.5	-10.4%	802.3
Public	107.4	96.0	11.9%	392.2
Finance	74.5	77.1	-3.4%	317.6
Revenue	351.6	362.6	-3.1%	1,512.1
Cost of goods sold	315.2	335.3	-6.0%	1,370.7
Gross profit	36.4	27.3	33.2%	141.4
<i>Gross profit margin</i>	<i>10.3%</i>	<i>7.5%</i>	<i>2.8pp</i>	<i>9.4%</i>
Allocated costs	24.9	24.2	2.7%	105.7
Operating profit before special items	11.5	3.0	276.9%	35.7
<i>Operating profit margin before special items</i>	<i>3.3%</i>	<i>0.8%</i>	<i>2.4pp</i>	<i>2.4%</i>
Special items	6.8	0.0	n.a.	12.3
Operating profit	4.6	3.0	52.5%	23.4
<i>Operating profit margin</i>	<i>1.3%</i>	<i>0.8%</i>	<i>0.5pp</i>	<i>1.5%</i>

DKK million (reported currencies)	6M 2020	6M 2019	Change	2019
Enterprise	376.2	387.8	-3.0%	802.3
Public	212.5	185.5	14.6%	392.2
Finance	140.9	149.4	-5.7%	317.6
Revenue	729.6	722.7	1.0%	1,512.1
Cost of goods sold	651.8	677.0	-3.7%	1,370.7
Gross profit	77.8	45.7	70.3%	141.4
<i>Gross profit margin</i>	10.7%	6.3%	4.3pp	9.4%
Allocated costs	50.2	49.7	1.1%	105.7
Operating profit before special items	27.6	-4.0	n.a.	35.7
<i>Operating profit margin before special items</i>	3.8%	-0.6%	4.3pp	2.4%
Special items	10.1	0.0	n.a.	12.3
Operating profit	17.4	-4.0	-535.9%	23.4
<i>Operating profit margin</i>	2.4%	-0.6%	2.9pp	1.5%

Revenue

Revenue from Private & Public customers decreased by 3.1% in Q2 2020 and increased by 1.0% in 6M 2020 compared to the same periods last year.

Revenue on projects in the private & public segment in Q2 2020 increased by 7.9% while revenue from service level agreements decreased by 12% due to the phasing out of the Pandora outsourcing agreement. Further details on revenue and profit development are explained below.

Enterprise customers:

Revenue decreased by 10% in Q2 2020 and by 3.0% 6M 2020 compared to the same periods last year. The decline in Q2 2020 was due to the phasing out of the Pandora outsourcing agreement partly countered by growth from new customers in 2020 such as Radius Elnet and Eniig.

Public customers:

Revenue increased by 12% in Q2 2020 and by 15% 6M 2020 compared to the same periods last year. The revenue increase in Q2 2020 was driven by additional business with UFST (The Ministry of Taxation), ATP and Direktoratet for E-helse (Norwegian customer), while project activities with a number of small customers decreased.

Finance customers:

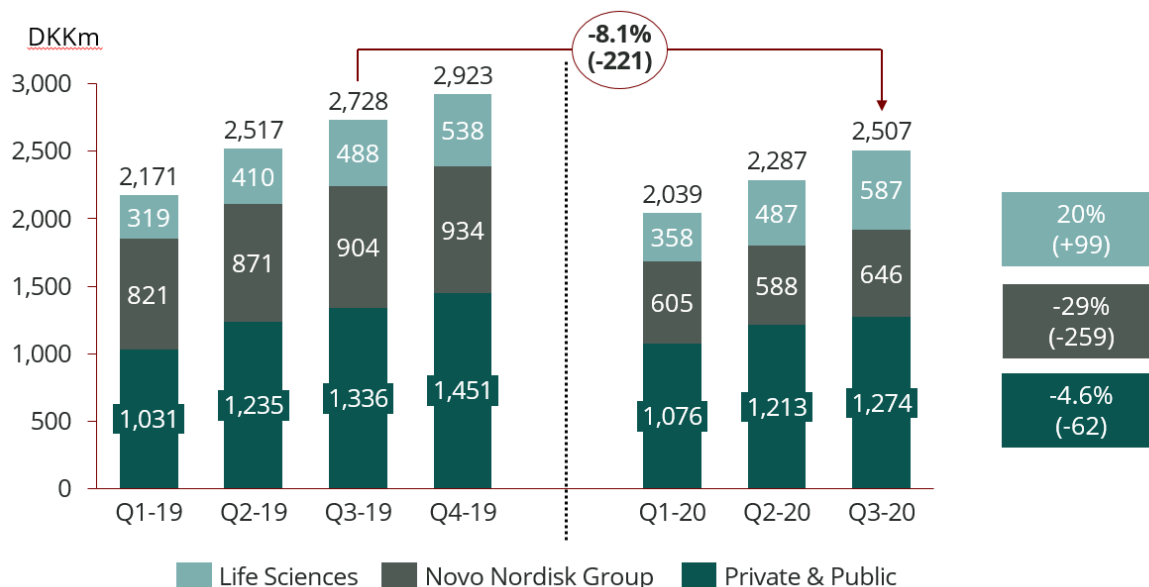
Revenue decreased by 3.4% in Q2 2020 and by 5.7% 6M 2020 compared to the same periods last year. The revenue decline in Q2 2020 was mainly due to the expiry of the contract with Alka (acquired by Tryg) and the insurance application company MIA. Business with PFA and AP Pension increased.

Gross profit and operating profit

In Q2 2020 gross profit margin was 10%, an increase of 2.8pp compared to Q2 2019. The gross profit margin 6M 2020 was 11%, an increase of 4.3pp compared to 6M 2019.

The higher gross- and operating profit margin in Q2 2020 was driven by the cost restructuring plan as well as improved project execution and sales excellence.

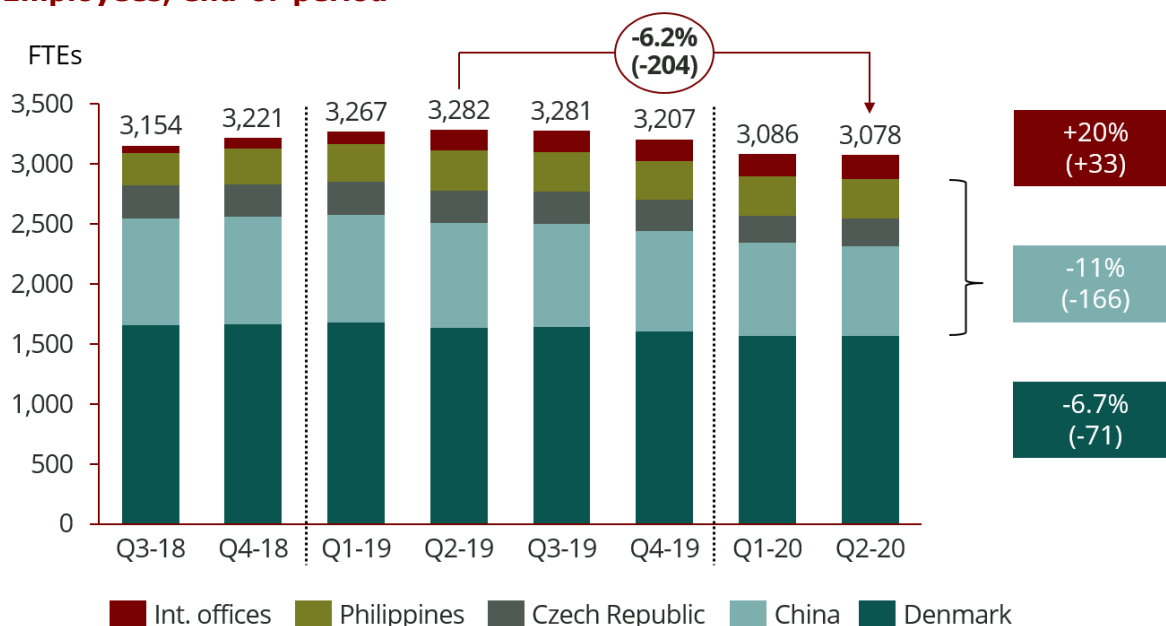
Order backlog Backlog for the year, beginning of quarter



At the beginning of Q3 2020, NNIT's order entry backlog for 2020 amounted to DKK 2,507 million, which was a decrease of 8.1% compared to last year. The backlog from life sciences clients excluding the Novo Nordisk Group increased by 20% driven by international life sciences while the Novo Nordisk Group declined by 29% due to the loss of the large application maintenance contract and a considerable price reduction on the prolonged operation maintenance agreement. Private & public decreased by 4.6% mainly due to expiry of the Pandora outsourcing contract and COVID-19.

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

Employees, end-of-period



As a consequence of the cost restructuring program and the loss of business with the Novo Nordisk Group and Pandora the number of employees decreased by 204 FTEs corresponding to -6.2% compared to the same time last year. The decrease was driven by China (-123 FTEs), Denmark (-71 FTEs) and Czech (-39 FTEs) while FTEs in our international offices (excluding outsourcing centers) increased by 33 FTEs in order to support the strong growth in international life sciences.

Balance sheet

Total assets at June 30, 2020 decreased by DKK 193m to DKK 2,473m compared to DKK 2,666m at June 30, 2019 primarily due to a decrease in tangible assets, lease assets, contracts assets and other receivables.

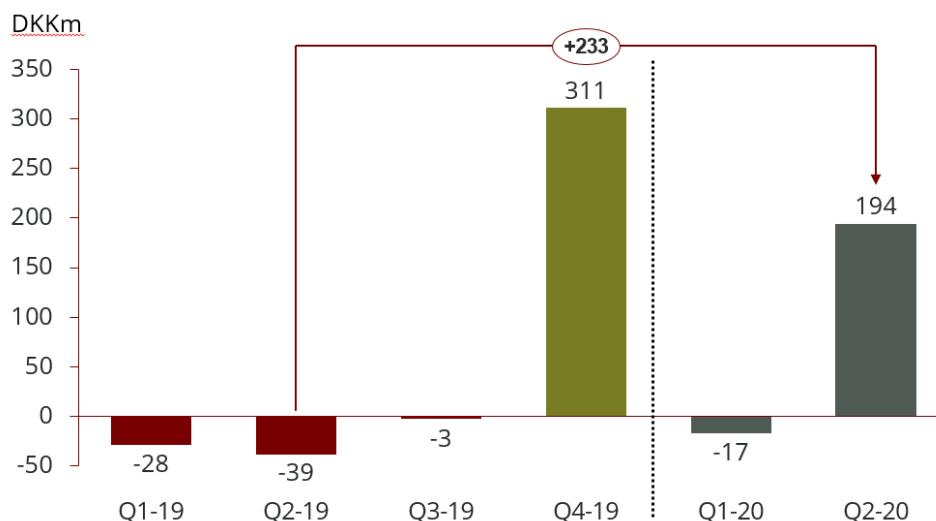
Net cash and cash equivalents amounted to DKK -28m at June 30, 2020, an increase of DKK 289m compared June 30, 2019. The increase was mainly driven by cash flows from operating activities partly countered by payments related to acquisitions (DKK 53m), payment of interim dividend for 2019 (DKK 49m) and ordinary dividend for 2019 (DKK 49m).

Equity at June 30, 2020 amounted to DKK 1,178m, an increase of DKK 81m compared to June 30, 2019. The improvement was mainly due to net profits for the period offset by the payment of interim dividend for 2019 (DKK 49m) and ordinary dividend for 2019 (DKK 49m).

Investments

Investments excluding investments related to acquisition of subsidiaries amounted to DKK 35m in Q2 2020 compared to DKK 39m in Q2 2019.

Free cash flow



The free cash flow for Q2 2020 was positive DKK 194m which was DKK 233m above Q2 2019 due to higher cash flow from operating activities and lower investments due to the acquisition of HGP Group in Q2 2019. The higher cash flow from operating activities can partly be explained by the postponement of payment of payroll tax and VAT (DKK 146m) in connection with the COVID-19 initiatives in Denmark.

NNIT has not entered into new factoring agreements in H1 2020. It should be noted that Q4 2019 was positively impacted by entering new factoring agreements (company announcement 2/2020)

Events after balance sheet date

There have been no events after the balance sheet date which would have a significant impact on an assessment of NNIT's financial position as of June 30, 2020

Management statement

Statement by the Board of Directors and the Executive Management on the unaudited interim consolidated financial statements of NNIT A/S as at and for the six months ended June 30, 2020

The Board of Directors and Executive Management ("Management") have reviewed and approved the interim consolidated financial statements of NNIT A/S (NNIT A/S, together with its subsidiaries, the "Group") for the first six months of 2020 with comparative figures for the first six months of 2019. The interim consolidated financial statements have not been audited or reviewed by the company's independent auditors.

The interim consolidated financial statements for the first six months of 2020 have been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union and accounting policies set out in the annual report for 2019 of NNIT A/S. Furthermore, the interim consolidated financial statement for the first six months of 2020 and Management's review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the accounting policies used are appropriate and the overall presentation of the interim consolidated financial statements for the first six months of 2020 are adequate and give a true and fair view of the Group's assets, liabilities and financial position as at June 30, 2020 and of the results of the Group's operations and cash flow for the six months ended June 30, 2020. Furthermore, in our opinion, Management's review includes a true and fair account of the development in the operations and financial circumstances, of the results for the period and of the financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group in accordance with Danish disclosure requirements for listed companies.

Besides what has been disclosed in the interim consolidated financial statements and Management's review for the first six months of 2020, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the Annual Report for 2019 of NNIT A/S.

Søborg, August 13, 2020

Executive management

Per Kogut
CEO

Pernille Fabricius
CFO

Board of Directors

Carsten Dilling
Chairman

Peter H. J. Haahr
Deputy Chairman

Anne Broeng

Eivind Kolding

Christian Kanstrup

Caroline Serfass

Anders Vidstrup

Camilla K. K. Christensen

Trine Io Bjerregaard

Consolidated financial statements

Income statement and Statement of comprehensive income

DKK million	Note	Q2 2020	Q2 2019	6M 2020	6M 2019	12M 2019
Income statement						
Revenue	2	701	744	1,423	1,494	3,058
Cost of goods sold		608	644	1,227	1,289	2,583
Gross profit		93	100	196	205	475
Sales and marketing costs		31	32	62	64	131
Administrative expenses		24	24	49	51	105
Operating profit before special items		38	44	85	90	239
Special items*	3	12	0	19	0	24
Operating profit		26	44	66	90	215
Financial income		-2	3	8	12	32
Financial expenses		4	4	8	7	16
Profit before income taxes		20	43	66	95	231
Income taxes		6	9	17	20	48
Net profit for the period		14	34	49	75	183

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

Earnings per share

	DKK	DKK	DKK	DKK	DKK
Earnings per share	0.57	1.40	2.00	3.03	7.43
Diluted earnings per share	0.56	1.39	1.98	3.01	7.36

Statement of comprehensive income

DKK million					
Net profit for the period	14	34	49	75	183
Other comprehensive income:					
<i>Items that will not be reclassified subsequently to the Income statement:</i>					
Remeasurement related to pension obligations	-2	0	0	0	9
Tax on other comprehensive income	1	0	1	0	-1
<i>Items that will be reclassified subsequently to the Income statement, when specific conditions are met:</i>					
Currency revaluation related to subsidiaries (net)	0	-2	-2	1	1
Recycled to financial items	2	5	8	11	21
Unrealized value adjustments	-6	-10	-18	-10	-20
Cash flow hedges	-4	-5	-10	1	1
Tax on other comprehensive income related to cash flow hedges	-1	1	0	0	1
Other comprehensive income, net of tax	-6	-6	-11	2	11
Total comprehensive income	8	28	38	77	194

Balance sheet

Assets

	Note	June 30, 2020	June 30, 2019	Dec 31, 2019
DKK million				
Intangible assets		527	516	524
Tangible assets		557	596	576
Lease assets		271	340	316
Contract assets		58	92	69
Deferred tax		26	25	32
Deposits		32	33	34
Total non-current assets		1,471	1,602	1,551
Inventories		1	2	2
Contract assets		45	57	53
Trade receivables	4	505	501	627
Work in progress	4	163	159	140
Other receivables		22	99	11
Pre-payments		113	111	84
Tax receivable		26	22	11
Derivative financial instruments		5	13	12
Cash and cash equivalents		120	100	122
Total current assets		1,000	1,064	1,062
Total assets		2,471	2,666	2,613

Equity and liabilities

		June 30, 2020	June 30, 2019	Dec 31, 2019
DKK million				
Share capital		250	250	250
Treasury shares		-3	-4	-4
Retained earnings		877	788	860
Other reserves		3	14	14
Proposed dividends		49	49	49
Total equity		1,176	1,097	1,169
Leasing liability		204	276	236
Deferred tax		0	1	0
Employee benefit obligation		125	20	82
Contingent consideration (earn out)		43	134	43
Provisions		25	24	28
Long term loan		28	0	28
Bank overdraft		148	417	231
Total non-current liabilities		573	872	648
Prepayments received, contract assets		20	69	42
Prepayments received, work in progress	4	97	68	98
Leasing liability		81	77	90
Trade payables		93	117	88
Employee cost payable		142	230	228
Tax payables		9	10	9
Other current liabilities		255	125	155
Derivative financial instruments		5	1	1
Contingent consideration (earn out)		17	0	81
Provisions		3	0	4
Total current liabilities		722	697	796
Total equity and liabilities		2,471	2,666	2,613
Contingent liabilities and legal proceedings	5			
Currency hedging	6			

Statement of cash flow

DKK million		Q2 2020	Q2 2019	6M 2020	6M 2019	12M 2019
Net profit for the period	Note	14	34	49	75	183
Reversal of non-cash items		94	85	204	167	439
Interest received		0	0	0	0	0
Interest paid		-5	-4	-8	-7	-16
Income taxes paid		-4	0	-23	-29	-50
Cash flow before change in working capital		99	115	222	206	556
Changes in working capital		131	-49	91	-114	-91
Cash flow from operating activities		230	66	313	92	465
Capitalization of intangible assets		-10	-6	-17	-9	-33
Purchase of tangible assets		-28	-37	-45	-74	-135
Change in trade payables related to investments		3	4	-15	-11	1
Payment of deposits		-1	0	1	0	0
Acquisition cost refunded		0	2	0	0	2
Acquisition of subsidiary		0	-68	0	-65	-58
Payment of earn-out		0	0	-60	0	0
Cash flow from investing activities		-36	-105	-136	-159	-223
Dividends paid		0	0	-49	-64	-113
Purchase of treasury shares		0	0	0	-5	-5
Installments on lease liabilities		-24	-25	-47	-47	-93
Long term loan		0	0	0	0	-5
Bank overdraft		-170	87	-83	175	-12
Cash flow from financing activities		-194	62	-179	59	-228
Net cash flow		0	23	-2	-8	14
Cash and cash equivalents at the beginning of the period		120	77	122	108	108
Cash and cash equivalents at the end of the period		120	100	120	100	122
Additional information¹:						
Cash and cash equivalents		120	100	120	100	122
Bank overdraft		-148	-417	-148	-417	-231
Committed credit facilities		900	540	900	540	900
Financial resources at the end of the period		872	223	873	223	791
Cash flow from operating activities		230	66	313	92	465
Cash flow from investing activities		-36	-105	-136	-159	-223
Free cash flow		194	-39	177	-67	242

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

Statement of changes in equity

DKK million	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
June 30, 2020									
Balance at the beginning of the period	250	-4	860	7	9	-2	14	49	1,169
Net profit for the period	0	0	49	0	0	0	0	0	49
Other comprehensive income for the period	0	0	0	-2	-10	1	-11	0	-11
Total comprehensive income for the period	0	0	49	-2	-10	1	-11	0	38
Transactions with owners:									
Transfer of treasury shares	0	1	8	0	0	0	0	0	9
Share-based payments	0	0	8	0	0	0	0	0	8
Deferred tax on share-based payments	0	0	1	0	0	0	0	0	1
Dividends paid	0	0	0	0	0	0	0	-49	-49
Proposed interim dividend for 2020	0	0	-49	0	0	0	0	49	0
Balance at the end of the period	250	-3	877	5	-1	-1	3	0	1,176

DKK million	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
December 31, 2019									
Balance at the beginning of the period	250	-5	764	6	8	-2	12	64	1,085
Net profit for the period	0	0	183	0	0	0	0	0	183
Other comprehensive income for the period	0	0	9	1	1	0	2	0	11
Total comprehensive income for the period	0	0	192	1	1	0	2	0	194
Transactions with owners:									
Purchase of treasury shares	0	0	-5	0	0	0	0	0	-5
Transfer of treasury shares	0	1	-1	0	0	0	0	0	0
Share-based payments	0	0	13	0	0	0	0	0	13
Deferred tax on share-based payments	0	0	-5	0	0	0	0	0	-5
Dividends paid	0	0	0	0	0	0	0	-113	-113
Interim dividend for 2018	0	0	-49	0	0	0	0	49	0
Proposed dividend for 2018	0	0	-49	0	0	0	0	49	0
Total dividends for 2018	0	0	-98	0	0	0	0	98	0
Balance at the end of the period	250	-4	860	7	9	-2	14	49	1,169

DKK million	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
June 30, 2019									
Balance at the beginning of the period	250	-5	764	6	8	-2	12	64	1,085
Net profit for the period	0	0	75	0	0	0	0	0	75
Other comprehensive income for the period	0	0	0	1	1	0	2	0	2
Total comprehensive income for the period	0	0	75	1	1	0	2	0	77
Transactions with owners:									
Purchase of treasury shares	0	0	-5	0	0	0	0	0	-5
Transfer of treasury shares	0	1	-1	0	0	0	0	0	0
Share-based payments	0	0	7	0	0	0	0	0	7
Deferred tax on share-based payments	0	0	-3	0	0	0	0	0	-3
Dividends paid	0	0	0	0	0	0	0	-64	-64
Proposed interim dividend for 2019	0	0	-49	0	0	0	0	49	0
Balance at the end of the period	250	-4	788	7	9	-2	14	49	1,097

Notes**Note 1***Accounting policies*

The consolidated financial statements for the first six months of 2020 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on the basis of the same accounting policies for recognition and measurement as were applied in the Annual Report 2019 except what is mentioned below.

Change in accounting estimates

As a consequence of an asset review and slower technological development of server components NNIT has increased the useful lifetime for certain servers from 3 years to 5 years. An asset review of Datacenter assets based on the first 9 years of operations in NNIT's data center in Bagsværd has led to a change in the useful lifetime of data center components from 12-20 years to 20-30 years.

The changes have positively affected net profit in Q1 2020 by 3.8 million and Q2 2020 by 6.7 million.

The financial reporting including the consolidated financial statements for the first three months of 2020 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim report of listed companies. See pages 57 to 62 of the Annual Report 2019 for a comprehensive description of the accounting policies applied for recognition and measurement.

Note 2

Quarterly numbers

DKK million	2020		2019			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	701	722	801	763	744	750
Cost of goods sold	608	619	657	637	644	645
Gross profit	93	103	144	127	100	105
Sales and marketing costs	31	31	34	33	31	32
Administrative expenses	24	25	29	25	24	27
Operating profit before special items	38	47	81	69	44	46
Special items*	12	7	8	16	0	0
Operating profit	26	40	73	53	44	46
Net financials	-6	6	4	7	-1	6
Profit before income taxes	20	46	77	59	43	51
Income taxes	6	11	18	9	9	11
Net profit for the period	14	35	59	50	34	40

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

Segment disclosures

DKK million	2020		2019			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenue by customer group						
<i>Novo Nordisk Group</i>	175	185	237	223	235	259
<i>Life sciences international</i>	106	92	99	95	90	77
<i>Life sciences Denmark</i>	68	67	64	57	56	54
Life sciences	349	344	400	375	381	390
<i>Enterprise</i>	170	206	203	212	190	198
<i>Public</i>	107	105	109	98	96	90
<i>Finance</i>	75	67	89	78	77	72
Private & public	352	378	401	388	363	360
Total revenue	701	722	801	763	744	750
Gross profit by business unit						
Life sciences	51	62	97	78	73	86
Private & public	42	41	48	48	27	18
Total Gross profit	93	103	144	127	100	105
Operating profit by business unit						
Life sciences	21	31	63	46	41	53
Private & public	17	16	18	22	3	-7
Total operating profit before special items	38	47	81	69	44	46

The Danish operations generated 79.5% of NNIT's revenue in the first six months of 2020 and 82.7% in the same period last year based on the location of customer purchase orders. As a consequence of the predominantly Danish revenue, we will not disclose a geographical revenue split.

Note 3

Special items

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

The costs relate to significant restructuring of the cost base and processes as well as restructuring costs related to resignation of employees due to lost contracts.

The costs comprise staff related costs as well as external costs to advisors.

Therefore, the costs are separately disclosed to allow a view of the underlying business performance and in order to compare the underlying business performance to the guidance provided by NNIT.

Q2 2020 was affected by DKK 12 million and YTD June 30, 2020 by DKK 19 million.

Note 4

Related party transactions

DKK million	June 30, 2020	June 30, 2019	Dec 31, 2019
Assets			
Receivables from related parties	30	72	146
Work in progress related parties	55	37	54
Liabilities			
Liabilities to related parties	0	15	0
Prepayments from related parties	45	14	20

Note 5

Contingent liabilities and legal proceedings

Contingent liabilities

None

Legal proceedings

None

Note 6

Currency hedging

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

NNIT is exposed to exchange rate risks in the countries where NNIT has its main activities. The majority of NNIT's sales are in DKK and EUR, implying limited foreign exchange risk, due to the parent company's functional currency being DKK and Denmark's fixed-rate policy towards EUR. NNIT's foreign exchange risk therefore primarily stems from transactions carried out in the currencies of other countries in which NNIT mainly operates: primarily the Chinese yuan, and, to a lesser extent, the Czech koruna, the Philippine peso, the Swiss franc and the British pound.

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

Cumulative profit on derivative financial instruments regarding future cash flow per June 30, 2020 is recognized in Equity (Other comprehensive income) with an amount of DKK -10m before tax (DKK 8m after tax).

Note 7

Currency sensitivities

	Estimated annual impact on NNIT's operating profit of a 10% increase in the outlined currencies against DKK*	Hedging period (months)
EUR	DKK 28 million	-
CNY	DKK -16 million	14
CZK	DKK -10 million	14
PHP	DKK -7 million	14
USD	DKK 5 million	-
CHF	DKK -1 million	-

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

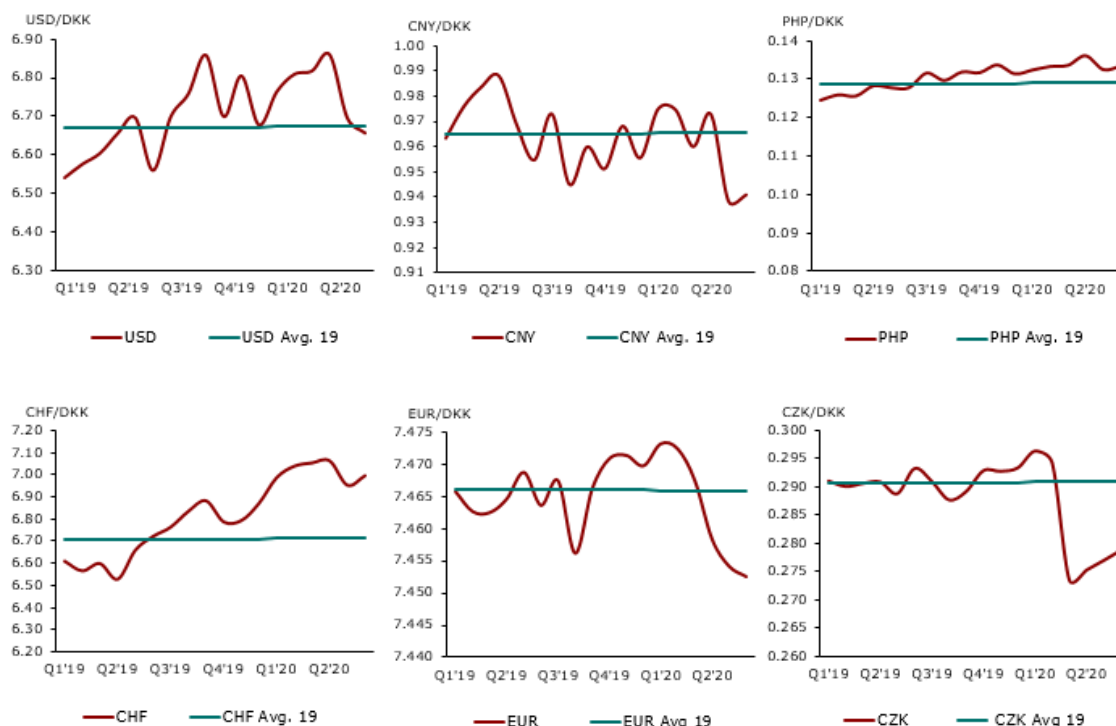
* The above sensitivities address hypothetical situations and are provided for illustrative purposes only. The sensitivities assume the business develops consistent with the current 2020 business plan.

Key currency assumptions

DKK per 100	2018 average exchange rates	2019 average exchange rates	YTD 2020 average exchange rates at August 6, 2020	Current exchange rates at August 6, 2020
CNY	95.78	93.82	95.68	90.55
EUR	745.68	746.60	746.19	745.00
CZK	27.34	29.08	28.37	28.45
PHP	13.46	12.88	13.33	12.82
CHF	703.67	671.37	700.34	692.64
USD	683.48	667.03	672.09	628.82

Currency development

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



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

Note 8

Performance in constant and reported currencies

Performance overview

DKK million (reported currencies)	Q2 2020	Q2 2020 (constant*)	Q2 2019	Change (reported)	Change (constant)
Revenue	700.9	700.1	743.7	-5.7%	-5.9%
Cost of goods sold	608.1	608.0	643.7	-5.5%	-5.6%
Gross profit	92.8	92.1	99.9	-7.1%	-7.8%
<i>Gross profit margin</i>	13.2%	13.2%	13.4%	-0.2pp	-0.3pp
Sales and marketing costs	30.9	30.9	31.4	-1.6%	-1.9%
Administrative expenses	24.0	24.0	24.4	-1.6%	-1.5%
Operating profit before special items	37.9	37.3	44.1	-14.1%	-15.5%
<i>Operating profit margin before special items</i>	5.4%	5.3%	5.9%	-0.5pp	-0.6pp
Special items	12.7	12.7	0.0	n.a.	n.a.
Operating profit	25.2	24.6	44.1	-42.9%	-44.3%
<i>Operating profit margin</i>	3.6%	3.5%	5.9%	-2.3pp	-2.4pp
Net financials	-6.1	n.a.	-0.8	689.7%	n.a.
Profit before tax	19.1	n.a.	43.3	-56.0%	n.a.
Tax	5.2	n.a.	9.0	-41.8%	n.a.
<i>Effective tax rate</i>	27.4%	n.a.	20.7%	6.7pp	n.a.
Net profit	13.8	n.a.	34.4	-59.7%	n.a.

DKK million (reported currencies)	6M 2020	6M 2020 (constant*)	6M 2019	Change (reported)	Change (constant)
Revenue	1,423.0	1,420.3	1,493.7	-4.7%	-4.9%
Cost of goods sold	1,226.6	1,223.7	1,289.2	-4.9%	-5.1%
Gross profit	196.4	196.6	204.5	-4.0%	-3.9%
<i>Gross profit margin</i>	13.8%	13.8%	13.7%	0.1pp	0.2pp
Sales and marketing costs	61.9	61.7	63.5	-2.5%	-2.9%
Administrative expenses	49.4	49.3	51.4	-3.8%	-4.0%
Operating profit before special items	85.0	85.6	89.6	-5.1%	-4.5%
<i>Operating profit margin before special items</i>	6.0%	6.0%	6.0%	0pp	0pp
Special items	19.3	19.3	0.0	n.a.	n.a.
Operating profit	65.8	66.2	89.6	-26.6%	-26.1%
<i>Operating profit margin</i>	4.6%	4.7%	6.0%	-1.4pp	-1.3pp
Net financials	0.0	n.a.	5.0	-99.7%	n.a.
Profit before tax	65.8	n.a.	94.7	-30.5%	n.a.
Tax	16.7	n.a.	20.1	-17.0%	n.a.
<i>Effective tax rate</i>	25.4%	n.a.	21.2%	4.1pp	n.a.
Net profit	49.1	n.a.	74.6	-34.2%	n.a.

*Constant currencies measured using average exchange rates for Q2 2019.

Revenue distribution

DKKm (reported currencies)	Q2 2020	Q2 2020 (constant*)	Q2 2019	Pct Change (reported)	Pct Change (constant)
Novo Nordisk Group	174.9	175.1	235.3	-25.6%	-25.6%
Life sciences international	106.5	101.8	90.1	18.2%	13.0%
Life sciences Denmark	67.9	71.0	55.6	22.1%	27.7%
Life sciences	349.4	347.9	381.0	-8.3%	-8.7%
Enterprise	169.7	169.8	189.5	-10.4%	-10.4%
Public	107.4	107.9	96.0	11.9%	12.4%
Finance	74.5	74.5	77.1	-3.4%	-3.4%
Private & Public	351.6	352.2	362.6	-3.1%	-2.9%
Total	700.9	700.1	743.7	-5.7%	-5.9%

DKKm (reported currencies)	6M 2020	6M 2020 (constant*)	6M 2019	Pct Change (reported)	Pct Change (constant)
Novo Nordisk Group	359.8	359.8	494.1	-27.2%	-27.2%
Life sciences international	198.1	192.1	167.5	18.3%	14.7%
Life sciences Denmark	135.5	137.9	109.4	23.9%	26.1%
Life sciences	693.4	689.9	771.0	-10.1%	-10.5%
Enterprise	376.2	376.2	387.8	-3.0%	-3.0%
Public	212.5	213.3	185.5	14.6%	15.0%
Finance	140.9	140.9	149.4	-5.7%	-5.7%
Private & Public	729.6	730.4	722.7	1.0%	1.1%
Total	1,423.0	1,420.3	1,493.7	-4.7%	-4.9%

*Constant currencies measured using average exchange rates for Q2 2019.