

# netcompany

# Q2 | 20

Company Announcement  
Six months ended 30 June 2020

**Netcompany continues to grow  
revenue as planned and increases  
margins in Q2 2020**

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# Summary

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In Q2 2020, Netcompany realised reported revenue of DKK 675.5m, of which DKK 654.5m was organic. In constant currencies growth was 15.1% of which 13.7% was organic.

Adjusted EBITA grew by 27.9% to DKK 161.3m compared to DKK 126.1m in Q2 2019, corresponding to an adjusted EBITA margin of 23.9%.

The average number of full-time employees grew by 404 from 2,259 in Q2 2019 to 2,663 in Q2 2020. Part of the increase was related to the acquisition of Netcompany Netherlands, which affected the average FTEs in Q2 2020 by 98 compared to 47 in Q2 2019.

Free cash flow remained strong and added another DKK 103m to the cash position bringing the total amount of cash and cash equivalents above DKK 300m which was more than double the amount compared to the end of Q2 2019.

Netcompany expects to pay out dividend of between DKK 50 - 100m for the full year 2020.

By the start of July 2020, revenue visibility increased by 18% to DKK 2,483.6m compared to DKK 2,105.5m at the beginning of July 2019, of which DKK 1,371.1m reflects realised revenue in the first half of 2020.

For 2020, Netcompany maintains its expectations to organic revenue growth in constant currencies to be around 18% -20% and the expectations to non-organic revenue growth to be around 1%. Netcompany still expects Group adjusted EBITA margin in constant currencies to be around 26%.

In light of the COVID-19 pandemic, we underline that our assumptions behind our guidance are significantly more uncertain than normal.

“During these unprecedented times, we continued to follow our initial growth plans for the year and realised more than 15% growth for the Group in the second quarter of 2020, accompanied by strong cash flow and increasing margins.

During Q2, we have delivered a number of large projects, most notably the social pension solution in Denmark. We continue to bid for – and win – larger complex solutions in all the countries where we are active, which lays the foundation for our continued growth.

Despite the uncertainty in all of our markets, we have welcomed more than 230 new employees in Q2, which I am truly proud of.”

**André Rogaczewski**

NETCOMPANY CEO AND CO-FOUNDER

# Performance highlights Q2

## Financial overview

DKK million	Q2 2020 (reported)	Q2 2020 (constant)*	Q2 2019	% change (reported)	Netcompany Netherlands non-organic impact**	% change (constant)*
Revenue	675.5	682.5	593.1	13.9%	1.4pp	15.1%
Gross profit	259.7	260.9	222.7	16.6%	1.3pp	17.1%
Adjusted EBITA	161.3	161.7	126.1	27.9%	0.4pp	28.2%
<i>Adjusted EBITA margin</i>	23.9%	23.7%	21.3%	2.6pp	-0.2pp	2.4pp
EBITA	161.3	161.7	123.5	30.7%	0.4pp	30.9%
<i>EBITA margin</i>	23.9%	23.7%	20.8%	3.1pp	-0.2pp	2.9pp
Operating profit	136.0	136.4	98.9	37.6%	0.0pp	37.9%
<i>Operating profit margin</i>	20.1%	20.0%	16.7%	3.5pp	-0.3pp	3.3pp
Net profit / loss	96.0	96.2	61.7	55.6%	-0.3pp	56.0%
Capex	-3.3	N/A	-5.0	-33.3%	N/A	N/A
Net increase / decrease in cash and cash equivalents	92.1	N/A	-29.2	-415.6%	N/A	N/A

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

\*\*Netcompany Netherlands, acquired at 13 May 2019, is not fully included in the reported figures for 2019 and the impact from Netcompany Netherlands until 13 May 2020 is shown in the table as non-organic impact from Netcompany Netherlands, whereas impact from 14 May 2020 and onwards will be seen as organic impact.

- Revenue increased by 13.9% (15.1% constant), of which 12.5% came from organic growth, to DKK 675.5m in reported currencies.
- Gross profit margin was 38.4% against 37.6% in Q2 2019.
- Adjusted EBITA increased 27.9% and yielded a margin of 23.9%.
- Net result increased by more than 55%.
- Free cash flow was DKK 103.1m and total cash and cash equivalents increased to more than DKK 300m.
- Normalised cash conversion rate of 65.4%.
- Debt leverage to 12 months rolling Adjusted EBITA below 1.

# Performance highlights First 6 months

## Financial overview

DKK million	YTD 2020 (reported)	YTD 2020 (constant)*	YTD 2019	% change (reported)	Netcompany Netherlands non-organic impact**	% change (constant)*	Total 2019
Revenue	1,371.1	1,380.5	1,190.8	15.1%	2.2pp	15.9%	2,453.9
Gross profit	534.2	536.4	456.3	17.1%	1.8pp	17.5%	995.8
Adjusted EBITA	325.4	326.2	273.3	19.0%	0.4pp	19.3%	617.4
<i>Adjusted EBITA margin</i>	23.7%	23.6%	23.0%	0.8pp	-0.4pp	0.7pp	25.2%
EBITA	325.4	326.2	269.6	20.7%	0.4pp	21.0%	613.0
<i>EBITA margin</i>	23.7%	23.6%	22.6%	1.1pp	-0.4pp	1.0pp	25.0%
Operating profit	274.8	275.6	219.4	25.3%	-0.1pp	25.6%	511.3
<i>Operating profit margin</i>	20.0%	20.0%	18.4%	1.6pp	-0.4pp	1.5pp	20.8%
Net profit / loss	188.8	189.5	160.4	17.7%	-0.4pp	18.1%	388.5
Capex	-14.9	N/A	-11.1	34.2%	N/A	N/A	-24.6
Net increase / decrease in cash and cash equivalents	175.9	N/A	36.1	387.8%	N/A	N/A	32.1

\*Constant currencies measured using average exchange rates for 6M 2019

\*\*Netcompany Netherlands, acquired at 13 May 2019, is not fully included in the reported figures for 2019 and the impact from Netcompany Netherlands until 13 May 2020 is shown in the table as non-organic impact from Netcompany Netherlands, whereas impact from 14 May 2020 and onwards will be seen as organic impact.

- Revenue increased by 15.1% (15.9% constant), hereof 12.9% from organic growth, to DKK 1,371.1m in reported currencies.
- Gross profit margin was 39.0% against 38.3% for the same period in 2019.
- Free cash flow remained strong and increased from DKK 192.4m in 6M 2019 to DKK 198.2m in 6M 2020.
- Normalised cash conversion rate of 92.8%.

# Conference call details

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In connection with the publication of the results for Q2 2020, Netcompany will host a conference call on 20 August 2020 at 11.00 am 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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## Confirmation code

598046

## Webcast Player URL

<https://netcompany.eventcdn.net/2020q2>

## Additional information

### André Rogaczewski, CEO

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### Thomas Johansen, CFO

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# Financial highlights and key figures

DKK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019	% change YTD	Total 2019
<b>Income statement</b>						
Revenue						
Public	442.2	341.5	875.5	692.3	26.5%	1,455.5
Private	233.4	251.6	495.6	498.5	-0.6%	998.3
<i>Revenue by segments, total</i>	675.5	593.1	1,371.1	1,190.8	15.1%	2,453.9
Development	347.4	289.7	703.2	619.7	13.5%	1,257.7
Maintenance	328.1	303.4	668.0	571.1	17.0%	1,196.1
<i>Revenue by types, total</i>	675.5	593.1	1,371.1	1,190.8	15.1%	2,453.9
Organic	667.1	586.0	1,345.0	1,183.6	13.6%	2,416.5
Acquisition	8.5	7.1	26.2	7.1	266.2%	37.4
<i>Revenue by growth, total</i>	675.5	593.1	1,371.1	1,190.8	15.1%	2,453.9
Special items	0.0	-2.7	-0.0	-3.7	-99.9%	-4.4
Adjusted EBITA	161.3	126.1	325.4	273.3	19.0%	617.4
EBITA	161.3	123.5	325.4	269.6	20.7%	613.0
Operating profit (EBIT)	136.0	98.9	274.8	219.4	25.3%	511.3
Net financials	-16.2	-21.3	-35.3	-15.4	129.5%	-14.0
Net profit / loss	96.0	61.7	188.8	160.4	17.7%	388.5
<b>Financial position</b>						
Capex	-3.3	-5.0	-14.9	-11.1	34.2%	-24.6
Total assets	3,916.8	3,680.0	3,916.8	3,680.0	6.4%	3,727.6
Equity	2,281.1	1,847.8	2,281.1	1,847.8	23.4%	2,071.7
Dividends Paid	0.0	0.0	0.0	0.0	N/A	0.0
Net increase in cash and cash equivalents	92.1	-29.2	175.9	36.1	387.8%	32.1
Free cash flow	103.1	117.2	198.2	192.4	3.0%	435.8
Free cash flow (tax normalised)	75.7	99.1	211.8	210.2	0.7%	417.2

**CONTINUED FINANCIAL HIGHLIGHTS AND KEY FIGURES**

DKK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019	% change YTD	Total 2019
<b>Earnings per share</b>						
Earnings per share (DKK)	1.96	1.26	3.85	3.26	18.1%	7.90
Diluted earnings per share (DKK)	1.95	1.25	3.83	3.25	17.8%	7.88
<b>Employees</b>						
Average number of full-time employees	2,663	2,259	2,624	2,179	20.4%	2,294
<b>Financial ratios</b>						
Gross profit margin	38.4%	37.6%	39.0%	38.3%	0.6pp	40.6%
Adjusted EBITA margin	23.9%	21.3%	23.7%	23.0%	0.8pp	25.2%
EBITA margin	23.9%	20.8%	23.7%	22.6%	1.1pp	25.0%
Operating profit margin	20.1%	16.7%	20.0%	18.4%	1.6pp	20.8%
Effective tax rate	19.9%	20.5%	21.2%	21.4%	-0.2pp	21.9%
Return on equity	4.6%	3.5%	9.1%	9.2%	-0.0pp	20.0%
Solvency ratio	58.2%	50.2%	58.2%	50.2%	8.0pp	55.6%
<b>Financial metrics</b>						
Revenue growth	13.9%	18.0%	15.1%	16.8%	-1.6pp	19.5%
Operating profit margin	20.1%	16.7%	20.0%	18.4%	1.6pp	20.8%
Return on invested capital (ROIC)	3.3%	2.2%	6.5%	5.7%	0.7pp	13.6%
Cash conversion rate	89.1%	145.0%	86.8%	96.4%	-9.6pp	93.2%
Cash conversion rate (tax normalised)	65.4%	122.6%	92.8%	105.3%	-12.5pp	89.2%



# Performance overview Q2

DKK million	Q2 2020 (reported)	Q2 2020 (constant)*	Q2 2019	% change (reported)	Netcompany Netherlands non-organic impact**	% change (constant)*
Revenue	675.5	682.5	593.1	13.9%	1.4pp	15.1%
Cost of services	-415.8	-421.6	-370.4	12.3%	1.5pp	13.8%
<b>Gross profit</b>	<b>259.7</b>	<b>260.9</b>	<b>222.7</b>	<b>16.6%</b>	<b>1.3pp</b>	<b>17.1%</b>
<i>Gross profit margin</i>	<i>38.4%</i>	<i>38.2%</i>	<i>37.6%</i>	<i>0.9pp</i>	<i>-0.1pp</i>	<i>0.7pp</i>
Sales and marketing costs	-3.8	-3.8	-3.3	14.5%	0.0pp	15.5%
Administrative costs	-94.6	-95.4	-93.3	1.4%	2.5pp	2.3%
<b>Adjusted EBITA</b>	<b>161.3</b>	<b>161.7</b>	<b>126.1</b>	<b>27.9%</b>	<b>0.4pp</b>	<b>28.2%</b>
<i>Adjusted EBITA margin</i>	<i>23.9%</i>	<i>23.7%</i>	<i>21.3%</i>	<i>2.6pp</i>	<i>-0.2pp</i>	<i>2.4pp</i>
Special items	0.0	0.0	-2.7	-100.0%	0.0pp	-100.0%
<b>EBITA</b>	<b>161.3</b>	<b>161.7</b>	<b>123.5</b>	<b>30.7%</b>	<b>0.4pp</b>	<b>30.9%</b>
<i>EBITA margin</i>	<i>23.9%</i>	<i>23.7%</i>	<i>20.8%</i>	<i>3.1pp</i>	<i>-0.2pp</i>	<i>2.9pp</i>
Amortisation	-25.3	-25.3	-24.6	2.9%	1.8pp	2.9%
<b>Operating profit (EBIT)</b>	<b>136.0</b>	<b>136.4</b>	<b>98.9</b>	<b>37.6%</b>	<b>0.0pp</b>	<b>37.9%</b>
<i>Operating profit margin</i>	<i>20.1%</i>	<i>20.0%</i>	<i>16.7%</i>	<i>3.5pp</i>	<i>-0.3pp</i>	<i>3.3pp</i>
Net financials	-16.2	-16.1	-21.3	-0.2pp	0.7pp	-0.2pp
<b>Profit / loss before tax</b>	<b>119.9</b>	<b>120.2</b>	<b>77.6</b>	<b>54.5%</b>	<b>-0.2pp</b>	<b>54.9%</b>
Tax	-23.9	-24.0	-15.9	50.3%	0.4pp	50.8%
<i>Effective tax rate</i>	<i>19.9%</i>	<i>19.9%</i>	<i>20.5%</i>	<i>-0.6pp</i>	<i>0.1pp</i>	<i>-0.5pp</i>
<b>Net profit / loss</b>	<b>96.0</b>	<b>96.2</b>	<b>61.7</b>	<b>55.6%</b>	<b>-0.3pp</b>	<b>56.0%</b>

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

\*\*Netcompany Netherlands, acquired at 13 May 2019, is not fully included in the reported figures for 2019 and the impact from Netcompany Netherlands until 13 May 2020 is shown in the table as non-organic impact from Netcompany Netherlands, whereas impact from 14 May 2020 and onwards will be seen as organic impact.

Reported revenue grew by 13.9% (constant 15.1%) to DKK 675.5m in Q2 2020, of which 12.5% was organic revenue growth. The non-organic revenue growth relating to the acquisition of Netcompany Netherlands accounted for 1.4 percentage points covering the period from beginning of April 2020 to 13 May 2020, while the remaining part of Q2 2020 is accounted for as organic revenue growth.

The different approaches taken by governments to control the spread of COVID-19 meant that each business operation was impacted differently. In Denmark, activity level has been more or less unaffected by the actions imposed by the Danish government as most public and private customers have been working from home during the lockdown, which to a high degree also has been the case in the Netherlands. In Norway and the UK however, activities were impacted harder from the lockdown. The lockdown in the UK and in Norway has led to postponing of large scale projects and tenders.

**CONTINUED PERFORMANCE OVERVIEW Q2**

**Gross profit margin was**

**38.4%**

Gross profit margin increased by 0.9 percentage point and by 1 percentage point, when adjusted for the non-organic impact of Netcompany Netherlands. Improvement in margin was driven by a higher relative proportion of revenue coming from the Danish business operation compared to the same period last year as well as an increase in both the Danish and Dutch gross profit margins, which increased by 2.3 percentage points and 12.9 percentage points, respectively.

Sales and marketing costs increased by 14.5% (constant 15.5%) to DKK 3.8m. The increase in marketing costs was primarily driven by the timing of marketing events.

Administrative costs increased by DKK 94.6m, which was an increase of 1.4% (constant 2.3%). Adjusted for the non-organic impact from Netcompany Neth-

erlands, administrative costs decreased by 1.1% to DKK 92.3m. This development was primarily driven by employees working from home during most of Q2 2020 leading to reduced administrative costs and cancellation of all company events. This more than offset the increase in FTEs of 17.9% that would otherwise increase the general infrastructure costs in a normalised setting and also the increase in administration costs of DKK 2.4m relating to the LTIP programme being further progressed compared to the same period last year.

**Adjusted EBITA margin was**

**23.9%**

Adjusted EBITA increased by 27.9% (constant 28.2%) to DKK 161.3m. This led to an adjusted EBITA margin of 23.9%, of which the non-organic impact from the acquisition of Netcompany Netherlands accounted for negative 0.2 percentage

point. Margin increased by 2.6 percentage points to 23.9% in Q2 2020, primarily due to an increase in gross profit margin and a lower relative increase in administration costs compared to revenue growth.

Amortisation of intangible assets recognised upon business combinations increased by 2.9% (constant 2.9%) to DKK 25.3m. This was primarily driven by the increase in amortisation relating to the purchase of Netcompany Netherlands on 13 May 2019.

**EBIT increased by**

**37.6%**

Operating profit (EBIT) increased by 37.6% (constant 37.9%) to DKK 136m. This led to an operating profit margin of 20.1% compared to 16.7% in Q2 2019.

Net financials decreased by 24.2% to a negative DKK 16.2m in Q2 2020. The de-

crease in net financials were driven by the development in the Danish Krone against the British Pound, which as a result impacted the financial expenses in the period by DKK 9.3m compared to DKK 12.9m in Q2 2019. Furthermore, financial expenses relating to external bank lending decreased in the period from DKK 4.7m in Q2 2019 to DKK 3.6m in Q2 2020, due to a lower interest rate and lower debt. Calculated interest expenses related to leasing increased from DKK 0.7m in Q2 2019 to DKK 1.1m in Q2 2020.

Net result increased by 55.6% (constant 56%) to DKK 96m, of which the non-organic impact from Netcompany Netherlands accounted for negative 0.3 percentage point.

# Performance overview First 6 months

DKK million	YTD 2020 (reported)	YTD 2020 (constant)*	YTD 2019	% change (reported)	Netcompany Netherlands non-organic impact**	% change (constant)*	Total 2019
Revenue	1,371.1	1,380.5	1,190.8	15.1%	2.2pp	15.9%	2,453.9
Cost of services	-836.9	-844.1	-734.4	13.9%	2.4pp	14.9%	-1,458.1
<b>Gross profit</b>	<b>534.2</b>	<b>536.4</b>	<b>456.3</b>	<b>17.1%</b>	<b>1.8pp</b>	<b>17.5%</b>	<b>995.8</b>
<i>Gross profit margin</i>	39.0%	38.9%	38.3%	0.6pp	-0.1pp	0.5pp	40.6%
Sales and marketing costs	-8.2	-8.3	-6.1	35.6%	0.1pp	36.3%	-11.7
Administrative costs	-200.6	-202.0	-176.9	13.4%	4.1pp	14.2%	-366.7
<b>Adjusted EBITA</b>	<b>325.4</b>	<b>326.2</b>	<b>273.3</b>	<b>19.0%</b>	<b>0.4pp</b>	<b>19.3%</b>	<b>617.4</b>
<i>Adjusted EBITA margin</i>	23.7%	23.6%	23.0%	0.8pp	-0.4pp	0.7pp	25.2%
Special items	-0.0	-0.0	-3.7	-99.9%	0.0pp	-99.9%	-4.4
<b>EBITA</b>	<b>325.4</b>	<b>326.2</b>	<b>269.6</b>	<b>20.7%</b>	<b>0.4pp</b>	<b>21.0%</b>	<b>613.0</b>
<i>EBITA margin</i>	23.7%	23.6%	22.6%	1.1pp	-0.4pp	1.0pp	25.0%
Amortisation	-50.6	-50.6	-50.2	0.7%	2.8pp	0.7%	-101.7
<b>Operating profit (EBIT)</b>	<b>274.8</b>	<b>275.6</b>	<b>219.4</b>	<b>25.3%</b>	<b>-0.1pp</b>	<b>25.6%</b>	<b>511.3</b>
<i>Operating profit margin</i>	20.0%	20.0%	18.4%	1.6pp	-0.4pp	1.5pp	20.8%
Net financials	-35.3	-35.3	-15.4	129.5%	2.9pp	129.7%	-14.0
<b>Profit / loss before tax</b>	<b>239.5</b>	<b>240.2</b>	<b>204.0</b>	<b>17.4%</b>	<b>-0.3pp</b>	<b>17.8%</b>	<b>497.3</b>
Tax	-50.7	-50.7	-43.6	16.3%	0.0pp	16.4%	-108.8
<i>Effective tax rate</i>	21.2%	21.1%	21.4%	-0.2pp	0.1pp	-0.3pp	21.9%
<b>Net profit / loss</b>	<b>188.8</b>	<b>189.5</b>	<b>160.4</b>	<b>17.7%</b>	<b>-0.4pp</b>	<b>18.1%</b>	<b>388.5</b>

\*Constant currencies measured using average exchange rates for 2019

\*\*Netcompany Netherlands, acquired at 13 May 2019, is not fully included in the reported figures for 2019 and the impact from Netcompany Netherlands until 13 May 2020 is shown in the table as non-organic impact from Netcompany Netherlands, whereas impact from 14 May 2020 and onwards will be seen as organic impact.

Revenue increased by 15.1% (constant 15.9%) to 1,371.1m of which non-organic growth from the acquisition of Netcompany Netherlands accounted for 2.2 percentage points. Comparing revenue growth in 6M 2020 to the same period in 2019, revenue growth followed the same trend, with Denmark realising the highest growth (20.5%). Furthermore, revenue growth in Norway was offset by the drop of the Norwegian Krone compared to the same period last year as well as the COVID-19 lockdown, of which the latter also offset the potential revenue growth in the UK business.

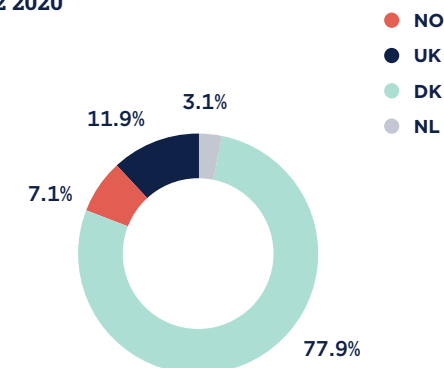
Adjusted EBITA margin increased by 0.8 percentage point (constant 0.7 percentage point) to 23.7% of which the acquisition of Netcompany Netherlands accounted for negative 0.4 percentage point. Adjusted EBITA margin increased as higher relative proportion of revenue came from the Danish business operation as well as an increase in margins in both the Danish and Dutch business operations.

# Business Segments Q2

## Segment information related to operating entities

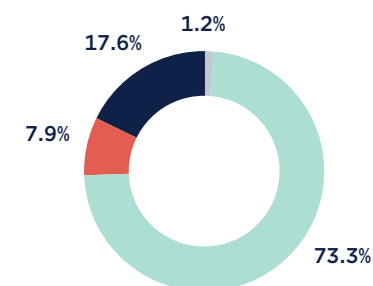
DKK million Constant (2019 rate)	Q2 2020				
	Group	Denmark	Norway	UK	Netherlands
Revenue from external customers	682.5	531.5	48.4	81.4	21.1
<b>Gross profit</b>	<b>260.9</b>	<b>236.1</b>	<b>6.2</b>	<b>11.0</b>	<b>6.5</b>
<i>Gross profit margin</i>	38.2%	44.4%	12.8%	13.5%	30.9%
Local admin costs	-89.1	-66.6	-6.2	-10.9	-4.2
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>171.8</b>	<b>169.5</b>	<b>-0.0</b>	<b>0.0</b>	<b>2.3</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	25.2%	31.9%	-0.0%	0.0%	10.9%
Allocated costs from HQ	-10.2	-7.5	-0.6	-1.6	-0.5
Special Items, allocated	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>161.7</b>	<b>162.0</b>	<b>-0.7</b>	<b>-1.5</b>	<b>1.9</b>
Client facing FTEs	2,482	1,774	223	381	103

Revenue, %  
Q2 2020



DKK million Reported	Q2 2019				
	Group	Denmark	Norway	UK	Netherlands
Revenue from external customers	593.1	434.6	47.0	104.4	7.1
<b>Gross profit</b>	<b>222.7</b>	<b>182.9</b>	<b>15.0</b>	<b>23.6</b>	<b>1.3</b>
<i>Gross profit margin</i>	37.6%	42.1%	31.9%	22.6%	18.0%
Local admin costs	-85.7	-64.1	-8.1	-11.1	-2.4
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>137.0</b>	<b>118.7</b>	<b>6.9</b>	<b>12.4</b>	<b>-1.1</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	23.1%	27.3%	14.7%	11.9%	-15.2%
Allocated costs from HQ	-10.9	-7.7	-0.8	-2.3	0.0
Special Items, allocated	-2.7	-1.9	-0.2	-0.6	0.0
<b>EBITA</b>	<b>123.5</b>	<b>109.1</b>	<b>5.9</b>	<b>9.6</b>	<b>-1.1</b>
Client facing FTEs	2,061	1,498	185	378	N/A

Revenue, %  
Q2 2019



**CONTINUED BUSINESS SEGMENTS Q2**

Revenue in the Danish business operation grew by 22.3% in Q2, while the Norwegian business grew by 3% and the UK business declined by 22% - all measured in constant currencies. The Netherlands grew close to 200%.

Revenue growth in Denmark was driven by high activity on multiyear projects in both the public and private sector with no negative impacts on activity level from the COVID-19 pandemic. In Norway, revenue growth of 3% in constant currencies, was driven by a low utilisation during the COVID-19 lockdown, but also as a result of high business development activities following the conscious decision to focus on the build-up of business development capabilities in Norway instead of sending people on furlough. In the UK, where the COVID-19 crisis has hit hardest following the lockdown on March 23 2020, revenue declined by 22% despite an unchanged level of client facing FTE's indicating an underlying drop in utilisation during Q2. The decrease in revenue in the UK was also a result of the continued effort to bring down the number of independent

contractors. Compared to Q2 2019, the number of independent contractors were reduced by 133. In the Netherlands activity was high in Q2 when comparing to Q2 last year. However, the Netherlands was not fully included in the result in Q2 2019. Furthermore, utilisation increased during Q2 in the Netherlands following the successful completion of a number of larger fixed fee projects.

**Gross profit increased by**

**17.1%**



Gross profit in constant currencies increased by 17.1% to DKK 260.9m, which led to a gross profit margin of 38.2%, an increase of 0.6 percentage point compared to the same period last year. The increase in gross profit was primarily driven by a higher relative proportion of revenue coming from the Danish business operation compared to the same period last year, as well as an increase in both Danish and

Dutch margins, which increased by 2.3 percentage points and by 12.9 percentage points, respectively.

**Gross profit margin was**

**38.2%**



The increase in margins in Denmark was driven by an increase in utilisation while the increasing margin in the Netherlands was a result of an increase in the hourly rate and higher utilisation. In both UK and Norway, the decrease in margin followed the decrease in activity from the COVID-19 lockdown in the respective countries. This meant, that both business operations had lower utilisation. Instead of participating in any of the relief packages in the two countries, and sending people home on furlough to reduce costs, a conscious decision was taken to use the opportunity to focus on the build-up of business development capabilities in both Norway and the UK. In Norway, this meant additional

salary costs from lending expertise from Denmark to help with the build-up of development capabilities with no revenue associated. At the same time, the Norwegian business operations lent people out that would otherwise have been revenue generating to cover for the missing resources in Denmark. Combined, this had a negative impact on the Norwegian gross profit margin of around 8 percentage points in Q2 2020. In addition, severance payment to two former Norwegian partners, had a negative effect of an additional 3 percentage point. The impact will be around DKK 0.6m per quarter all through 2020 and 2021.

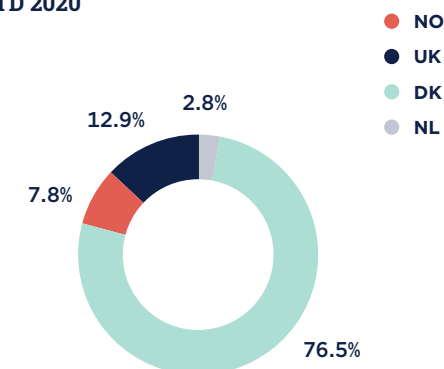
Adjusted EBITA before allocated costs from HQ increased by 2.1 percentage points, as a result of events already described, related to improvement in gross profit margin, as well as lower relative increase in administration costs compared to revenue growth in the period.

# Business Segments First 6 months

## Segment information related to operating entities

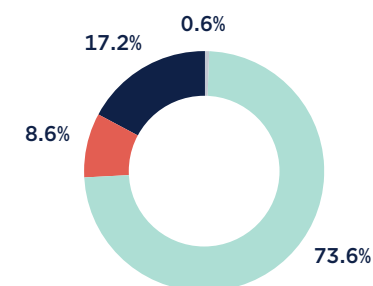
DKK million Constant (2019 rate)	YTD 2020				
	Group	Denmark	Norway	UK	Netherlands
Revenue from external customers	1,380.5	1,056.2	107.2	178.4	38.8
<b>Gross profit</b>	<b>536.4</b>	<b>465.1</b>	<b>22.6</b>	<b>35.6</b>	<b>13.2</b>
<i>Gross profit margin</i>	38.9%	44.0%	21.1%	20.0%	33.9%
Local admin costs	-187.6	-138.9	-14.4	-24.5	-9.7
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>348.8</b>	<b>326.1</b>	<b>8.2</b>	<b>11.1</b>	<b>3.4</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	25.3%	30.9%	7.6%	6.2%	8.8%
Allocated costs from HQ	-22.7	-15.1	-3.4	-3.3	-0.8
Special Items, allocated	-0.0	-0.0	-0.0	-0.0	-0.0
<b>EBITA</b>	<b>326.2</b>	<b>311.0</b>	<b>4.8</b>	<b>7.8</b>	<b>2.6</b>
Client facing FTEs	2,446	1,748	224	376	98

Revenue, %  
YTD 2020



DKK million Reported	YTD 2019				
	Group	Denmark	Norway	UK	Netherlands
Revenue from external customers	1,190.8	876.5	102.1	205.1	7.1
<b>Gross profit</b>	<b>456.3</b>	<b>374.7</b>	<b>38.0</b>	<b>42.4</b>	<b>1.3</b>
<i>Gross profit margin</i>	38.3%	42.8%	37.2%	20.7%	18.0%
Local admin costs	-163.7	-126.3	-16.2	-18.9	-2.4
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>292.6</b>	<b>248.4</b>	<b>21.8</b>	<b>23.5</b>	<b>-1.1</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	24.6%	28.3%	21.4%	11.4%	-15.2%
Allocated costs from HQ	-19.3	-13.6	-1.5	-4.2	0.0
Special Items, allocated	-3.7	-2.6	-0.3	-0.8	0.0
<b>EBITA</b>	<b>269.6</b>	<b>232.2</b>	<b>20.0</b>	<b>18.5</b>	<b>-1.1</b>
Client facing FTEs	2,006	1,439	182	385	N/A

Revenue, %  
YTD 2019



**CONTINUED BUSINESS SEGMENTS FIRST 6 MONTHS**

Revenue in constant currencies increased by 15.9% to DKK 1,380.5 in 6M 2020, of which 2.2 percentage points came from non-organic revenue related to the acquisition of Netcompany Netherlands. The Danish and Dutch operations were the primary drivers behind the revenue growth.

**Gross profit increased by**

**17.5%**



Gross profit in constant currencies increased by 17.5% to DKK 536.4m, which led to a gross profit margin of 38.9%, which was an increase of 0.5% compared to the same period last year. The increase was driven by the change in revenue from a geographical perspective as the relative share of revenue from the Danish business increased by 2.9 percentage points compared to the same period last year. In addition, the increase in margin in both the Danish and the Dutch business operation also had a positive impact on the increase,

which was somewhat offset by a decrease in gross profit margin the Norwegian and the UK businesses.

**Adjusted EBITA before allocated costs from HQ increased by**

**19.2%**



Adjusted EBITA before allocated costs from HQ increased by 19.2% to DKK 348.8m in 6M 2020, which led to a margin of 25.3% compared to 24.6% in 6M 2019. The increase was driven by the increase in gross profit margin as well as a lower relative increase in administration costs relative to the increase in revenue growth.

# Public Q2

DKK million	Group			Denmark		Norway		UK		Netherlands	
	Q2 2020	Q2 2019	% change	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019
Revenue	442.2	341.5	29.5%	354.4	275.0	22.7	21.9	44.5	38.1	20.6	6.5
Cost of service	-274.8	-223.9	22.7%	-204.7	-169.8	-20.3	-16.5	-36.6	-32.2	-13.2	-5.4
<b>Gross profit</b>	<b>167.4</b>	<b>117.6</b>	<b>42.3%</b>	<b>149.7</b>	<b>105.1</b>	<b>2.4</b>	<b>5.5</b>	<b>7.9</b>	<b>5.8</b>	<b>7.4</b>	<b>1.1</b>
<i>Gross profit margin</i>	<i>37.9%</i>	<i>34.4%</i>	<i>3.4pp</i>	<i>42.2%</i>	<i>38.2%</i>	<i>10.5%</i>	<i>25.0%</i>	<i>17.7%</i>	<i>15.3%</i>	<i>35.9%</i>	<i>17.2%</i>
Allocated costs	-60.2	-53.9	11.8%	-46.7	-44.1	-2.9	-4.0	-5.4	-3.7	-5.2	-2.2
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>107.1</b>	<b>63.7</b>	<b>68.1%</b>	<b>103.1</b>	<b>61.1</b>	<b>-0.5</b>	<b>1.5</b>	<b>2.4</b>	<b>2.2</b>	<b>2.2</b>	<b>-1.0</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>24.2%</i>	<i>18.7%</i>	<i>5.6pp</i>	<i>29.1%</i>	<i>22.2%</i>	<i>-2.3%</i>	<i>6.9%</i>	<i>5.5%</i>	<i>5.7%</i>	<i>10.5%</i>	<i>-16.0%</i>
Allocated costs from HQ	-6.8	-6.5	5.3%	-5.2	-5.3	-0.3	-0.4	-0.8	-0.8	-0.4	0.0
Special items	0.0	-1.6	-100.0%	0.0	-1.3	0.0	-0.1	0.0	-0.2	0.0	0.0
<b>EBITA</b>	<b>100.3</b>	<b>55.6</b>	<b>80.2%</b>	<b>97.8</b>	<b>54.4</b>	<b>-0.9</b>	<b>1.0</b>	<b>1.6</b>	<b>1.2</b>	<b>1.7</b>	<b>-1.0</b>
<i>EBITA margin</i>	<i>22.7%</i>	<i>16.3%</i>	<i>6.4pp</i>	<i>27.6%</i>	<i>19.8%</i>	<i>-3.8%</i>	<i>4.6%</i>	<i>3.7%</i>	<i>3.2%</i>	<i>8.3%</i>	<i>-16.0%</i>
Amortisation	-17.0	-14.7	16.1%	-13.1	-12.0	-0.9	-0.9	-2.0	-1.7	-1.1	0.0
<b>Operating profit</b>	<b>83.3</b>	<b>41.0</b>	<b>103.2%</b>	<b>84.7</b>	<b>42.4</b>	<b>-1.7</b>	<b>0.1</b>	<b>-0.3</b>	<b>-0.5</b>	<b>0.6</b>	<b>-1.0</b>
<i>Operating profit margin</i>	<i>18.8%</i>	<i>12.0%</i>	<i>6.8pp</i>	<i>23.9%</i>	<i>15.4%</i>	<i>-7.6%</i>	<i>0.5%</i>	<i>-0.7%</i>	<i>-1.3%</i>	<i>3.0%</i>	<i>-16.0%</i>



**CONTINUED PUBLIC Q2**

Public segment revenue increased by 29.5% to DKK 442.2m in Q2 2020, of which non-organic revenue growth relating to the acquisition of Netcompany Netherlands accounted for 2.4 percentage points. The organic revenue growth was largely attributable to both the Danish and UK public segment, which grew by 28.9% and 16.7% in the period. In Denmark, growth was driven by a combination of the new wins such as Digital Post and the Danish Police (covering national operational dispatches), but also driven by customers prolonging their framework agreements, which was also the underlying revenue driver for the UK public segment. During Q2, the Dutch operation also won new major public tender at the Dutch ministry of Taxation, which also increased activity in the public segment.

**Public segment revenue increased by**

**29.5%**

**Public Gross profit increased by**

**42.3%**

Gross profit increased by 42.3% to DKK 167.4m, which led to an increase in gross profit margin of 3.4 percentage points. The increase in margin was driven by both the Danish, Dutch and UK margin, which increased by 4 percentage points, 2.3 percentage points, and 18.6 percentage points, respectively. In Denmark, margin increased as a higher relative share of projects were in maintenance compared to the same period last year, while the UK margin increased as a direct result of the continued effort to reduce the number independent contractors where possible and instead replace them with own employees. In the Netherlands, increase in margin was primarily driven by increased utilisation as well as the successful completion of a number of larger fixed fee projects that were running at significantly reduced hourly rates in Q2 2019.

Allocated costs increased by 11.8% in Q2 2020 to DKK 60.2m, which was lower than the relative increase in revenue growth driven by a lower relative increase in administration costs compared to revenue growth, as well as a change in the geographical split in revenue between Denmark, Norway and the UK, where a higher relative share of revenue was coming from the Danish business operation compared to the same period last year.

**Public Adjusted EBITA before allocated cost from HQ increased by**

**68.1%**

Adjusted EBITA before allocated costs from HQ increased by 68.1% to DKK 107.1m, which led to a margin of 24.2% compared to 18.7% in Q2 2019. The increase in margin was driven by the increase in gross profit margin as well as lower relative increase in allocated costs compared to revenue growth.

# Private Q2

DKK million	Group			Denmark		Norway		UK		Netherlands	
	Q2 2020	Q2 2019	% change	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019
Revenue	233.4	251.6	-7.2%	177.1	159.6	20.1	25.0	35.7	66.3	0.5	0.6
Cost of service	-141.1	-146.5	-3.7%	-90.7	-81.9	-17.2	-15.5	-32.9	-48.6	-0.2	-0.5
<b>Gross profit</b>	<b>92.3</b>	<b>105.1</b>	<b>-12.2%</b>	<b>86.3</b>	<b>77.8</b>	<b>2.9</b>	<b>9.5</b>	<b>2.8</b>	<b>17.7</b>	<b>0.2</b>	<b>0.2</b>
<i>Gross profit margin</i>	<i>39.6%</i>	<i>41.8%</i>	<i>-2.2pp</i>	<i>48.8%</i>	<i>48.7%</i>	<i>14.6%</i>	<i>38.0%</i>	<i>7.9%</i>	<i>26.7%</i>	<i>48.5%</i>	<i>26.1%</i>
Allocated costs	-28.0	-31.9	-12.2%	-19.9	-20.1	-2.5	-4.1	-5.4	-7.5	-0.1	-0.2
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>64.4</b>	<b>73.3</b>	<b>-12.2%</b>	<b>66.4</b>	<b>57.7</b>	<b>0.4</b>	<b>5.4</b>	<b>-2.6</b>	<b>10.3</b>	<b>0.1</b>	<b>-0.0</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>27.6%</i>	<i>29.1%</i>	<i>-1.5pp</i>	<i>37.5%</i>	<i>36.1%</i>	<i>1.9%</i>	<i>21.5%</i>	<i>-7.3%</i>	<i>15.5%</i>	<i>29.8%</i>	<i>-7.2%</i>
Allocated costs from HQ	-3.3	-4.4	-23.8%	-2.2	-2.4	-0.3	-0.4	-0.8	-1.5	-0.0	0.0
Special items	0.0	-1.1	-100.0%	0.0	-0.6	0.0	-0.1	0.0	-0.4	0.0	0.0
<b>EBITA</b>	<b>61.0</b>	<b>67.8</b>	<b>-10.0%</b>	<b>64.2</b>	<b>54.7</b>	<b>0.1</b>	<b>4.9</b>	<b>-3.4</b>	<b>8.3</b>	<b>0.1</b>	<b>-0.0</b>
<i>EBITA margin</i>	<i>26.2%</i>	<i>27.0%</i>	<i>-0.8pp</i>	<i>36.3%</i>	<i>34.3%</i>	<i>0.4%</i>	<i>19.5%</i>	<i>-9.4%</i>	<i>12.6%</i>	<i>28.1%</i>	<i>-7.2%</i>
Amortisation	-8.3	-9.9	-16.6%	-5.6	-5.5	-0.8	-0.9	-1.9	-3.5	-0.0	0.0
<b>Operating profit</b>	<b>52.8</b>	<b>57.9</b>	<b>-8.9%</b>	<b>58.6</b>	<b>49.2</b>	<b>-0.7</b>	<b>3.9</b>	<b>-5.3</b>	<b>4.8</b>	<b>0.1</b>	<b>-0.0</b>
<i>Operating profit margin</i>	<i>22.6%</i>	<i>23.0%</i>	<i>-0.4pp</i>	<i>33.1%</i>	<i>30.8%</i>	<i>-3.4%</i>	<i>15.7%</i>	<i>-14.8%</i>	<i>7.3%</i>	<i>24.1%</i>	<i>-7.2%</i>

**CONTINUED PRIVATE Q2**

Private segment revenue decreased by 7.2% to DKK 233.4m in Q2 2020, of which non-organic revenue growth from the acquisition of Netcompany Netherlands accounted for 0.1 percentage point. The decrease in revenue growth was driven by the UK, which saw a decrease in revenue of 46.1% as a direct result of the COVID-19 lockdown. The COVID-19 lockdown had a significant impact in the UK private segment, which was also the case for the Norwegian operation, where revenue decreased by 19.7% to DKK 20.1m. In both situations, revenue fell as a result of low activity, which subsequently led to a lower than normal utilisation. This development was partly offset by high activity in the Danish private segment, which grew by 10.9% to DKK 177.1m, even though it was offset by provisions for bad debt made in the quarter, which had a negative impact on revenue growth in the Danish private segment of approximately 1.5 percentage points.

Gross profit decreased by 12.2% to DKK 92.3m, which led to a gross profit margin of 39.6% compared to 41.8% in the same

period last year. The decrease in gross profit margin was largely attributable to the decrease in utilisation in both the UK and Norwegian private segment, which subsequently reduced profitability. This development was somewhat offset by the change in the geographical split in which a higher percentage of revenue came from the Danish business operation compared to the same period last year as well as an increased margin in the Danish private segment.

**Private Gross profit margin was**

**39.6%**

Allocated costs decreased by 12.2% in Q2 2020 to DKK 28m, which was more than the relative decrease in revenue. This development was largely attributable to the change in geographical split as a higher percentage of revenue came from Danish business operation as well as the improve-

ment in administration costs to revenue growth ratio at an overall level.

**Private Adjusted EBITA before allocated cost from HQ was**

**27.6%**

Adjusted EBITA before allocated costs from HQ decreased by 12.2% to DKK 64.4m, which yielded a margin of 27.6% compared to 29.1% in Q2 2019. The decrease in margin, was driven by the decrease in gross profit margin.

# Public First 6 months

DKK million	Group			Denmark		Norway		UK		Netherlands	
	YTD 2020	YTD 2019	% change	YTD 2020	YTD 2019	YTD 2020	YTD 2019	YTD 2020	YTD 2019	YTD 2020	YTD 2019
Revenue	875.5	692.3	26.5%	696.2	551.9	48.3	51.4	93.1	82.5	37.8	6.5
Cost of service	-547.3	-446.3	22.6%	-409.4	-337.9	-39.6	-34.9	-73.2	-68.2	-25.1	-5.4
<b>Gross profit</b>	<b>328.2</b>	<b>246.0</b>	<b>33.4%</b>	<b>286.8</b>	<b>214.0</b>	<b>8.7</b>	<b>16.5</b>	<b>19.9</b>	<b>14.4</b>	<b>12.7</b>	<b>1.1</b>
<i>Gross profit margin</i>	<i>37.5%</i>	<i>35.5%</i>	<i>2.0pp</i>	<i>41.2%</i>	<i>38.8%</i>	<i>18.0%</i>	<i>32.1%</i>	<i>21.4%</i>	<i>17.4%</i>	<i>33.5%</i>	<i>17.2%</i>
Allocated costs	-124.1	-104.0	19.4%	-96.9	-86.9	-6.4	-8.5	-11.3	-6.4	-9.6	-2.2
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>204.1</b>	<b>142.0</b>	<b>43.7%</b>	<b>190.0</b>	<b>127.2</b>	<b>2.3</b>	<b>7.9</b>	<b>8.7</b>	<b>8.0</b>	<b>3.1</b>	<b>-1.0</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>23.3%</i>	<i>20.5%</i>	<i>2.8pp</i>	<i>27.3%</i>	<i>23.0%</i>	<i>4.8%</i>	<i>15.5%</i>	<i>9.3%</i>	<i>9.6%</i>	<i>8.3%</i>	<i>-16.0%</i>
Allocated costs from HQ	-14.5	-11.6	25.4%	-10.6	-9.4	-1.6	-0.8	-1.5	-1.4	-0.8	0.0
Special items	-0.0	-2.2	-99.9%	-0.0	-1.8	-0.0	-0.1	-0.0	-0.3	-0.0	0.0
<b>EBITA</b>	<b>189.5</b>	<b>128.2</b>	<b>47.8%</b>	<b>179.4</b>	<b>116.0</b>	<b>0.7</b>	<b>7.0</b>	<b>7.1</b>	<b>6.3</b>	<b>2.3</b>	<b>-1.0</b>
<i>EBITA margin</i>	<i>21.7%</i>	<i>18.5%</i>	<i>3.1pp</i>	<i>25.8%</i>	<i>21.0%</i>	<i>1.4%</i>	<i>13.7%</i>	<i>7.7%</i>	<i>7.6%</i>	<i>6.1%</i>	<i>-16.0%</i>
Amortisation	-33.3	-30.1	10.5%	-25.8	-24.3	-1.7	-2.1	-3.7	-3.7	-2.0	0.0
<b>Operating profit</b>	<b>156.2</b>	<b>98.1</b>	<b>59.3%</b>	<b>153.6</b>	<b>91.7</b>	<b>-1.1</b>	<b>4.9</b>	<b>3.4</b>	<b>2.5</b>	<b>0.3</b>	<b>-1.0</b>
<i>Operating profit margin</i>	<i>17.8%</i>	<i>14.2%</i>	<i>3.7pp</i>	<i>22.1%</i>	<i>16.6%</i>	<i>-2.2%</i>	<i>9.6%</i>	<i>3.7%</i>	<i>3.1%</i>	<i>0.8%</i>	<i>-16.0%</i>

Revenue increased by 26.5% to DKK 875.5m in 6M 2020, of which non-organic revenue growth relating to the acquisition of Netcompany Netherlands accounted for 3.7 percentage points. Organic revenue growth was driven by significant growth in both Denmark, UK and the Netherlands.

In 6M 2020, gross profit margin increased

by 2.0 percentage points to 37.5%, primarily driven by a combination of increased gross profit margins in Denmark, UK and the Netherlands.

Allocated costs increased by 19.4% in 6M 2020 to DKK 124.1m. This development was primarily driven by the general increase in public revenue growth, and

somewhat offset by a lower relative increase in administration costs compared to revenue growth in the period. A change in the geographical split in revenue between Denmark, Norway and the UK, where a higher relative share of revenue was coming from Denmark compared to the same period last year, also attributed to the increase.

Adjusted EBITA before allocated costs from HQ increased by 43.7% to DKK 204.1m, which led to a margin of 23.3% compared to 20.5% in 6M 2019. The increase in margin, was driven by the increase in gross profit margin as well as less costs being allocated.

# Private First 6 months

DKK million	Group			Denmark		Norway		UK		Netherlands	
	YTD 2020	YTD 2019	% change	YTD 2020	YTD 2019	YTD 2020	YTD 2019	YTD 2020	YTD 2019	YTD 2020	YTD 2019
Revenue	495.6	498.5	-0.6%	360.0	324.6	49.4	50.7	85.3	122.6	1.0	0.6
Cost of service	-289.6	-288.2	0.5%	-181.8	-163.9	-37.7	-29.2	-69.6	-94.6	-0.5	-0.5
<b>Gross profit</b>	<b>206.0</b>	<b>210.3</b>	<b>-2.1%</b>	<b>178.2</b>	<b>160.7</b>	<b>11.7</b>	<b>21.5</b>	<b>15.7</b>	<b>28.0</b>	<b>0.5</b>	<b>0.2</b>
<i>Gross profit margin</i>	41.6%	42.2%	-0.6pp	49.5%	49.5%	23.6%	42.4%	18.4%	22.8%	48.3%	26.1%
Allocated costs	-62.0	-59.8	3.8%	-42.0	-39.4	-6.5	-7.6	-13.4	-12.5	-0.2	-0.2
<b>Adjusted EBITA before allocated cost from HQ</b>	<b>144.0</b>	<b>150.6</b>	<b>-4.4%</b>	<b>136.2</b>	<b>121.3</b>	<b>5.2</b>	<b>13.9</b>	<b>2.3</b>	<b>15.5</b>	<b>0.3</b>	<b>-0.0</b>
<i>Adjusted EBITA margin before allocated cost from HQ</i>	29.1%	30.2%	-1.2pp	37.8%	37.4%	10.6%	27.3%	2.7%	12.6%	29.2%	-7.2%
Allocated costs from HQ	-8.2	-7.7	5.6%	-4.6	-4.3	-1.8	-0.7	-1.8	-2.8	-0.0	0.0
Special items	-0.0	-1.5	-99.9%	-0.0	-0.8	-0.0	-0.1	-0.0	-0.5	-0.0	0.0
<b>EBITA</b>	<b>135.9</b>	<b>141.4</b>	<b>-3.9%</b>	<b>131.6</b>	<b>116.2</b>	<b>3.4</b>	<b>13.0</b>	<b>0.6</b>	<b>12.2</b>	<b>0.3</b>	<b>-0.0</b>
<i>EBITA margin</i>	27.4%	28.4%	-0.9pp	36.6%	35.8%	7.0%	25.6%	0.6%	10.0%	27.6%	-7.2%
Amortisation	-17.3	-20.1	-13.9%	-11.2	-11.0	-1.7	-1.8	-4.3	-7.2	-0.0	0.0
<b>Operating profit</b>	<b>118.6</b>	<b>121.3</b>	<b>-2.2%</b>	<b>120.4</b>	<b>105.2</b>	<b>1.7</b>	<b>11.2</b>	<b>-3.8</b>	<b>5.0</b>	<b>0.2</b>	<b>-0.0</b>
<i>Operating profit margin</i>	23.9%	24.3%	-0.4pp	33.4%	32.4%	3.4%	22.0%	-4.4%	4.1%	23.5%	-7.2%

Revenue decreased by 0.6% to DKK 495.6m in 6M 2020, of which non-organic revenue growth relating to the acquisition of Netcompany Netherlands accounted for 0.1 percentage point. The decrease in revenue was mainly driven by the UK, which saw a decrease in revenue of 30.4% as a direct result of the COVID-19 lockdown, which subsequently led to a lower

than normal activity in the UK private segment. This development was partly offset by high activity in the Danish private segment, which grew by 10.9% to DKK 360m, even though it was offset by more than 1.5 percentage points as a result of bad debt provision made in the period.

Allocated costs increased by 3.8% in 6M

2020 to DKK 62m despite the decrease in revenue, which was largely attributable to the decrease in utilisation in both the UK and Norwegian private segment, which subsequently lowered profitability.

Adjusted EBITA before allocated costs from HQ decreased by 4.4% to DKK 144m, which led to a margin of 29.1% compared

to 30.2% in 6M 2019. The decrease in margin was driven by the decrease in gross profit margin as well as the increase in allocated costs.

# Currency exposures

Netcompany is exposed to exchange rate risk in the countries where Netcompany has its sales activities outside Denmark, which means Norway, UK and the Netherlands and to a lesser extent, exchange rate risk in Poland and Vietnam, which is used as sourcing centres and therefore do not have an exchange rate risk related to sales activities. As most of Netcompany's sales are in DKK, it implies limited foreign exchange risk due to the ultimate parent company's functional and reporting currency being in DKK.

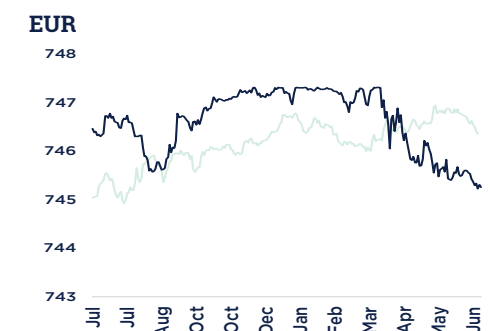
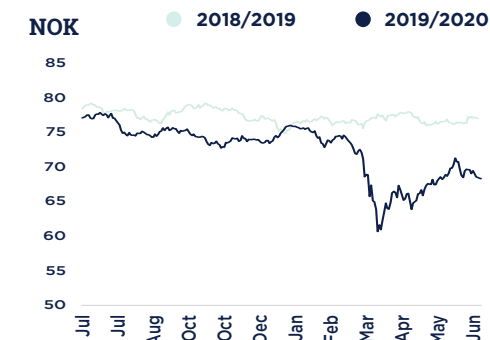
Netcompany's policy is to hedge any exchange risk net exposure, that would yield a +2/-2 percentage points EBIT margin impact from a 10%/-10% change in that given currency. The graphs illustrate the development in the currency exchange rates used for Netcompany's main currencies.

Local currency million	Q2 2020					
	DKK	NOK	GBP	EUR	VND	PLN
Revenue	531.5	63.0	9.5	2.8	0.0	0.0
EBIT	135.2	3.9	-0.7	-0.0	2,538.5	1.9
Net result	95.7	3.2	-0.6	0.1	1,924.4	1.4

Local currency million	Q2 2019					
	DKK	NOK	GBP	EUR	VND	PLN
Revenue	434.6	61.1	12.2	1.0	0.0	0.0
EBIT	87.5	6.7	0.5	-0.1	2,398.9	0.5
Net result	53.4	4.6	0.4	-0.1	2,076.9	0.3

Local currency million	YTD 2020					
	DKK	NOK	GBP	EUR	VND	PLN
Revenue	1,056.2	139.6	20.9	5.2	0.0	0.0
EBIT	260.3	11.9	-0.2	0.1	4,941.3	3.4
Net result	178.9	9.1	-0.2	0.1	3,361.3	2.4

Local currency million	YTD 2019					
	DKK	NOK	GBP	EUR	VND	PLN
Revenue	876.5	133.0	24.0	1.0	0.0	0.0
EBIT	190.0	23.0	1.0	-0.1	4,255.2	1.2
Net result	137.7	17.9	0.8	-0.1	3,334.2	0.6



# Revenue visibility

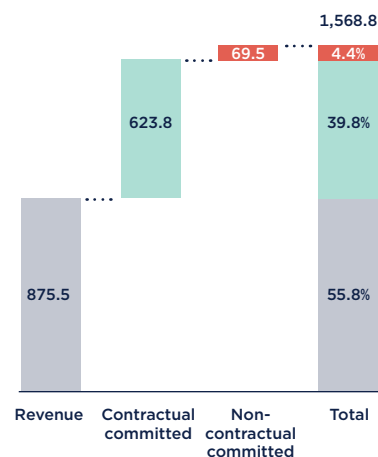
Netcompany measures revenue visibility on a 12-month rolling basis, based on two main input parameters, which are defined as total value of committed engagements (which is comprised of fixed price engagements and service agreements), and ongoing time and material engagements with a high likelihood of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

By the beginning of July 2020, revenue visibility for 2020 amounted to DKK 2,483.6m. Of this, contractual committed revenue amounted to DKK 979.6m and non-contractual committed engagements amounted to DKK 132.9m, while realised revenue in 6M 2020 amounted to DKK 1,371.1m.

Revenue visibility in the public segment amounted to DKK 1,568.8m, of which contractual committed revenue amounted to DKK 623.8m and non-contractual committed engagements amounted to DKK 69.5m, while realised revenue in 6M 2020 amounted to DKK 875.5m.

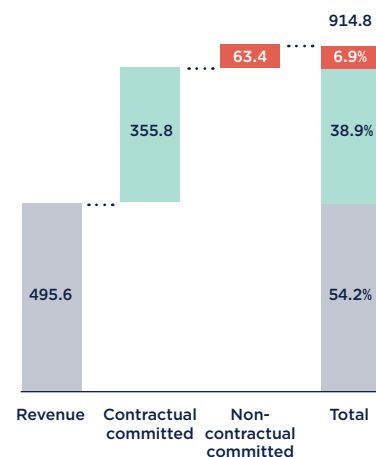
DKK million

## Public segment

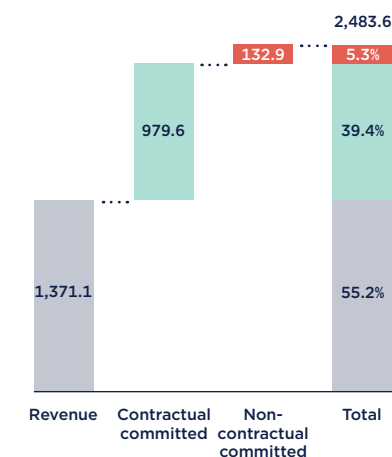


Revenue visibility in the private segment amounted to DKK 914.8m, of which contractual committed revenue amounted to DKK 355.8m and non-contractual committed engagements amounted to DKK 63.4m, while realised revenue in 6M 2020 amounted to DKK 495.6m.

## Private segment



## Total segment



Compared to 6M 2019, revenue visibility improved 18% from DKK 2,105.5m to DKK 2,483.6m for 2020.

# Employees

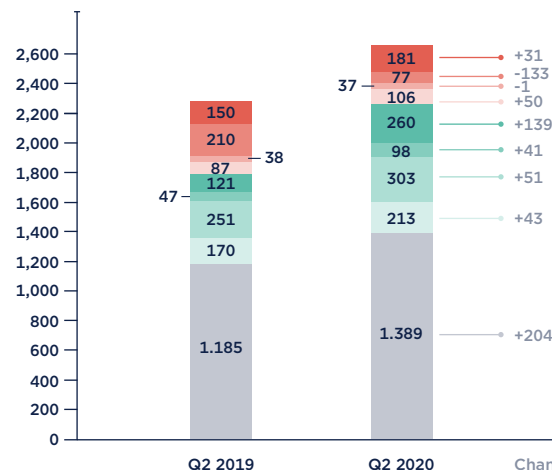
Netcompany employed an average of 2,662.7 FTEs in Q2 2020 and 2,259.1 FTEs in Q2 2019, which was an increase of 403.6 FTEs. The increase in FTEs was driven by the intake of new employees in all countries supporting the expectations to continued increase in underlying business activities in both Denmark, Norway and UK. Furthermore, the acquisition of Netcompany Netherlands in Q2 2019 affected the average FTEs in Q2 2020 by 98 compared to 47 FTEs in Q2 2019.

The growth of FTEs in Q2 2020, was however somewhat offset by the deliberate decision to reduce the number of independent contractors in UK, which was reduced by 133 to 77 for Q2. As of 1 July 2020, the independent contractors in the UK operation was 74.

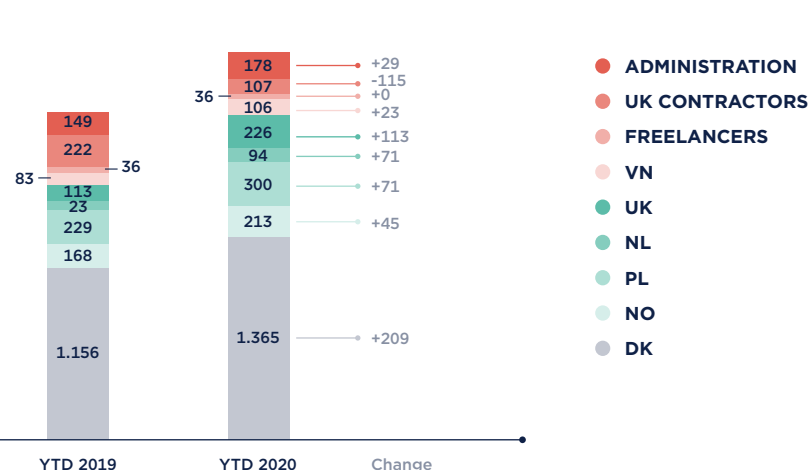
The number of client facing employees for the Group (excluding the Netherlands) increased by 318 from 2,061 in Q2 2019 to 2,379 in Q2 2020. In addition, the Netherlands had 103 client facing employees in Q2 2020.

The number of non-client facing employ-

**Avg. FTEs increased to 2,663 during Q2 2020**



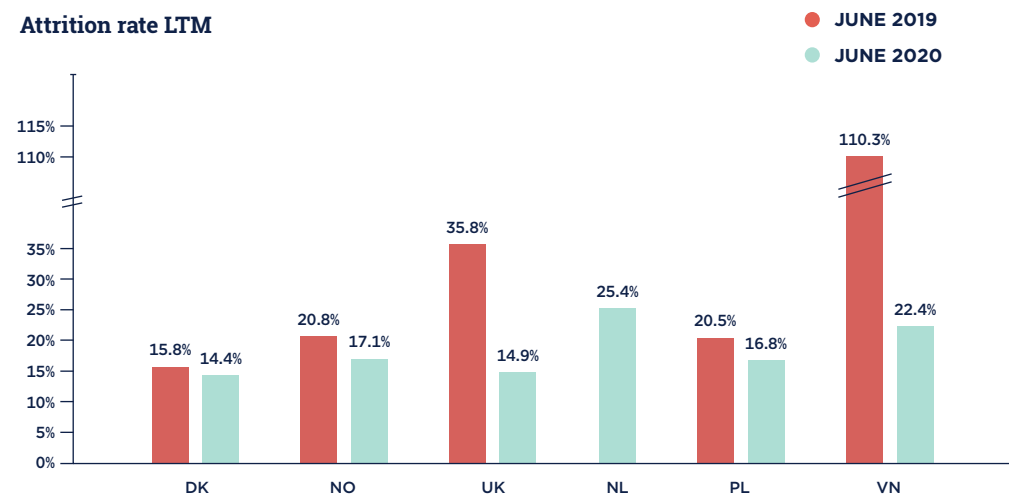
**Avg. FTEs increased to 2,624 during 2020**



ees remained unchanged at 6.8% in Q2 2020 compared to Q1 2020.

The attrition rate for the last twelve months was 15.9%, which was a decrease of 5.8 percentage points compared to the same period last year. The decrease was primarily driven by increased focus on onboarding activities, leading to low churn. The significant drop in attrition rate in Vietnam was a result of the close down of the Hanoi office in 2018, which drove the attrition rate up in the second half of 2018 and the first half of 2019.

**Attrition rate LTM**





# Cash flow and other significant balance sheet items

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

The Group generated a free cash flow of DKK 103.1m in Q2 2020 compared to DKK 117.2m in Q2 2019. Adjusted for taxes paid on account, the Group generated a free cash flow of DKK 75.7m in Q2 2020 compared to DKK 99.1m in Q2 2019. The decrease in free cash flow was mainly driven by working capital changes, which more than offset the improved operating result. The development in working capital changes in Q2 2020 was driven by an increase in trade receivables of DKK 41.5m from DKK 426.3m by the end of Q1 2020 to DKK 467.8m by the end of Q2 2020 and a decrease in trade payables of DKK 27.5m from DKK 56.0m by the end of Q1 2020 to DKK 28.5m by the end of Q2 2020.

Cash conversion rate decreased from 145% in Q2 2019 to 89.1% in Q2 2020. Adjusted for the taxes paid on account, cash conversion rate decreased from 122.6% in Q2 2019 to 65.4% in Q2 2020.

In 6M 2020 Netcompany generated a free cash flow of DKK 198.2m, which was an increase of 3% compared to DKK 192.4m in 6M 2019. The increase was driven by improved operating results, but this was somewhat offset by a decrease in the working capital changes in 6M 2020 compared to 6M 2019.

Cash conversion rate decreased from 96.4% in 6M 2019 to 86.8% in 6M 2020. Adjusted for the taxes paid on account, cash conversion rate decreased from 105.3% in 6M 2019 to 92.8% in 6M 2020.

## Trade receivables

On 30th June 2020, trade receivables amounted to DKK 474.1m, which was an increase of 11% compared to the same period last year. Days sales outstanding decreased from 66 days in Q2 2019 to 64 days in Q2 2020. The overdue part of trade receivables was reduced from 31.9% by the end of Q2 2019 to 26.2% by the end of Q2 2020. Trade receivables paid

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Total
Trade receivables, 30 June 2020	350.4	72.7	27.6	8.4	14.9	474.1
<i>Paid in the following month</i>	262.6	60.2	21.3	5.7	3.8	353.6
<i>% paid subsequently</i>	74.9%	82.7%	77.3%	68.0%	25.4%	74.6%

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Total
Trade receivables, 30 June 2019	290.8	111.0	8.8	13.3	3.3	427.2
<i>Paid in the following month</i>	117.2	91.6	3.3	10.9	0.3	223.3
<i>% paid subsequently</i>	40.3%	82.5%	38.1%	81.8%	7.9%	52.3%

in the following month amounted to DKK 353.6m, of which DKK 91m was overdue as of 30 June 2020.

<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 BALANCE SHEET ITEMS**

**Work in progress**

At 30 June 2020, Netcompany's work in progress amounted to DKK 390.9m, represented by contract work in progress of DKK 425.6m and prepayments received from customers of DKK 34.7m.

Work in progress increased by 26.5% from DKK 309m in Q2 2019 to DKK 390.9m in Q2 2020. In the same period revenue increased by 13.9% from DKK 593.1m in Q2 2019 to DKK 675.5m in Q2 2020, while revenue for the last twelve months in-

creased by 18.8% whereas work in progress increased by 26.5%. The main reason for the increase in work in progress is related to new projects in the Danish operation within both public and private as well as one specific project within the UK private segment. There are no indications that these new projects will not be invoiced, and subsequently paid in full, in accordance with defined payment milestones within the various projects. In addition, a number of projects that have been "work in progress"

for a substantial period of time will reach their respective payment milestones during Q3 which will have a positive impact on total work in progress (in the means of being reduced) and subsequently positive impact on cashflow when collected from trade receivables which is expected to be during Q4. For some of these projects a part of the work in progress has already been invoiced in Q2 and will be collected from trade receivables in Q3.

**Capital structure**

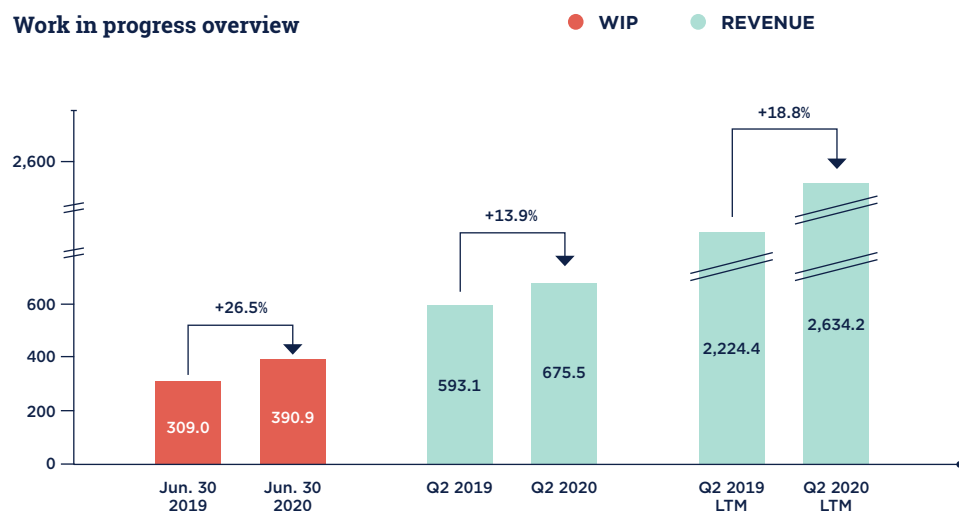
Netcompany considers a debt ratio of between 0.5 to 1.0 as desirable. Assuming financial performance as guided for 2020, Netcompany will be in position to pay out around DKK 50-100m as dividend for 2020.

**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**



**Funding and liquidity**

Netcompany's bank agreement consists of committed facilities constituting a total amount of DKK 1,500m and an additional facility of DKK 400m, available only for new acquisitions. At 30 June 2020 DKK 965m of the committed lines were utilised, leaving a total of DKK 935m available in unutilised funding of which DKK 535m can be utilised for normal operations if needed with no additional costs or covenants.

**Risk management**

Please refer to the overview of risk factors provided by the Group in the Annual Report for 2019.

# Guidance 2020

## Financial metrics

	Target 2020	Actual performance 2019
Organic revenue growth in constant currencies	-18-20%	17.7%
Adjusted EBITA margin from organic businesses in constant currencies	~26%	25.9%
Non-organic revenue growth	-1%	1.82%
Reported revenue growth in constant currencies	-19-21%	19.5%
Adjusted EBITA margin in constant currencies	~26%	25.2%

Despite the continued uncertainties arising from the current COVID-19 pandemic Netcompany maintains its expectation for organic revenue growth of around 18-20% in constant currencies and non-organic revenue growth of around 1% in constant currencies. Organic and reported Adjusted EBITA in constant currencies is expected to be around 26%.

Some of the uncertainties associated with the guidance for 2020 provided in connection with the release of the Annual Report for 2019 have been eliminated whereas new ones have emerged during Q2. In addition, the impact of COVID-19 on

the different countries in which Netcompany operates is significantly different, which also means that our expectations to revenue mix from a geographical perspective has changed compared to our initial expectations.

We now expect Denmark and the Netherlands to generate more revenue growth than originally anticipated while the revenue growth in the UK and Norway is expected to be lower. On balance for the Group our expectations are unchanged.

Assumptions made on a macroeconomic level are associated with significant risk,

which means that our guidance is more uncertain than normal.

In addition, to being significantly negatively impacted from COVID-19 as a country, the transition of independent contractors to permanent employees in the UK following the implementation of IR35 has continued during Q2, which lead to continued uncertainty on the top line growth in the UK. Like in UK, revenue growth in Norway is also negatively impacted by the COVID-19 effects. This has led to some delays in the tender activity in Norway which impacts the revenue growth negatively.

Offsetting these increased risks is a strong performance in both Denmark and the Netherlands where the impact from the COVID-19 pandemic have been limited. A number of large tenders in both Denmark and the Netherlands have been won during Q2 and early in Q3 and a number of tenders are still in process – as planned. Assuming that Netcompany will realise a win ratio on those tenders in line with past performance, these tenders will support the revenue growth required for the rest

of 2020 supporting the full year expectations.

Specifically, the main effects of the COVID-19 that could impact Netcompany negatively – and where Netcompany have assessed the current situation and is taking mitigating actions – are:

**Risk:** A general postponement of ongoing large public tenders which could lead to prolonged and delayed decisions affecting the time when Netcompany could start new projects – assuming that the tenders are won.

**Mitigation:** Some tender activity has been postponed in Norway and the UK. In Denmark and the Netherlands all tenders have been executed according to plan and on balance the Group has won tenders of a nominal value as expected. However, the risk of delays in ongoing tenders exist in all geographies.

**Risk:** A reduction of demand in the private segment customers following the reduced activity in society in general leading to

**CONTINUED GUIDANCE FOR 2020**

Netcompany customers cancelling, delaying, or downsizing current and/ or new projects.

Mitigation: Generally, Netcompany is engaged in complex mission critical projects with our customers that tend to be the last projects that are postponed. In addition, around 50% of Netcompany's revenue is generated from maintenance and operation of solutions previously deployed that continues to be operated – under the assumption that the respective customers are still operating. While some projects in the private segment mainly in the UK have been concluded and not initially substituted by others there are – on Group level – a sufficient number of projects for the remaining part of the year.

Risk: Difficulties in working efficiently in a remote setting. Delay of clarifications needed to ensure momentum in projects following lack of physical meetings with clients where such clarifications can be made. Can customers be effective in a remote setting.

Mitigation: Being a “digital in nature” company, Netcompany is used to work on different platforms and the performance in the year so far has shown that there is no negative impact from working remotely for a period of time. More internal education with physical presence is being conducted during the second half of 2020.

Despite more and more work being done remote there is still significant risk that some customers are not able to work effectively remote.

Risk: The lack of technical infrastructure on the customer side making remote work and delivery difficult leading to delays.

Mitigation: The vast majority of solutions delivered from Netcompany to customers in both the public and private segment has been related to digitalisation in one format or another. This means that Netcompany's customers generally are fairly advanced when it comes to digital infrastructure. When the decision to go to a remote delivery was taken, Netcompany were in contact with all customers, agree-

ing on the conditions of how to continue projects in a new remote delivery setting within 24 hours.

Risk: Lack of payment ability with private segment clients as a result of the general decline in economic activity in society in general, could lead to increased level of bankruptcy among the private clients in Netcompany's portfolio leading to increased write off's of bad debts impacting revenue and margins negatively.

Mitigation: Some private customers have requested extended payment terms as a result of the negative cash flow impact the COVID-19 crisis has on their respective businesses. In general, Netcompany has agreed to those requests. Also a few engagements have been fully provided for as bad debt provision. On the other hand, some public institutions in Denmark have moved forward payments of outstanding invoices and days sales outstanding actually reduced by 2 during Q2. On balance, Netcompany is not currently negatively impacted on cash flow from the COVID-19 crisis in any significant manner.

Risk: The risk of a “second wave” of COVID-19 leading to another lockdown of countries.

Mitigation: Following the initial lockdown in all the countries where Netcompany operates, all guidelines and procedures are fully up to date reflecting how to work in a fully remote environment. In addition customers – both public and private, are better prepared for the impact of working remotely. However, the impact can potentially lead to reduced activity in all geographies leading to a risk of negative impact to organic revenue growth for the Group of 1-2 percentage points.

# Shareholder information

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## Capital

Netcompany's share capital is DKK 50.0m divided into 50m shares. Netcompany holds 899,813 treasury shares equivalent to 1.8% of the share capital. The shares will be used to honour the Group's commitments under its RSU and LTIP programs.

## Share-based incentive schemes/restricted stock units

In total, 377,028 RSUs were granted at 30 June 2020, of which 104,403 were granted to Executive Management and 232,625 were granted to other Key Management Personnel and other employees. The fair value of the RSUs at grant was DKK 76.7m. The cost related hereto is expensed over the vesting period. A total amount of DKK 6.6m was recognised as personnel costs in the income statement in Q2 2020 and DKK 11.6m in 6M 2020.

## Contingent purchase price / restricted stock units

In connection with the acquisition of 100% of the shares of Q Delft B.V. (now Netcompany Netherlands) a total of 464,283 RSUs have been granted of which 188,086 will vest in February 2021 and 276,197 will vest – pending performance – in February 2024.

Additional information on the holdings of Netcompany shares and restricted stock units by members of the Board of Directors and Executive Management Board is disclosed in the remuneration policy.

## Financial Calendar

### 6 November 2020

Interim report for the first 9 months of 2020.

# 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 2020 to 30 June 2020. The Q2 2020 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 2019.

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 30 June 2020 and of the results of the Group’s operations and cash flows for the period 1 January 2020 to 30 June 2020.

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, 20 AUGUST 2020

## 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

**Scanes Bentley**

**Hege Skryseth**

**Åsa Riisberg**

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS



# Income statement and Statement of comprehensive income

DKK thousands	Note	Q2 2020	Q2 2019	YTD 2020	YTD 2019	Total 2019
<b>Income statement</b>						
Revenue	1	675,545	593,100	1,371,107	1,190,783	2,453,853
Cost of services	2	-415,845	-370,384	-836,880	-734,442	-1,458,102
<b>Gross profit</b>		<b>259,699</b>	<b>222,716</b>	<b>534,228</b>	<b>456,341</b>	<b>995,751</b>
Sales and marketing costs		-3,807	-3,324	-8,216	-6,059	-11,742
Administrative costs	3	-94,551	-93,251	-200,611	-176,939	-366,658
Special items	4	0	-2,660	-3	-3,734	-4,398
<b>EBITA</b>		<b>161,341</b>	<b>123,481</b>	<b>325,398</b>	<b>269,609</b>	<b>612,954</b>
Amortisation		-25,299	-24,582	-50,597	-50,238	-101,674
<b>Operating profit (EBIT)</b>		<b>136,042</b>	<b>98,899</b>	<b>274,800</b>	<b>219,372</b>	<b>511,280</b>
Financial income	5	6,616	477	12,949	15,806	39,930
Financial expenses	5	-22,771	-21,779	-48,255	-31,186	-53,954
<b>Profit / loss before tax</b>		<b>119,886</b>	<b>77,596</b>	<b>239,494</b>	<b>203,991</b>	<b>497,256</b>
Tax on the profit for the period		-23,895	-15,894	-50,687	-43,583	-108,786
<b>Net profit / loss for the period</b>		<b>95,991</b>	<b>61,702</b>	<b>188,807</b>	<b>160,408</b>	<b>388,470</b>
<b>Earnings per share</b>						
Earnings per share (DKK)	6	1.96	1.26	3.85	3.26	7.90
Diluted Earnings per share (DKK)	6	1.95	1.25	3.83	3.25	7.88



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

DKK thousands	Note	Q2 2020	Q2 2019	YTD 2020	YTD 2019	Total 2019
<b>Statement of comprehensive income</b>						
Net profit / loss for the period		95,991	61,702	188,807	160,408	388,470
<b>Other comprehensive income:</b>						
Foreign currency translation subsidiaries		9,017	9,355	8,956	-588	-11,928
Other comprehensive income, net of tax		9,017	9,355	8,956	-588	-11,928
<b>Total comprehensive income / loss</b>		<b>105,009</b>	<b>71,058</b>	<b>197,763</b>	<b>159,819</b>	<b>376,542</b>

# Statement of financial position

DKK thousands	Note	30 June 2020	30 June 2019	31 December 2019
<b>Assets</b>				
Intangible assets		2,499,963	2,601,997	2,550,560
Tangible assets		155,124	136,724	146,223
Deferred tax assets		4,566	2,249	3,526
Other receivables		16,089	14,585	15,980
<b>Total non-current assets</b>		<b>2,675,741</b>	<b>2,755,554</b>	<b>2,716,290</b>
Trade receivables	7	467,831	427,154	531,402
Contract work in progress	8	425,580	330,405	319,354
Other receivables		47,500	27,353	28,182
Tax receivables		0	3,145	0
Cash		300,196	136,405	132,350
<b>Total current assets</b>		<b>1,241,107</b>	<b>924,461</b>	<b>1,011,288</b>
<b>Total assets</b>		<b>3,916,849</b>	<b>3,680,015</b>	<b>3,727,577</b>

DKK thousands	Note	30 June 2020	30 June 2019	31 December 2019
<b>Equity and liabilities</b>				
Share capital		50,000	50,000	50,000
Treasury shares		-175,000	-175,000	-175,000
Share-based remuneration		29,335	10,560	17,724
Exchange differences on translating foreign subsidiaries		-5,088	-2,704	-14,044
Retained earnings		2,381,825	1,964,956	2,193,018
<b>Total equity</b>		<b>2,281,072</b>	<b>1,847,811</b>	<b>2,071,699</b>
Borrowings	9	959,599	1,182,685	958,642
Leasing		67,320	48,717	64,621
Deferred tax liability		70,271	82,289	73,341
<b>Total non-current liabilities</b>		<b>1,097,189</b>	<b>1,313,690</b>	<b>1,096,604</b>
Leasing		41,690	46,830	39,359
Prebilled invoices	8	34,664	21,419	51,016
Trade payables		28,511	48,100	44,055
Other payables	10	424,110	375,769	394,414
Provisions	11	0	26,395	3,525
Income tax payable		9,614	0	26,905
<b>Total current liabilities</b>		<b>538,588</b>	<b>518,513</b>	<b>559,275</b>
<b>Total liabilities</b>		<b>1,635,777</b>	<b>1,832,203</b>	<b>1,655,879</b>
<b>Total equity and liabilities</b>		<b>3,916,849</b>	<b>3,680,015</b>	<b>3,727,577</b>

# Cash Flow statement

DKK thousands	Q2 2020	Q2 2019	YTD 2020	YTD 2019	Total 2019
Operating profit (EBIT)	136,042	98,899	274,800	219,372	511,280
Depreciation and amortisation	41,434	37,992	82,474	75,629	157,946
Non-cash items	6,137	626	2,422	7,762	19,160
Working capital changes	-68,680	-4,958	-67,698	-14,007	-86,706
<b>Total</b>	<b>114,933</b>	<b>132,558</b>	<b>291,998</b>	<b>288,756</b>	<b>601,679</b>
Income taxes paid	-3,509	-3,905	-71,517	-70,396	-115,669
Financial income received	664	477	1,527	1,314	3,816
Financial expenses paid	-5,613	-6,899	-8,942	-16,143	-29,497
<b>Cash flow from operating activities</b>	<b>106,475</b>	<b>122,231</b>	<b>213,066</b>	<b>203,532</b>	<b>460,329</b>
Net cash outflow on acquisition of subsidiaries	0	-37,325	0	-37,325	-37,325
Acquisition of property, plant and equipment	-3,330	-4,995	-14,907	-11,110	-24,578
Other receivables (deposits)	265	22	-61	-1,524	-2,880
<b>Cash flow from investment activities</b>	<b>-3,064</b>	<b>-42,299</b>	<b>-14,968</b>	<b>-49,960</b>	<b>-64,784</b>
Payment of treasury shares	0	-175,000	0	-175,000	-175,000
Proceeds from borrowings	0	75,000	0	75,000	75,000
Repayment of borrowings	0	0	0	0	-225,000
Repayment of leasing debt	-11,313	-9,113	-22,232	-17,518	-38,414
<b>Cash flow from financing activities</b>	<b>-11,313</b>	<b>-109,113</b>	<b>-22,232</b>	<b>-117,518</b>	<b>-363,414</b>
<b>Net increase in cash and cash equivalents</b>	<b>92,098</b>	<b>-29,180</b>	<b>175,865</b>	<b>36,055</b>	<b>32,131</b>
Cash and cash equivalents at the beginning	208,538	174,694	132,350	107,666	107,666
Cash and cash equivalents balances acquired	0	-8,519	0	-8,519	-8,519
Effect of exchange rate changes on the balance cash held in foreign currencies	-440	-589	-8,020	1,204	1,072
<b>Cash and cash equivalents at the end</b>	<b>300,196</b>	<b>136,405</b>	<b>300,196</b>	<b>136,405</b>	<b>132,350</b>

# Statement of changes in Equity

DKK thousands	Share capital	Treasury shares	Share-based remuneration	Foreign currency translation subsidiaries	Retained earnings	Total
<b>Equity at 1 April 2020</b>	<b>50,000</b>	<b>-175,000</b>	<b>22,765</b>	<b>-14,105</b>	<b>2,285,834</b>	<b>2,169,494</b>
Share-based remuneration for the period	0	0	6,569	0	0	6,569
Profit for the period	0	0	0	0	95,991	95,991
Other comprehensive income	0	0	0	9,017	0	9,017
<b>Equity at 30 June 2020</b>	<b>50,000</b>	<b>-175,000</b>	<b>29,335</b>	<b>-5,088</b>	<b>2,381,825</b>	<b>2,281,072</b>
<b>Equity at 1 January 2020</b>	<b>50,000</b>	<b>-175,000</b>	<b>17,724</b>	<b>-14,044</b>	<b>2,193,018</b>	<b>2,071,699</b>
Share-based remuneration for the period	0	0	11,610	0	0	11,610
Profit for the period	0	0	0	0	188,807	188,807
Other comprehensive income	0	0	0	8,956	0	8,956
<b>Equity at 30 June 2020</b>	<b>50,000</b>	<b>-175,000</b>	<b>29,335</b>	<b>-5,088</b>	<b>2,381,825</b>	<b>2,281,072</b>

**CONTINUED STATEMENT OF CHANGES IN EQUITY**

DKK thousands	Share capital	Treasury shares	Share-based remuneration	Foreign currency translation subsidiaries	Retained earnings	Total
<b>Equity at 1 April 2019</b>	<b>50,000</b>	<b>-175,000</b>	<b>6,406</b>	<b>-12,060</b>	<b>1,903,252</b>	<b>1,772,599</b>
Share-based remuneration for the period	0	0	4,154	0	0	4,154
Profit for the period	0	0	0	0	61,702	61,702
Other comprehensive income	0	0	0	9,355	0	9,355
<b>Equity at 30 June 2019</b>	<b>50,000</b>	<b>-175,000</b>	<b>10,560</b>	<b>-2,704</b>	<b>1,964,956</b>	<b>1,847,811</b>
<b>Equity at 1 January 2019</b>	<b>50,000</b>	<b>0</b>	<b>3,818</b>	<b>-2,116</b>	<b>1,754,548</b>	<b>1,806,249</b>
Treasury Shares for the period	0	-175,000	0	0	50,000	-125,000
Share-based remuneration for the period	0	0	6,742	0	0	6,742
Profit for the period	0	0	0	0	160,408	160,408
Other comprehensive income	0	0	0	-588	0	-588
<b>Equity at 30 June 2019</b>	<b>50,000</b>	<b>-175,000</b>	<b>10,560</b>	<b>-2,704</b>	<b>1,964,956</b>	<b>1,847,811</b>
<b>Equity at 1 January 2019</b>	<b>50,000</b>	<b>0</b>	<b>3,818</b>	<b>-2,116</b>	<b>1,754,548</b>	<b>1,806,249</b>
Treasury Shares for the period	0	-175,000	0	0	50,000	-125,000
Share-based remuneration for the period	0	0	13,906	0	0	13,906
Profit for the period	0	0	0	0	388,470	388,470
Other comprehensive income	0	0	0	-11,928	0	-11,928
<b>Equity at 31 December 2019</b>	<b>50,000</b>	<b>-175,000</b>	<b>17,724</b>	<b>-14,044</b>	<b>2,193,018</b>	<b>2,071,699</b>

NOTE 1

## Segment information

### Segment information related to geographical areas

DKK thousands	Q2 2020					Total
	Denmark	Norway	UK	Netherlands	Other	
Revenue from external customers	531,494	42,770	80,193	21,089	0	675,545
<b>EBITA, operating entities</b>	<b>162,000</b>	<b>-793</b>	<b>-1,720</b>	<b>1,854</b>	<b>0</b>	<b>161,341</b>
Allocated cost	44	3,520	-3,996	-838	1,271	0
<b>EBITA, reported in legal entities</b>	<b>162,043</b>	<b>2,727</b>	<b>-5,716</b>	<b>1,016</b>	<b>1,271</b>	<b>161,341</b>

DKK thousands	Q2 2019					Total
	Denmark	Norway	UK	Netherlands	Other	
Revenue from external customers	434,569	46,969	104,420	7,143	0	593,100
<b>EBITA, operating entities</b>	<b>109,119</b>	<b>5,888</b>	<b>9,561</b>	<b>-1,087</b>	<b>0</b>	<b>123,481</b>
Allocated cost	11,495	-732	-4,917	-0	-5,846	0
<b>EBITA, reported in legal entities</b>	<b>120,614</b>	<b>5,156</b>	<b>4,644</b>	<b>-1,087</b>	<b>-5,846</b>	<b>123,481</b>

**CONTINUED** NOTE 1 SEGMENT INFORMATION

DKK thousands	YTD 2020					Total
	Denmark	Norway	UK	Netherlands	Other	
Revenue from external customers	1,056,201	97,679	178,458	38,769	0	1,371,107
<b>EBITA, operating entities</b>	<b>311,008</b>	<b>4,125</b>	<b>7,695</b>	<b>2,570</b>	<b>0</b>	<b>325,398</b>
Allocated cost	4,452	4,522	-9,035	-1,536	1,597	0
<b>EBITA, reported in legal entities</b>	<b>315,460</b>	<b>8,647</b>	<b>-1,340</b>	<b>1,034</b>	<b>1,597</b>	<b>325,398</b>

DKK thousands	YTD 2019					Total
	Denmark	Norway	UK	Netherlands	Other	
Revenue from external customers	876,473	102,078	205,089	7,143	0	1,190,783
<b>EBITA, operating entities</b>	<b>232,193</b>	<b>20,027</b>	<b>18,476</b>	<b>-1,087</b>	<b>0</b>	<b>269,609</b>
Allocated cost	20,159	-2,356	-10,037	0	-7,766	0
<b>EBITA, reported in legal entities</b>	<b>252,351</b>	<b>17,671</b>	<b>8,439</b>	<b>-1,087</b>	<b>-7,766</b>	<b>269,609</b>

DKK thousands	Total 2019					Total
	Denmark	Norway	UK	Netherlands	Other	
Revenue from external customers	1,818,811	198,396	399,286	37,361	0	2,453,853
<b>EBITA, operating entities</b>	<b>541,145</b>	<b>31,306</b>	<b>47,053</b>	<b>-6,549</b>	<b>0</b>	<b>612,954</b>
Allocated cost	30,499	-3,965	-21,004	-1,649	-3,882	0
<b>EBITA, reported in legal entities</b>	<b>571,643</b>	<b>27,341</b>	<b>26,049</b>	<b>-8,198</b>	<b>-3,882</b>	<b>612,954</b>

NOTE 2

## Cost of services

DKK thousands	Q2 2020	Q2 2019	YTD 2020	YTD 2019	Total 2019
Cost of services	-52,380	-90,521	-129,940	-186,742	-341,354
Salaries	-359,432	-276,531	-699,468	-541,690	-1,103,599
Depreciation	-4,033	-3,332	-7,472	-6,010	-13,149
<b>Cost of services total</b>	<b>-415,845</b>	<b>-370,384</b>	<b>-836,880</b>	<b>-734,442</b>	<b>-1,458,102</b>

NOTE 3

## Administrative costs

DKK thousands	Q2 2020	Q2 2019	YTD 2020	YTD 2019	Total 2019
Administrative costs	-39,486	-45,798	-90,623	-86,858	-181,372
Salaries	-42,963	-37,376	-85,584	-70,699	-142,164
Depreciation	-12,102	-10,077	-24,405	-19,382	-43,122
<b>Administrative costs total</b>	<b>-94,551</b>	<b>-93,251</b>	<b>-200,611</b>	<b>-176,939</b>	<b>-366,658</b>



## NOTE 4 Special items

DKK thousands	Q2 2020	Q2 2019	YTD 2020	YTD 2019	Total 2019
Costs related to IPO	0	0	0	-0	-0
Costs related to M&A	0	-2,660	-3	-3,734	-4,398
<b>Total special items</b>	<b>0</b>	<b>-2,660</b>	<b>-3</b>	<b>-3,734</b>	<b>-4,398</b>

## NOTE 5 Financial income and expenses

DKK thousands	Q2 2020	Q2 2019	YTD 2020	YTD 2019	Total 2019
<b>Financial income</b>					
Exchange rate adjustments	6,590	466	12,907	15,787	39,873
Other financial income	26	11	42	18	57
<b>Financial income total</b>	<b>6,616</b>	<b>477</b>	<b>12,949</b>	<b>15,806</b>	<b>39,930</b>
<b>Financial expenses</b>					
Interest expense, bank loan	-3,622	-4,722	-7,549	-9,514	-18,788
Interest expense, leasing	-1,083	-711	-2,068	-1,401	-3,313
Exchange rate adjustments	-16,694	-14,452	-36,166	-14,848	-23,974
Other financial expenses	-1,373	-1,895	-2,471	-5,423	-7,879
<b>Financial expenses total</b>	<b>-22,771</b>	<b>-21,779</b>	<b>-48,255</b>	<b>-31,186</b>	<b>-53,954</b>

**NOTE 6**

## Earnings per share

DKK thousands	Q2 2020	Q2 2019	YTD 2020	YTD 2019	Total 2019
<b>Earnings per share - EPS (DKK)</b>	<b>1.96</b>	<b>1.26</b>	<b>3.85</b>	<b>3.26</b>	<b>7.90</b>
<b>Diluted earnings per share - EPS-D (DKK)</b>	<b>1.95</b>	<b>1.25</b>	<b>3.83</b>	<b>3.25</b>	<b>7.88</b>
Profit	95,991	61,702	188,807	160,408	388,470
Average number of shares	50,000	50,000	50,000	50,000	50,000
Average number of treasury shares	900	900	900	736	818
Average number of shares in circulation	49,100	49,100	49,100	49,264	49,182
Average number of outstanding restricted stock units	198	102	198	86	111
Average number of diluted shares in circulation	49,298	49,202	49,298	49,350	49,293

**NOTE 7**

## Trade receivables

DKK thousands	30 June 2020	30 June 2019	31 December 2019
Not overdue	350,405	290,765	356,596
0-30 days overdue	72,724	111,015	134,702
31-60 days overdue	27,611	8,773	24,286
61-90 days overdue	8,401	13,337	5,763
Over 90 days overdue	14,937	3,264	10,870
<b>Total trade receivables excl. expected credit loss</b>	<b>474,078</b>	<b>427,154</b>	<b>532,217</b>
Expected credit loss	-6,247	0	-816
<b>Total trade receivables</b>	<b>467,831</b>	<b>427,154</b>	<b>531,402</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 30 June 2020, the Group recognised a provision for expected credit losses of DKK 6.2m (30 June 2019: DKK 0.0m), and no credit losses have incurred during Q2 2020.

The credit quality of trade receivables at 30 June 2020, is considered satisfactory.

## NOTE 8

## Contract work in progress

DKK thousands	30 June 2020	30 June 2019	31 December 2019
Selling price of work performed on fixed price projects	1,039,468	759,738	850,415
Invoiced amount on fixed price projects	-648,551	-450,752	-582,077
<b>Total contract work in progress</b>	<b>390,917</b>	<b>308,986</b>	<b>268,339</b>

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

Contract work in progress	425,580	330,405	319,354
Prebilled invoices	-34,664	-21,419	-51,016
<b>Total contract work in progress</b>	<b>390,917</b>	<b>308,986</b>	<b>268,339</b>

## NOTE 9

## Borrowings

DKK thousands	Currency	Maturity	Fixed or floating interest	Loan cost	Nominal value	Carrying amount
Bank loan	DKK	2023	Floating	5,583	965,182	959,599
<b>30 June 2020</b>				<b>5,583</b>	<b>965,182</b>	<b>959,599</b>

DKK thousands	Currency	Maturity	Fixed or floating interest	Loan cost	Nominal value	Carrying amount
Bank loan	DKK	2023	Floating	7,497	1,190,182	1,182,685
<b>30 June 2019</b>				<b>7,497</b>	<b>1,190,182</b>	<b>1,182,685</b>

Bank loan	DKK	2023	Floating	6,540	965,182	958,642
<b>31 December 2019</b>				<b>6,540</b>	<b>965,182</b>	<b>958,642</b>

**NOTE 10** **Other payables**

DKK thousands	30 June 2020	30 June 2019	31 December 2019
Wages and salaries, payroll taxes, social security costs, etc payable	37,289	30,404	44,521
Holiday pay obligation	168,988	120,684	126,595
VAT and duties	59,361	42,354	58,684
Contingent purchase price & earn out	120,441	126,038	120,441
Other costs payable	38,030	56,287	44,173
<b>Total other payables</b>	<b>424,110</b>	<b>375,769</b>	<b>394,414</b>

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

**NOTE 11** **Provision**

DKK thousands	Q2 2020	Q2 2019	YTD 2020	YTD 2019	Total 2019
<b>Onerous contracts and warranty obligations beginning of period</b>	<b>3,525</b>	<b>26,395</b>	<b>3,525</b>	<b>36,087</b>	<b>36,087</b>
Decrease in the period	-3,525	0	-3,525	-9,692	-32,562
<b>Onerous contracts and warranty obligations end of period</b>	<b>0</b>	<b>26,395</b>	<b>0</b>	<b>26,395</b>	<b>3,525</b>

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

DKK thousands	Q2 2020	Q2 2019	YTD 2020	YTD 2019	Total 2019
<b>Income statement</b>					
Revenue	675,545	593,100	1,371,107	1,190,783	2,453,853
Cost of services, incl. depreciation and amortisation	-415,845	-370,384	-836,880	-734,442	-1,458,102
<b>Gross profit</b>	<b>259,699</b>	<b>222,716</b>	<b>534,228</b>	<b>456,341</b>	<b>995,751</b>
Sales and marketing costs, incl. depreciation and amortisation	-3,807	-3,324	-8,216	-6,059	-11,742
Administrative costs, incl. depreciation and amortisation	-119,850	-120,492	-251,211	-230,910	-472,729
<b>Operating profit (EBIT)</b>	<b>136,042</b>	<b>98,899</b>	<b>274,800</b>	<b>219,372</b>	<b>511,280</b>
Financial income	6,616	477	12,949	15,806	39,930
Financial expenses	-22,771	-21,779	-48,255	-31,186	-53,954
<b>Profit / loss before tax</b>	<b>119,886</b>	<b>77,596</b>	<b>239,494</b>	<b>203,991</b>	<b>497,256</b>
Tax on the profit for the period	-23,895	-15,894	-50,687	-43,583	-108,786
<b>Net profit / loss for the period</b>	<b>95,991</b>	<b>61,702</b>	<b>188,807</b>	<b>160,408</b>	<b>388,470</b>

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

Cost of services	-4,033	-3,332	-7,472	-6,010	-13,149
Administrative costs depreciation	-12,102	-10,077	-24,405	-19,382	-43,122
Administrative costs amortisation	-25,299	-24,582	-50,597	-50,238	-101,674
<b>Depreciation and amortisation</b>	<b>-41,434</b>	<b>-37,992</b>	<b>-82,474</b>	<b>-75,629</b>	<b>-157,946</b>

NOTE 13

## Collateral provided and contingent liabilities

There have been no changes in collateral provided and contingent liabilities during Q2 2020 compared to the Annual Report for 2019.

NOTE 14

## Related party transactions

There have been no related party transactions with any significant shareholders in Q2 2020.

## NOTE 15

# Financial figures and highlights

DKK million	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
<b>Income statement</b>							
Revenue							
Public	442.2	433.3	406.9	356.4	341.5	350.8	321.0
Private	233.4	262.2	264.1	235.7	251.6	246.9	222.3
<i>Revenue by segments, total</i>	675.5	695.6	671.0	592.1	593.1	597.7	543.3
Development	347.4	355.7	338.9	299.1	289.7	330.0	304.6
Maintenance	328.1	339.8	332.1	293.0	303.4	267.6	238.7
<i>Revenue by types, total</i>	675.5	695.6	671.0	592.1	593.1	597.7	543.3
Organic	667.1	677.9	654.7	578.1	586.0	597.7	517.8
Acquisition	8.5	17.7	16.3	14.0	7.1	0.0	25.5
<i>Revenue by growth, total</i>	675.5	695.6	671.0	592.1	593.1	597.7	543.3
Special items	0.0	-0.0	-0.0	-0.6	-2.7	-1.1	-0.1
EBITA	161.3	164.1	179.8	163.5	123.5	146.1	130.6
Adjusted EBITA	161.3	164.1	179.9	164.1	126.1	147.2	130.8
Operating profit (EBIT)	136.0	138.8	154.4	137.5	98.9	120.5	101.8
Net financials	-16.2	-19.2	5.1	-3.7	-21.3	5.9	-10.2
Net profit / loss	96.0	92.8	125.6	102.5	61.7	98.7	68.4
<b>Financial position</b>							
Capex	-3.3	-11.6	-9.1	-4.3	-5.0	-6.1	-8.8
Total assets	3,916.8	3,791.6	3,727.6	3,731.5	3,680.0	3,582.2	3,485.4
Equity	2,281.1	2,169.5	2,071.7	1,950.7	1,847.8	1,772.6	1,806.3
Net increase in cash and cash equivalents	92.1	83.8	-44.7	40.8	-29.2	65.2	-105.6
Free cash flow	103.1	95.0	116.8	126.5	117.2	75.2	22.8
Free cash flow (tax normalised)	75.7	136.0	117.4	89.6	99.1	111.1	104.3

**CONTINUED** NOTE 15 FINANCIAL FIGURES AND HIGHLIGHTS

DKK million	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
<b>Earnings per share</b>							
Earnings per share (DKK)	1.96	1.89	2.56	2.09	1.26	2.00	1.38
Diluted Earnings per share (DKK)	1.95	1.88	2.55	2.08	1.25	1.99	1.38
<b>Employees</b>							
Average number of full-time employees	2,663	2,585	2,468	2,345	2,259	2,099	1,979
<b>Financial ratios</b>							
Gross profit margin	38.4%	39.5%	42.3%	43.2%	37.6%	39.1%	39.4%
EBITA margin	23.9%	23.6%	26.8%	27.6%	20.8%	24.4%	24.0%
Adjusted EBITA margin	23.9%	23.6%	26.8%	27.7%	21.3%	24.6%	24.1%
Operating profit margin	20.1%	19.9%	23.0%	23.2%	16.7%	20.2%	18.7%
Effective tax rate	19.9%	22.4%	21.2%	23.4%	20.5%	21.9%	25.4%
Return on equity	4.6%	4.7%	6.5%	5.6%	3.5%	5.7%	4.0%
Solvency ratio	58.2%	57.2%	55.6%	52.3%	50.2%	49.5%	51.8%
<b>Financial metrics</b>							
Revenue growth	13.9%	16.4%	23.5%	20.8%	18.0%	15.6%	22.5%
Operating profit margin	20.1%	19.9%	23.0%	23.2%	16.7%	20.2%	18.7%
Return on invested capital (ROIC)	3.3%	3.3%	4.4%	3.6%	2.2%	3.6%	2.5%
Cash conversion rate	89.1%	84.4%	80.3%	103.1%	145.0%	63.3%	25.1%
Cash conversion rate (tax normalised)	65.4%	120.9%	80.7%	73.0%	122.6%	92.7%	114.7%



## NOTE 16 **Accounting policies**

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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 Q2 2020 financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. The accounting policies applied are consistent with those applied in the consolidated Annual Report for the year ended 31 December 2019 for Netcompany Group A/S.

# Formulas

The ratios have been compiled in accordance with the following calculation formulas

$$\text{Gross profit margin} = \frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

$$\text{EBITDA} = \text{EBIT} + \text{Depreciation and amortisation}$$

$$\text{Days sales outstanding} = \frac{\text{Trade receivables} \times \text{days}}{\text{Revenue}}$$

$$\text{EBITA} = \text{Operating profit} + \text{Amortisation}$$

$$\text{EPS} = \frac{\text{Net profit} - \text{Dividends on preferred stock}}{\text{Average outstanding shares}}$$

$$\text{Return on equity} = \frac{\text{Net profit} \times 100}{\text{Average equity}}$$

$$\text{EBITA margin} = \frac{\text{EBITA} \times 100}{\text{Revenue}}$$

$$\text{EPS diluted} = \frac{\text{Net profit} - \text{Dividends on preferred stock}}{\text{Average outstanding shares} + \text{RSUs}}$$

$$\text{Return on invested capital (ROIC)} = \frac{\text{Net profit} \times 100}{\text{Average invested} - \text{capital}}$$

$$\text{Adjusted EBITA} = \text{EBITA} + \text{Special items}$$

$$\text{Free cash flow} = \text{Cash flow from operating activities} - \text{Capex}$$

$$\text{Solvency} = \frac{\text{Equity} \times 100}{\text{Total assets}}$$

$$\text{Adjusted EBITA margin} = \frac{\text{Adjusted EBITA} \times 100}{\text{Revenue}}$$

$$\text{CAPEX} = \text{Cost spent to buy intangible and tangible assets, excluding impact from business acquisitions}$$

$$\text{Operating profit margin} = \frac{\text{Operating profit} \times 100}{\text{Revenue}}$$

$$\text{Cash conversion ratio} = \frac{\text{Free cash flow} \times 100}{\text{Net profit} - \text{amortisation and deferred tax of amortisation}}$$

# 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.

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

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

Although Netcompany believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ, e.g. as the result of risks related to the industry in general or Netcompany in particular, including those described in Netcompany Group A/S' Annual Report 2019 and other information made available by Netcompany.

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

keting practices, unexpected growth in costs and expenses, failure to recruit and retain the right employees, and failure to maintain a culture of compliance.

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

The Annual Report 2019 of Netcompany Group A/S is available at our website [www.netcompany.com](http://www.netcompany.com)

## About Netcompany

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