

Netcompany

Q3 2023 Company Announcement

Nine months ended 30 September 2023

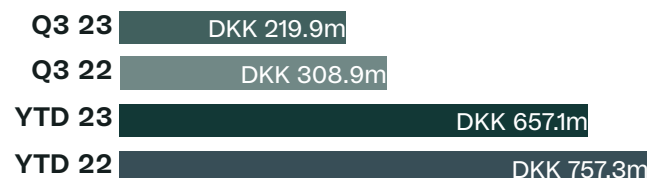
Satisfactory results in uncertain market conditions

Summary

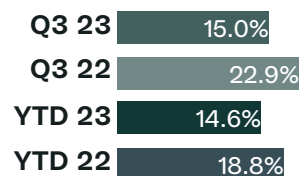
■ Revenue increased by 8.4% (constant 9.2%)



■ Adj. EBITDA decreased 28.8%



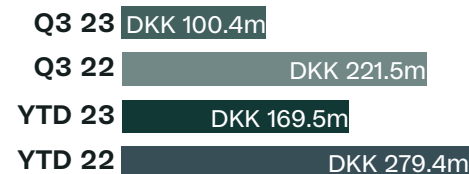
■ Adj. EBITDA margin decreased by 7.9pp



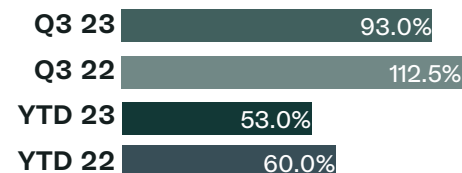
■ Average employees increased by 721 FTEs



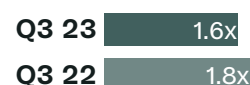
■ Free cash flow was DKK 100.4m



■ Cash conversion ratio was 93%



■ Debt leverage improved by 9.3%



Conference call details

In connection with the publication of the results for Q3 2023, Netcompany will host a conference call on 2 November at 11.00 CET.

The conference call can be followed live via <https://netcompany-as.eventcdn.net/events/interim-report-for-the-first-9-months-of-2023>
For further dial-in details please visit the company's website; www.netcompany.com

“In Q3, we grew revenue by 9.2% - once again driven by strong results in the international operation of the Group. The prolonged decision processes experienced in Q2 in the Danish private segment were extended into Q3 too, which led to lower revenue in Denmark than anticipated. At the same time we saw stronger than anticipated growth in Netcompany-Intrasoft.

FTEs grew in line with revenue at 10.2% - driven by hirings in the international operation of the Group.

Despite the current softness in our operation in Denmark, our assesment is that market demand for digital transformation remains intact, and our expectation is that more pipeline cases will begin to convert during Q4 2023 and into Q1 2024.

Based on realised performance and outlook for the remaining part of 2023, we narrow our expectation to revenue growth to between 8% and 10% and we expect margin to be realised in the lower end of the guided range of 15% to 18% - both within original guided target ranges.

We remain committed to our mid-term financial targets.”

André Rogaczewski

NETCOMPANY CEO AND CO-FOUNDER

Performance overview Q3

DKK million	Q3 2023 (reported)	Q3 2023 (constant)*	Q3 2022	% change (reported)	% change (constant)*
Revenue	1,461.7	1,471.9	1,348.1	8.4%	9.2%
Cost of services	-1,059.3	-1,067.0	-877.0	20.8%	21.7%
Gross profit	402.4	404.9	471.1	-14.6%	-14.1%
<i>Gross profit margin</i>	27.5%	27.5%	34.9%	-7.4pp	-7.4pp
Sales and marketing costs	-13.0	-13.0	-10.6	22.9%	23.1%
Administrative costs	-215.1	-216.8	-185.1	16.2%	17.2%
Adjusted EBITA	174.3	175.0	275.5	-36.7%	-36.5%
<i>Adjusted EBITA margin</i>	11.9%	11.9%	20.4%	-8.5pp	-8.5pp
<i>Other operating income / expense</i>	-0.0	-0.0	-0.5	-99.8%	-99.8%
EBITA	174.3	175.0	275.0	-36.6%	-36.4%
<i>EBITA margin</i>	11.9%	11.9%	20.4%	-8.5pp	-8.5pp
Amortisation	-35.8	-35.8	-34.9	2.6%	2.6%
Operating profit (EBIT)	138.5	139.2	240.1	-42.3%	-42.0%
<i>Operating profit margin</i>	9.5%	9.5%	17.8%	-8.3pp	-8.4pp
Net financials	-35.6	-35.5	-16.2	119.4%	119.1%
<i>Income / loss, joint venture / associates</i>	-2.3	-2.3	-2.5	-5.5%	-5.5%
Profit / loss before tax	100.6	101.3	221.4	-54.6%	-54.2%
Tax	-20.7	-20.6	-51.7	-60.1%	-60.1%
<i>Effective tax rate</i>	20.5%	20.3%	23.4%	-2.8pp	-3.0pp
Net profit / loss	80.0	80.7	169.7	-52.9%	-52.4%
Additional KPIs					
Adjusted EBITDA	219.9	220.9	308.9	-28.8%	-28.5%
<i>Adjusted EBITDA margin</i>	15.0%	15.0%	22.9%	-7.9pp	-7.9pp
Free cash flow	100.4	N/A	221.5	-54.7%	N/A
<i>Cash conversion rate</i>	93.0%	N/A	112.5%	-19.4pp	N/A

*Constant currencies measured using average exchange rates for Q3 2022

CONTINUED PERFORMANCE OVERVIEW Q3

Reported revenue grew 8.4% (constant 9.2%) in Q3 2023 to DKK 1,461.7m, driven by the international operation of the Group. Revenue from public clients increased by 13.4%, whereas revenue from private clients decreased by 1.1% compared to the same period last year. Client facing FTEs grew 10.6% and FTEs at the end of Q3 2023 amounted to 7,760.

Gross profit margin was 27.5%, which was 7.4 percentage points lower than the same period in 2022. The lower gross profit margin was mainly driven by lower margins in the Danish, Norwegian and UK business units.

Sales and marketing costs were 22.9% higher than the same period in 2022 at DKK 13m as a result of the generally higher level of marketing spend realised during the quarter and in line with the enhanced “Go-To-Market” approach. Our recent win in the UK of the DALAS framework, would not have been possible without our product and platform focus in the enhanced “Go-To-Market” approach.

Administrative costs increased by 16.2% to

DKK 215.1m in Q3 2023. Depreciation accounted for DKK 13.4m of the total increase of DKK 30m, caused by increased depreciation related to leases. The main part related to the movement to the new HQs in Copenhagen and Athen. In addition, costs related to the enhanced “Go-To-Market” model impacted administrative costs by around DKK 7m – also in line with Q1 and Q2 2023.

As a consequence of the lower gross profit and increased administrative costs, adjusted EBITA margin was 8.5 percentage points lower at 11.9% compared to 20.4% in the same period last year.

Amortisation were DKK 35.8m – in line with the level of amortisation in the same period last year.

Operating profit (EBIT) was DKK 101.5m lower than for Q3 2022 yielding a margin of 9.5% compared to 17.8% for Q3 2022.

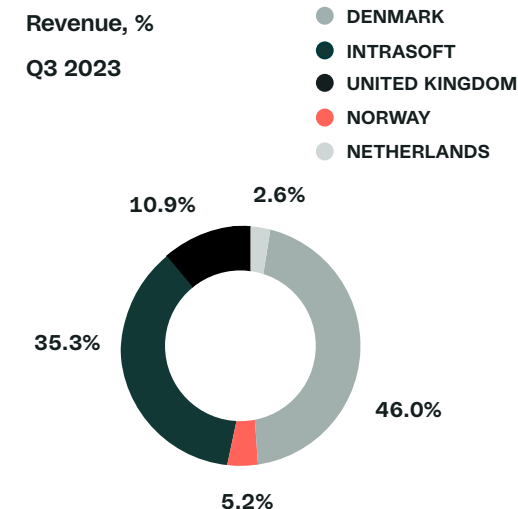
Net financials were negative DKK 35.6m compared to negative DKK 16.2m for the same period last year. The main reason for the increased financial costs was the

increase in the interest rate level compared to the same period last year, which led to an increase of DKK 12.5m in interest costs related to Group loan.

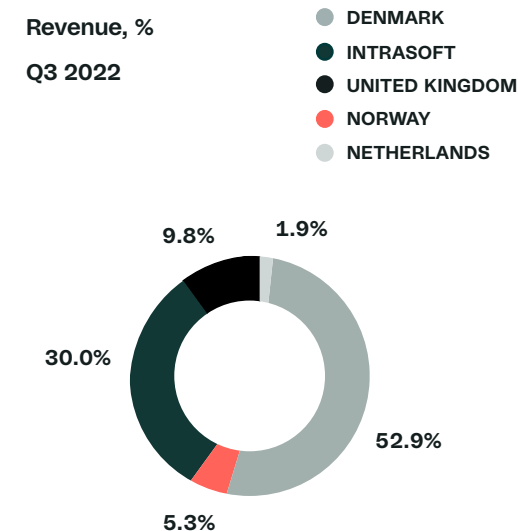
Income taxes in Q3 2023 were DKK 20.7m compared to DKK 51.7m in the same quarter last year. Effective tax rate was 20.5% compared to 23.4% for Q3 2022.

Business Segments Q3

DKK million Constant (2022 rate)	Q3 2023					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	1,471.9	677.2	519.1	161.2	76.8	37.6
Gross profit	409.5	273.2	88.2	35.2	3.4	9.6
<i>Gross profit margin</i>	27.8%	40.3%	17.0%	21.8%	4.5%	25.5%
Local admin costs	-176.5	-92.9	-44.7	-17.9	-14.4	-6.6
Adjusted EBITDA before allocated cost from HQ	233.0	180.3	43.5	17.2	-11.0	3.0
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	15.8%	26.6%	8.4%	10.7%	-14.3%	7.9%
Allocated costs from HQ	-12.1	-8.3	0.0	-2.1	-1.0	-0.6
Depreciation	-45.9	-23.3	-16.3	-2.7	-2.0	-1.5
Amortisation	-35.8	-17.1	-11.8	-4.0	-1.9	-1.1
Other operating income / expense	-0.0	0.0	-0.0	0.0	0.0	0.0
EBIT	139.2	131.6	15.4	8.4	-16.0	-0.3
Client facing FTEs	7,270	2,835	3,262	640	367	167



DKK million Reported	Q3 2022					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	1,348.1	713.8	404.6	132.1	71.5	26.0
Gross profit	477.0	346.1	78.3	35.3	11.7	5.6
<i>Gross profit margin</i>	35.4%	48.5%	19.4%	26.7%	16.4%	21.4%
Local admin costs	-157.3	-86.4	-37.2	-14.1	-13.2	-6.4
Adjusted EBITDA before allocated cost from HQ	319.7	259.7	41.1	21.2	-1.5	-0.8
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	23.7%	36.4%	10.2%	16.0%	-2.1%	-3.0%
Allocated costs from HQ	-10.9	-7.9	0.0	-1.7	-0.8	-0.4
Depreciation	-33.4	-18.0	-9.5	-2.7	-1.8	-1.4
Amortisation	-34.9	-20.1	-7.6	-4.2	-2.0	-1.0
Other operating income / expense	-0.5	0.0	-0.5	0.0	0.0	0.0
EBIT	240.1	213.7	23.5	12.6	-6.1	-3.6
Client facing FTEs	6,576	2,712	2,898	526	310	129



CONTINUED BUSINESS SEGMENTS Q3

Netcompany Denmark

In Q3, public revenue in the Danish business unit was in line with the same quarter last year, whereas the private segment realised a decline of 12.6%, which led to 5.1% decline in total revenue in the Danish business unit in the quarter. As in Q2, the private segment in Denmark experienced prolonged conversion time of pipeline due to the critical nature of the solutions and the continued macro economic uncertainty.

Gross profit margin was lower as utilisation continued to be below normal levels.

Adjusted EBITDA margin was 26.6% compared to 36.4% in Q3 2022. The lower activity in the private segment was the main reason for the lower margin.

Client facing FTEs decreased 1.2% compared to Q2 2023, as the rightsizing of the pyramid structure started to materialise in the numbers.

Netcompany-Intrasoft

Revenue in Netcompany-Intrasoft grew by 28.3% to DKK 519.1m in Q3 2023. The growth in Q3 was driven by strong perfor-

mance in the public and EU area that grew 29.4% and supported by a strong growth in the private segment that grew 25.3%. Client facing FTEs grew 12.5% in the third quarter of 2023.

During the third quarter Netcompany-Intrasoft won additional new contracts within the "RRF" programme in Greece.

Adjusted EBITDA margin was 8.4% in Q3 2023 compared to 10.2% in the same period last year. The decline in margin was a result of a different revenue mix compared to Q3 2022, where a larger proportion of revenue included licenses. Adjusted for this, margins would have been on level.

Netcompany UK

In the UK, revenue grew 22% compared to the same period last year and thereby continued its strong growth momentum realised in the first half of 2023. The growth was driven by the public segment, where revenue grew by 25.6%. The private segment grew 12.6% compared to the same quarter last year.

In the beginning of Q3, Netcompany UK

was selected as supplier for the Crown Commercial Service's Digital and Legacy Application Services (DALAS), a framework agreement for four years. The first contracts within this framework are expected to come into tender during Q4 2023.

The increased tender writing activities associated with DALAS led to lower utilisation and thus lower gross profit margin.

Adjusted EBITDA margin was 10.7% in Q3 2023 compared to 16% in the same period last year. The lower margin in Q3 this year was in line with Q2 2023, as an increasing amount of time was spent on tender writing for the DALAS framework. The higher level of tender writing activities related to DALAS is expected to continue into Q4 2023 too.

Client facing FTEs grew by 21.6% and reached 640 FTEs.

Netcompany Norway

Revenue growth in Norway was 7.3% in Q3 2023 compared to the same period last year. The private segment grew 13% in Q3 compared to the same quarter last year and the public segment grew 3.3%. As in

Denmark, Netcompany Norway also experienced prolonged decision taking time due to the uncertainty in the macro economic environment, which also impacted gross profit margin negatively as utilisation remained lower than anticipated.

Adjusted EBITDA margin was negative 14.3% compared to negative 2.1% in Q3 2022. The reason for the decline in margin was lower utilisation, however, this is expected to improve during Q4.

Netcompany Netherlands

Revenue in the Dutch business unit grew 44.5% in Q3 2023. Growth was generated in the public segment, where revenue grew 45.8%.

Adjusted EBITDA margin was 7.9% in Q3 2023 compared to negative 3% in Q3 2022. The increase in margin was a result of better project execution which is expected to continue going forward.

Pipeline in Netherlands continue to look promising, and the number of client facing FTEs increased by 29.1% compared to the same quarter last year.

Performance overview 9 months

DKK million	YTD 2023 (reported)	YTD 2023 (constant)*	YTD 2022	% change (reported)	% change (constant)*	Total 2022
Revenue	4,495.8	4,541.5	4,025.3	11.7%	12.8%	5,544.6
Cost of services	-3,250.5	-3,284.0	-2,772.9	17.2%	18.4%	-3,772.2
Gross profit	1,245.3	1,257.5	1,252.5	-0.6%	0.4%	1,772.5
<i>Gross profit margin</i>	27.7%	27.7%	31.1%	-3.4pp	-3.4pp	32.0%
Sales and marketing costs	-38.6	-38.0	-28.9	33.6%	31.3%	-41.0
Administrative costs	-690.7	-698.5	-565.1	22.2%	23.6%	-763.9
Adjusted EBITA	516.0	521.0	658.5	-21.6%	-20.9%	967.6
<i>Adjusted EBITA margin</i>	11.5%	11.5%	16.4%	-4.9pp	-4.9pp	17.5%
Other operating income / expense	0.6	0.6	-0.4	-244.2%	-244.1%	5.9
EBITA	516.6	521.6	658.1	-21.5%	-20.7%	973.5
<i>EBITA margin</i>	11.5%	11.5%	16.3%	-4.9pp	-4.9pp	17.6%
Amortisation	-104.5	-104.5	-100.2	4.3%	4.3%	-134.1
Operating profit (EBIT)	412.1	417.1	557.8	-26.1%	-25.2%	839.4
<i>Operating profit margin</i>	9.2%	9.2%	13.9%	-4.7pp	-4.7pp	15.1%
Net financials	-99.9	-100.1	-47.3	110.9%	111.5%	-77.8
Income / loss, joint venture / associates	-6.8	-6.8	-10.3	-34.0%	-34.0%	-5.1
Profit / loss before tax	305.4	310.1	500.2	-38.9%	-38.0%	756.5
Tax	-67.0	-67.2	-112.8	-40.7%	-40.5%	-153.8
<i>Effective tax rate</i>	21.9%	21.7%	22.6%	-0.6pp	-0.9pp	20.3%
Net profit / loss	238.5	243.0	387.3	-38.4%	-37.3%	602.8
Additional KPIs						
Adjusted EBITDA	657.1	663.6	757.3	-13.2%	-12.4%	1,106.2
<i>Adjusted EBITDA margin</i>	14.6%	14.6%	18.8%	-4.2pp	-4.2pp	20.0%
Free cash flow	169.5	N/A	279.4	-39.3%	N/A	602.7
<i>Cash conversion rate</i>	53.0%	N/A	60.0%	-7.0pp	N/A	85.2%

*Constant currencies measured using average exchange rates for 2022

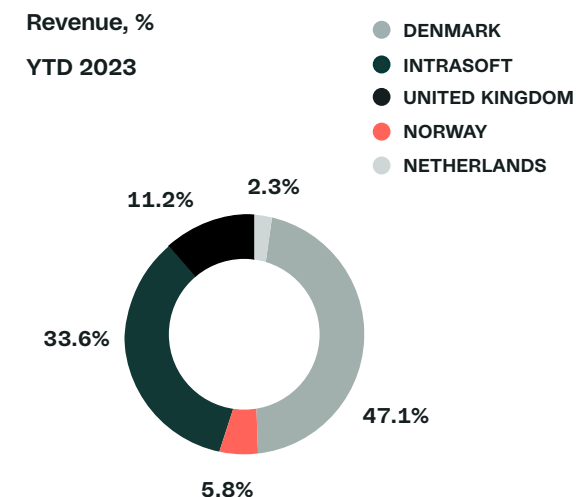
Reported revenue grew 11.7% (constant 12.8%) in the first nine months of 2023 to DKK 4,495.8m, all organic. Revenue generated outside Denmark accounted for 52.4% of the Group revenue. The public segment grew revenue by 17%, while revenue in the private segment grew by 2.1% compared to the same period last year. Client facing FTEs grew 13.5% and the average number of FTEs amounted to 7,652.

Gross profit margin was 27.7%, which was 3.4 percentage points lower than the same period in 2022. The decrease was mainly caused by a lower margin in the Danish private segment.

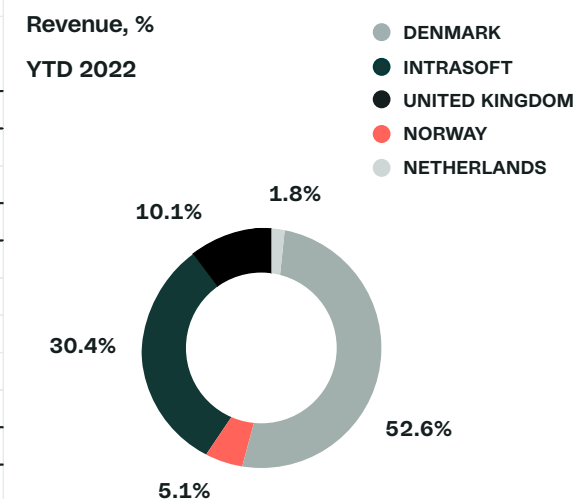
Adjusted EBITDA was DKK 657.1m in the first nine months of 2023, a 13.2% decrease compared to the same period the year before. The EBITDA margin was 14.6%, which was 4.2 percentage points lower than the same period in 2022. The decrease in EBITDA margin was a consequence of the lower gross profit margin and increased administrative costs mainly driven by the new Go-To-Market approach.

Business Segments 9 months

DKK million Constant (2022 rate)	YTD 2023					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	4,541.5	2,140.1	1,525.3	507.9	264.9	103.3
Gross profit	1,271.3	782.7	307.4	130.2	33.0	18.0
<i>Gross profit margin</i>	28.0%	36.6%	20.2%	25.6%	12.4%	17.5%
Local admin costs	-569.8	-311.2	-132.9	-59.2	-46.2	-20.3
Adjusted EBITDA before allocated cost from HQ	701.5	471.5	174.5	71.0	-13.2	-2.2
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	15.4%	22.0%	11.4%	14.0%	-5.0%	-2.2%
Allocated costs from HQ	-38.5	-27.0	0.0	-6.5	-3.3	-1.7
Depreciation	-142.1	-82.0	-40.4	-8.9	-6.2	-4.5
Amortisation	-104.5	-52.0	-32.4	-11.4	-5.7	-3.0
Other operating income / expense	0.6	0.0	0.6	0.0	0.0	0.0
EBIT	417.1	310.5	102.3	44.2	-28.4	-11.5
Client facing FTEs	7,165	2,854	3,190	607	353	161



DKK million Reported	YTD 2022					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	4,025.3	2,117.8	1,222.2	407.7	205.5	72.1
Gross profit	1,270.3	890.2	234.8	114.2	21.6	9.6
<i>Gross profit margin</i>	31.6%	42.0%	19.2%	28.0%	10.5%	13.3%
Local admin costs	-475.0	-261.4	-107.5	-46.2	-39.4	-20.5
Adjusted EBITDA before allocated cost from HQ	795.3	628.8	127.4	68.0	-17.8	-11.0
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	19.8%	29.7%	10.4%	16.7%	-8.7%	-15.2%
Allocated costs from HQ	-38.0	-27.5	0.0	-5.9	-3.1	-1.5
Depreciation	-98.8	-52.7	-28.7	-7.9	-5.5	-4.0
Amortisation	-100.2	-58.5	-19.9	-12.4	-6.5	-3.0
Other operating income / expense	-0.4	0.0	-0.4	0.0	0.0	0.0
EBIT	557.8	490.0	78.4	41.8	-32.9	-19.4
Client facing FTEs	6,314	2,598	2,800	497	284	135



CONTINUED BUSINESS SEGMENTS 9 MONTHS

Netcompany Denmark

Revenue growth in the Danish business unit was 1.1% driven by growth in the public segment of 7.4%, whereas the private segment realised a decline of 7.7% in the first nine months of 2023. The private segment in Denmark experienced a negative impact from the slowdown in pipeline conversion in the first nine months of 2023, which is expected to continue throughout the year.

Adjusted EBITDA margin was 22% compared to 29.7% in the first nine months of 2022. The lower margin was an effect of higher level of forced churn, lower utilisation in the private segment, costs related to movement into the new corporate HQ in Denmark and costs related to the enhanced “Go-To-Market” strategy.

Depreciation increased by DKK 29.3m to DKK 82m in the first nine months of 2023, due to increased depreciation related to leases of which some was due to the termination of the previous HQ at Grønningen in Copenhagen.

Netcompany-Intrasoft

Revenue in Netcompany-Intrasoft grew by 24.8% to DKK 1,525.3m in the first nine

months of 2023 – all organic. The growth was driven by strong performance in both the public and EU area that grew 25.5% and in the private segment that grew 22.8%. Client facing FTEs grew 14% in the first nine months of 2023.

Adjusted EBITDA margin was 11.4% in the first nine months of 2023 compared to 10.4% in the same period last year. The margin in Netcompany-Intrasoft will experience lumpiness quarter over quarter, as software licenses are recognised immediately with a direct impact on margin, thereby solely depending on timing of the contracts being signed.

Netcompany UK

Revenue in Netcompany UK grew by 24.6% in the first nine months of 2023 to DKK 507.9m. The continued strong revenue growth in UK was driven by the growth in the public sector in UK that grew 34.3% in the first nine months of 2023 compared to the same period last year. Client facing FTEs grew 22.1% in the first nine months of 2023.

Adjusted EBITDA margin was 14% in the first nine months of 2023, which was 2.7

percentage points lower than in the same period the year before. The reason for the decline in margin, was due to increased focus on preparation of tender material and business development activities related to projects like the DALAS framework.

Netcompany Norway

Revenue growth in Netcompany Norway was 28.9% in the first nine months of 2023 compared to the same period last year. The growth in revenue was driven by an increase in the private segment, that grew 48.5% in the first nine months of 2023 slightly offset by a 15.9% revenue increase in the public segment. Client facing FTEs grew 24.4% in the first nine months of 2023.

Adjusted EBITDA margin was negative 5% compared to negative 8.7% for the first nine months of 2022. Norway is expected to become profitable within 2024 as a result of better project execution and higher utilisation.

Netcompany Netherlands

Revenue in the Dutch business unit grew 43.3% in the first nine months of 2023. The continued strong revenue growth in the

Dutch business unit was solely driven by the public sector. Client facing FTEs grew 18.9% in the first nine months of 2023.

Adjusted EBITDA was negative 2.2% compared to negative 15.2% in the first nine months of 2022. There are clear indications, that margins in the Dutch business unit will continue to improve throughout 2023 and in 2024.

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.

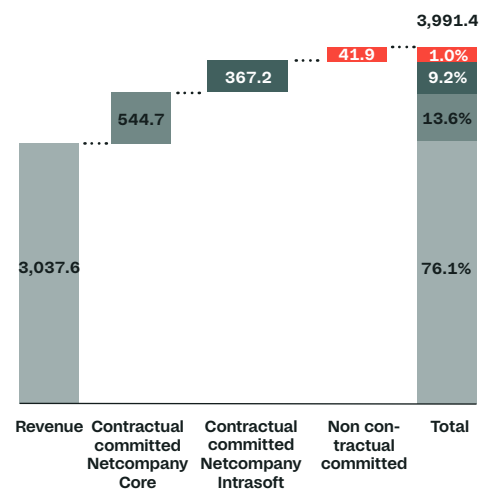
By the beginning of October 2023, revenue visibility for 2023 amounted to DKK 5,867.9m. Of this, contractual committed revenue amounted to DKK 1,291.2m and non-contractual committed engagements amounted to DKK 80.9m, while realised revenue in the first nine months of 2023 amounted to DKK 4,495.8m.

Compared to Q3 2022, revenue visibility improved 10.8% from DKK 5,296.2m for 2022 to DKK 5,867.9m for 2023.

Revenue visibility in the public segment amounted to DKK 3,991.4m, of which contractual committed revenue amounted to DKK 912m and non-contractual committed engagements amounted to DKK

DKK million

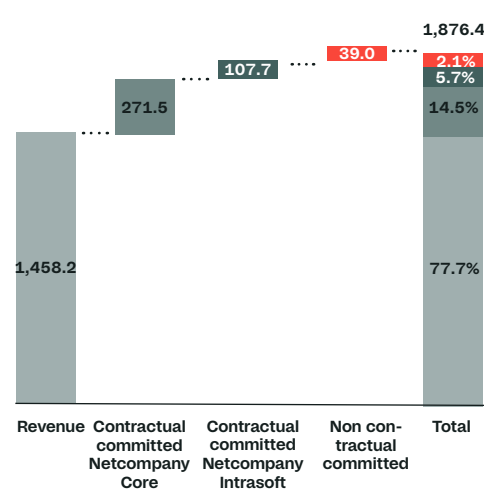
Public segment



41.9m, while realised revenue in the first nine months of 2023 amounted to DKK 3,037.6m.

Revenue visibility in the private segment amounted to DKK 1,876.4m, of which contractual committed revenue amounted to DKK 379.2m and non-contractual committed engagements amounted to DKK

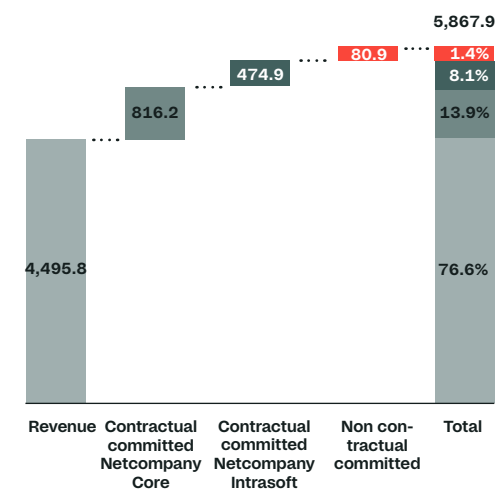
Private segment



39m, while realised revenue in the first nine months of 2023 amounted to 1,458.2m.

By the beginning of October 2023, the total order backlog for Netcompany-Intrasoft amounted DKK 6,721.4m mainly within EU institutions. Of the total order backlog for Netcompany-Intrasoft DKK 474.9m is expected to be released in the last three

Total segment



months of 2023 and DKK 6,246.5m is expected to be released in the period from 2024 and 2030.

Employees

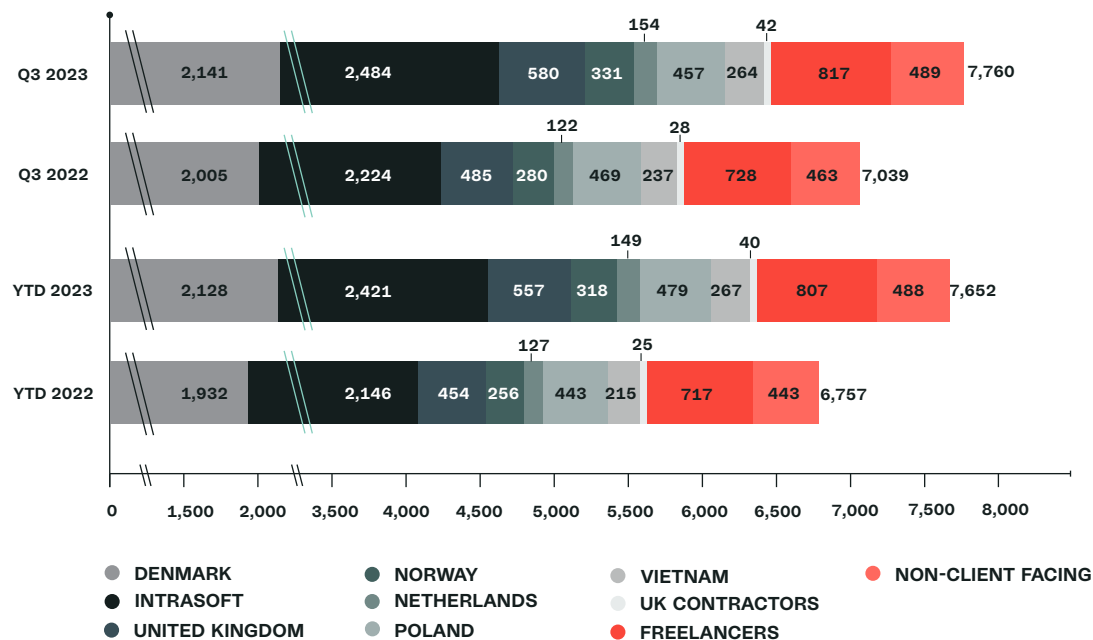
Avg. FTEs increased to 7,760 during Q3 2023

Netcompany employed an average of 7,760 FTEs in Q3 2023, which was an increase of 721 FTEs or 10.2% compared to Q3 2022 (7,039 FTEs). On a sequential basis FTEs increased by 0.8% from Q2 2023 to Q3 2023.

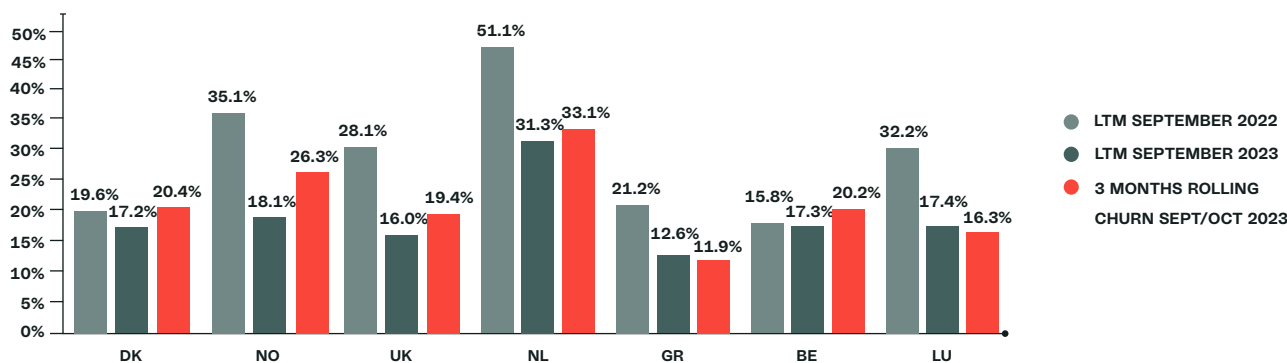
The number of client facing employees for the Group increased by 694 from 6,576 in Q3 2022 to 7,270 in Q3 2023, while the level of non-client facing employees was 6.3% in Q3 2023 compared to 6.6% in Q3 2022.

The attrition rate for the last twelve months was 16.2%, which was a decrease of 8 percentage points compared to the same period last year.

3 months rolling churn rates have increased in all entities apart from in Greece and Luxembourg. This was a result of a higher proportion of forced churn realised.



Attrition rate



Capital and other financial positions

Free cash flow and cash conversion rate¹

The Group generated a free cash flow of DKK 100.4m in Q3 2023, compared to DKK 221.5m in Q3 2022. The decrease was driven by a decrease in operating profit before depreciation and amortisation of DKK 101.5m and negative development in working capital changes in Q3 2023 of DKK 26m compared to Q3 2022. Compared to the same period last year, the development in working capital changes was caused by a decrease in trade payables, and additional tying up of work in progress caused by the increase of projects in Greece under the RRF.

Normalised for taxes paid on account¹, the Group generated a free cash flow of DKK 79.4m in Q3 2023 compared to DKK 174.9m in Q3 2022.

Cash conversion rate decreased from 112.5% in Q3 2022 to 93% in Q3 2023. Adjusted for taxes paid on account, cash conversion rate decreased from 88.8% in Q3 2022 to 73.6% in Q3 2023.

For the first nine months, Netcompany generated a free cash flow of DKK 169.5m corresponding to a decrease of 39.3% com-

pared to the same period last year, mainly driven by the development in operating profit before depreciation and amortisation, increase in interest expenses and acquisition of fixed assets due to investments in connection with the new HQs in Denmark and Greece.

Cash conversion ratio decreased by 7 percentage points in the first nine month of 2023 to 53% compared to 60% in the first nine month of 2022.

Trade receivables

At the end of Q3 2023, trade receivables were on level with Q3 2022. Compared to Q3 2022, trade receivables increased by 2% from DKK 1,057.9m to DKK 1,079.1m by the end of Q3 2023. In the same period revenue increased by 8.4%.

The lower increase in trade receivables compared to revenue was a result of continued faster collection of receivables as well as one RRF-project being collected during the quarter. As a result, days sales outstanding improved from 72 days in Q3 2022 to 67 days in Q3 2023.

The relative split of overdue trade receiv-

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Provision	Total
Trade receivables, 30 September 2023	689.1	254.6	46.6	13.5	97.0	-21.8	1,079.1
<i>Paid in the following month</i>	314.9	204.6	23.3	6.6	4.4	0.0	553.8
<i>% paid subsequently</i>	45.7%	80.4%	49.9%	49.2%	4.5%	0.0%	51.3%

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Provision	Total
Trade receivables, 30 September 2022	707.5	159.6	57.4	39.0	112.8	-18.3	1,057.9
<i>Paid in the following month</i>	352.5	109.1	26.7	9.7	9.7	0.0	507.8
<i>% paid subsequently</i>	49.8%	68.4%	46.6%	24.9%	8.6%	0.0%	48.0%

ables increased by 3.1 percentage points from 34.3% by the end of Q3 2022 to 37.4% by the end of Q3 2023 solely caused by trade receivables overdue by 0-30 days. The overdue part of trade receivables overdue by more than 30 days decreased by 24.9% from DKK 209.2 to DKK 157.1 compared to the same period last year. This was also impacted by one RRF-project being collected during Q3 2023.

Trade receivables paid in the following month amounted to DKK 553.8m in Oc-

tober, of which DKK 238.9m was overdue end of September, equal to a repayment of 51.3% of the total balance compared to 48% last year.

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

CONTINUED CASH FLOW AND OTHER SIGNIFICANT FINANCIAL POSITIONS

Work in progress

At 30 September 2023, Netcompany's work in progress amounted to DKK 1,021.1m, represented by contract work in progress of DKK 1,509.2m and prepayments received from customers of DKK 488.2m.

Work in progress increased by 21.2% from DKK 842.7m in Q3 2022 to DKK 1,021.1m in Q3 2023. In the same period revenue increased 8.4%, whereas revenue in the pre-

ceding 12 months (LTM) increased by 16.2%.

As a total, trade receivables and work in progress increased by 10.5% from DKK 1,900.6m end of Q3 2022 to DKK 2,100.1m end of Q3 2023, compared to an increase in revenue by 16.2% in the same period.

In that aspect growth in work in progress and trade receivables versus revenue growth were more balanced.

Investments

In September 2023, Netcompany acquired 20% of Festina Finance A/S and paid DKK 106.5m. Due to timing, closing balance and thereby initial accounting for the acquisition was incomplete at the end of reporting Q3 2023.

Funding and liquidity

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

Including net cash balance as of 30 September 2023 of DKK 100.5m available Group funding was DKK 1,320.5m.

Risk management

Please refer to the overview of risk factors provided by the Group in the Annual Report for 2022.

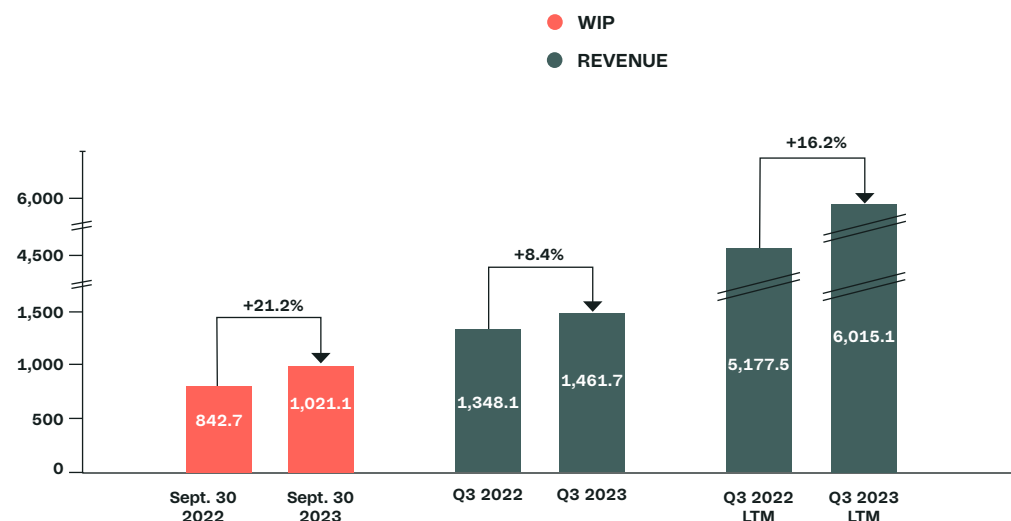
Capital structure

In Q3 2023, debt leverage to 12 months rolling adjusted EBITDA was 1.6x compared to 1.8x in Q3 2022. All covenants are complied with.

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.

Work in progress overview (DK million)



The combined committed facilities constitute DKK 2,863.7m and an additional facility of DKK 2,000m, available only for new acquisitions. At 30 September 2023, DKK 1,643.7m of the committed lines were utilised on ordinary borrowings and DKK 106.5m utilised for acquisitions, leaving a total of DKK 3,113.5m available in unutilised funding of which DKK 1,220m can be utilised for normal operations if needed with no additional costs or covenants. In addition, Netcompany-Intrasoft had utilised DKK 467.2m on local guarantees, having no impact on the Group facilities except for leverage.

Guidance 2023

Financial metrics in constant currencies	Q3 Guidance 2023	Original Target 2023	Actual performance 2022
Group revenue growth, organic	8-10%	8-12%	14.9%
Group adjusted EBITDA margin	lower end of 15-18%	15-18%	20.0%

Despite negative macro environment impacts in particularly the Danish private segment, Netcompany has realised a satisfactory performance year to date in 2023 with revenue growth of 12.8% and adjusted EBITDA margin of 14.6% - both measured in constant currencies.

The prolonged decision taking related to pipeline cases in the Danish private segment has continued into Q3 and are expected to impact full year result negatively, which in combination with realised performance year to date has led to narrowed expected revenue growth of 8-10%. Margin is expected to be realised in the lower end of the guidance range.

A number of risks to our guidance was given in connection with our Annual Report for 2022. Those risks still exist and could impact our performance for the remaining part of 2023.

Netcompany presented mid-term targets on 1 June to be achieved by the end of 2026.

These targets are as follows:

- Revenue of at least DKK 8.5bn
- Adjusted EBITDA margin of at least 20%
- Cash redistribution to shareholders of at least DKK 2bn.

Shareholder information

Capital

Netcompany's share capital is DKK 50m divided into 50m shares. Netcompany holds 432,700 treasury shares equivalent to 0.9% of the share capital. The shares will be used to honour the Group's commitments under its Long-Term Incentive programmes.

Share-based incentive schemes/restricted stock units

In total, 392,947 RSUs in relation to the share-based incentive schemes were issued at 30 September 2023 of which 101,269 were granted to Executive Management and 291,678 were granted to Other Key Management Personnel and Other Employees.

The fair value of the RSUs at grant was DKK 136.1m. The cost related hereto is expensed over the vesting period. A total amount of DKK 12.1m was recognised as personnel costs in the income statement in Q3 2023.

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

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

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

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

Compliance Review

The Danish Business Authorities have completed their compliance review of Netcompany Group A/S' Annual Reports for 2020 and 2021 as disclosed in the Annual Report for 2022.

Due to the outcome of the compliance review the accounting policies for business combinations has been adjusted resulting in a reduction of goodwill of DKK 120.4m,

a reduction of earn-out obligation of DKK 118.4m and a net impact on the equity of DKK 2.1m including the impact from remuneration to be treated as share-based payment.

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

Financial Calendar

17 January 2024

Deadline for shareholders to submit proposals for the agenda of the Annual General Meeting 2024.

25 January 2024

Annual Report for the financial year 2023.

29 February 2024

Annual General Meeting 2024.

3 May 2024

Interim report for the first 3 months of 2024.

14 August 2024

Interim report for the first 6 months of 2024.

31 October 2024

Interim report for the first 9 months 2024.

Statement of the Board of Directors and Executive Management

Today, the Board of Directors and Executive Management considered and approved the interim consolidated financial statements for Netcompany Group A/S (“Netcompany” or “the company” and together with all its subsidiaries “the Group”) for the period 1 January 2023 to 30 September 2023. The Q3 2023 report has not been audited or reviewed by the company’s independent auditors.

The interim consolidated financial statements have been prepared in accordance with IAS 34 as adopted by the EU and additional Danish regulations for the presentation of interim reports by listed companies. Furthermore, the interim report has been prepared in accordance with the accounting policies set out in the Group’s Annual Report for 2022.

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 September 2023 and of the results of the Group’s operations and cash flows for the period 1 January 2023 to 30 September 2023.

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

COPENHAGEN, 2 NOVEMBER 2023

Executive Management

André Rogaczewski
CEO

Claus Bo Jørgensen
COO

Thomas Johansen
CFO

Board of Directors

Bo Rygaard
Chairman of the Board

Juha Christensen
Vice Chairman of the Board

Susan Helen Cooklin

Åsa Riisberg

Bart Walterus

Netcompany grew topline by 9.2% in Q3 driven by strong performance internationally. Cash flow improved sequentially from Q2 as expected.

Netcompany Group A/S
Strandgade 3, 1401 Copenhagen
Company Registration no. 39 48 89 14
Company Announcement No. 12/2023
2 November 2023

Consolidated interim financial statements

Income statement and Statement of comprehensive income

DKK million	Note	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Total 2022
Income statement						
Revenue	1	1,461.7	1,348.1	4,495.8	4,025.3	5,544.6
Cost of services	2	-1,059.3	-877.0	-3,250.5	-2,772.9	-3,772.2
Gross profit		402.4	471.1	1,245.3	1,252.5	1,772.5
Sales and marketing costs		-13.0	-10.6	-38.6	-28.9	-41.0
Administrative costs	3	-215.1	-185.1	-690.7	-565.1	-763.9
Other operating income / expense		-0.0	-0.5	0.6	-0.4	5.9
EBITA		174.3	275.0	516.6	658.1	973.5
Amortisation		-35.8	-34.9	-104.5	-100.2	-134.1
Operating profit (EBIT)		138.5	240.1	412.1	557.8	839.4
Financial income	4	10.0	10.4	18.9	18.8	30.3
Financial expenses	4	-45.6	-26.6	-118.7	-66.2	-108.1
Income / loss, joint venture / associates		-2.3	-2.5	-6.8	-10.3	-5.1
Profit / loss before tax		100.6	221.4	305.4	500.2	756.5
Tax on the profit for the period		-20.7	-51.7	-67.0	-112.8	-153.8
Net profit / loss for the period		80.0	169.7	238.5	387.3	602.8
Of which						
Non-controlling interest		0.2	-0.1	0.2	-0.5	-0.6
<i>Netcompany Group A/S' share</i>		<i>80</i>	<i>170</i>	<i>238</i>	<i>388</i>	<i>603</i>
Earnings per share						
Earnings per share (DKK)	5	1.61	3.45	4.81	7.88	12.26
Diluted Earnings per share (DKK)	5	1.60	3.42	4.79	7.80	12.15

Netcompany grew topline by 9.2% in Q3 driven by strong performance internationally. Cash flow improved sequentially from Q2 as expected.

Netcompany Group A/S
Strandgade 3, 1401 Copenhagen
Company Registration no. 39 48 89 14
Company Announcement No. 12/2023
2 November 2023

CONTINUED INCOME STATEMENT AND STATEMENT
OF COMPREHENSIVE INCOME

DKK million	Note	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Total 2022
Statement of comprehensive income						
Net profit / loss for the period		80.0	169.7	238.5	387.3	602.8
Other comprehensive income items that may be reclassified subsequently to profit or loss:						
Exchange rate adjustments on translating foreign subsidiaries		-1.3	-2.4	3.4	-4.3	-8.0
Other comprehensive income items that may not be reclassified to profit or loss:						
Actuarial profit / loss on defined benefit plans		0.0	0.0	0.0	-0.0	0.4
Other comprehensive income, net of tax		-1.3	-2.4	3.4	-4.3	-7.6
Of which						
Non-controlling interest		0.1	0.4	0.1	0.7	0.2
<i>Netcompany Group A/S' share</i>		<i>-1.4</i>	<i>-2.7</i>	<i>3.4</i>	<i>-5.0</i>	<i>-7.8</i>
Total comprehensive income / loss		78.7	167.3	241.9	383.0	595.1
Of which						
Non-controlling interest		0.3	0.3	0.2	0.3	-0.4
<i>Netcompany Group A/S' share</i>		<i>78.4</i>	<i>167.0</i>	<i>241.7</i>	<i>382.7</i>	<i>595.6</i>

Statement of financial position

DKK million	Note	30 September 2023	30 September 2022	31 December 2022
Assets				
Intangible assets		3,739.7	3,869.9	3,879.9
Tangible assets		912.6	295.5	332.2
Investment in joint venture		91.7	92.8	97.4
Investment in associates		113.2	7.3	8.0
Other securities and investments		1.2	1.3	1.3
Other receivables		52.7	48.8	54.9
Deferred tax assets		41.7	29.3	32.7
Total non-current assets		4,952.7	4,344.9	4,406.4
Trade receivables	6	1,079.1	1,057.9	1,112.0
Receivables from joint venture		6.9	15.2	10.0
Receivables from associates		16.4	16.4	16.4
Contract work in progress	7	1,509.2	1,222.8	1,114.5
Other receivables		84.4	37.7	38.3
Prepayments		109.8	94.9	124.4
Tax receivables		20.7	0.0	36.0
Total receivables		2,826.5	2,444.9	2,451.5
Cash		100.5	223.6	336.0
Total current assets		2,927.0	2,668.5	2,787.5
Total assets		7,879.8	7,013.4	7,193.9

DKK million	Note	30 September 2023	30 September 2022	31 December 2022
Equity and liabilities				
Share capital		50.0	50.0	50.0
Treasury shares		-195.5	-302.9	-313.3
Retained earnings		3,891.5	3,591.1	3,783.6
Other reserves		0.4	-0.0	0.4
Equity attributable to Group		3,746.5	3,338.2	3,520.7
Non-controlling interest		6.4	6.8	6.2
Total equity		3,752.9	3,345.1	3,526.9
Borrowings		1,574.6	1,974.6	1,872.4
Lease liabilities		760.9	150.3	180.5
Pension obligations		15.8	18.0	13.8
Other payables		0.0	1.0	0.0
Deferred tax liability		100.7	120.1	111.0
Total non-current liabilities		2,452.0	2,264.0	2,177.6
Borrowings		170.1	49.9	47.3
Lease liabilities		80.5	89.9	85.4
Pension obligations		5.8	1.7	5.8
Prebilled invoices	7	488.2	380.2	433.5
Trade payables		298.2	209.2	265.2
Other payables	8	629.7	656.2	640.6
Provisions		2.4	10.3	11.6
Income tax payable		0.0	7.0	0.0
Total current liabilities		1,674.9	1,404.3	1,489.4
Total liabilities		4,126.9	3,668.3	3,667.0
Total equity and liabilities		7,879.8	7,013.4	7,193.9

Cash Flow statement

DKK million	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Total 2022
Operating profit (EBIT)	138.5	240.1	412.1	557.8	839.4
Depreciation and amortisation	81.4	68.3	245.6	199.0	272.7
Non-cash items	13.2	5.0	34.4	8.6	14.4
Working capital changes	-58.2	-32.2	-219.2	-225.2	-59.3
Total	174.9	281.2	472.8	540.2	1,067.1
Income taxes paid	-9.1	-5.1	-70.0	-137.6	-234.1
Financial income received	2.7	1.7	5.3	5.5	7.3
Financial expenses paid	-31.9	-11.4	-81.0	-33.1	-67.3
Cash flow from operating activities	136.6	266.5	327.2	375.0	773.0
Net cash outflow on acquisition of subsidiaries	0.0	0.0	0.0	0.0	-50.0
Other investments	-106.1	0.2	-105.8	4.2	4.4
Capitalisation of intangible assets	-26.2	-37.4	-84.8	-74.2	-98.0
Acquisition of intangible assets	0.0	0.0	0.0	0.0	-20.0
Acquisition of fixed assets	-10.0	-7.6	-72.9	-21.4	-52.2
Disposals of fixed assets	0.0	0.0	0.0	0.0	0.5
Other receivables (deposits)	4.3	-18.8	4.5	-22.7	-28.9
Cash flow from investment activities	-137.9	-63.5	-259.0	-114.1	-244.3
Payment of treasury shares	-31.7	0.0	-31.7	-101.0	-131.5
Proceeds from borrowings	127.0	0.0	127.5	2,182.8	2,182.8
Repayment of borrowings	0.5	-201.7	-304.9	-2,504.6	-2,610.0
Repayment of right of use assets	-31.2	-25.2	-94.1	-67.3	-87.3
Cash flow from financing activities	64.6	-227.0	-303.2	-490.0	-646.0
Net increase in cash and cash equivalents	63.3	-24.0	-235.0	-229.1	-117.3
Cash and cash equivalents at the beginning	36.7	250.6	336.0	458.8	458.8
Effect of exchange rate changes on the balance cash held in foreign currencies	0.5	-2.9	-0.5	-6.1	-5.4
Cash and cash equivalents at the end	100.5	223.6	100.5	223.6	336.0

Statement of changes in Equity

DKK million	Share capital	Treasury shares	Share-based remuneration	Foreign currency translation subsidiaries	Other Reserves	Retained earnings	Total equity, Netcompany Group A/S	Non-controlling interest	Total equity
Equity at 1 July 2023	50.0	-183.6	49.8	3.2	0.4	3,767.8	3,687.5	6.1	3,693.6
Profit for the period	0.0	0.0	0.0	0.0	0.0	79.8	79.8	0.2	80.0
Other comprehensive income	0.0	0.0	0.0	-1.4	0.0	0.0	-1.4	0.1	-1.3
Total comprehensive income	0.0	0.0	0.0	-1.4	0.0	79.8	78.4	0.3	78.7
Treasury Shares for the period	0.0	-12.8	0.0	0.0	0.0	-18.8	-31.5	0.0	-31.5
Share-based remuneration for the period	0.0	0.9	11.5	0.0	0.0	-0.3	12.1	0.0	12.1
Total transactions with owners	0.0	-11.9	11.5	0.0	0.0	-19.0	-19.4	0.0	-19.4
Equity at 30 September 2023	50.0	-195.5	61.2	1.7	0.4	3,828.5	3,746.5	6.4	3,752.9
Equity at 1 January 2023	50.0	-313.3	54.2	-1.6	0.4	3,731.0	3,520.7	6.2	3,526.9
Adjustment related to previous year*	0.0	0.0	118.4	0.0	0.0	-120.4	-2.1	0.0	-2.1
Adjusted Equity at 1 January 2023	50.0	-313.3	172.6	-1.6	0.4	3,610.5	3,518.6	6.2	3,524.8
Profit for the period	0.0	0.0	0.0	0.0	0.0	238.3	238.3	0.2	238.5
Other comprehensive income	0.0	0.0	0.0	3.4	0.0	0.0	3.4	0.1	3.4
Total comprehensive income	0.0	0.0	0.0	3.4	0.0	238.3	241.7	0.2	241.9
Treasury Shares for the period	0.0	-12.8	0.0	0.0	0.0	-18.8	-31.5	0.0	-31.5
Share-based remuneration for the period	0.0	130.6	-111.4	0.0	0.0	-1.5	17.7	0.0	17.7
Total transactions with owners	0.0	117.8	-111.4	0.0	0.0	-20.3	-13.8	0.0	-13.8
Equity at 30 September 2023	50.0	-195.5	61.2	1.7	0.4	3,828.5	3,746.5	6.4	3,752.9
Equity at 1 July 2022	50.0	-302.9	46.4	4.3	-0.0	3,365.4	3,163.2	6.6	3,169.7
Profit for the period	0.0	0.0	0.0	0.0	0.0	169.7	169.7	-0.1	169.7
Other comprehensive income	0.0	0.0	0.0	-2.7	0.0	0.0	-2.7	0.4	-2.4
Total comprehensive income	0.0	0.0	0.0	-2.7	0.0	169.7	167.0	0.3	167.3
Treasury Shares for the period	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1
Share-based remuneration for the period	0.0	0.0	7.9	0.0	0.0	0.0	7.9	0.0	7.9
Total transactions with owners	0.0	0.0	7.9	0.0	0.0	0.1	8.0	0.0	8.0
Equity at 30 September 2022	50.0	-302.9	54.3	1.6	-0.0	3,535.2	3,338.2	6.8	3,345.1

Netcompany grew topline by 9.2% in Q3 driven by strong performance internationally. Cash flow improved sequentially from Q2 as expected.

Netcompany Group A/S
Strandgade 3, 1401 Copenhagen
Company Registration no. 39 48 89 14
Company Announcement No. 12/2023
2 November 2023

CONTINUED STATEMENT OF CHANGES IN EQUITY

DKK million	Share capital	Treasury shares	Share-based remuneration	Foreign currency translation subsidiaries	Other Reserves	Retained earnings	Total equity, Netcompany Group A/S	Non-controlling interest	Total equity
Equity at 1 January 2022	50.0	-241.4	70.2	6.6	0.0	3,145.8	3,031.1	6.8	3,037.9
Profit for the period	0.0	0.0	0.0	0.0	0.0	387.8	387.8	-0.5	387.3
Other comprehensive income	0.0	0.0	0.0	-5.0	-0.0	0.0	-5.0	0.7	-4.3
Total comprehensive income	0.0	0.0	0.0	-5.0	-0.0	387.8	382.7	0.3	383.0
Treasury Shares for the period	0.0	-100.8	0.0	0.0	0.0	0.3	-100.5	0.0	-100.5
Share-based remuneration for the period	0.0	39.3	-15.8	0.0	0.0	1.3	24.8	0.0	24.8
Movement of non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2
Total transactions with owners	0.0	-61.5	-15.8	0.0	0.0	1.7	-75.7	-0.2	-75.9
Equity at 30 September 2022	50.0	-302.9	54.3	1.6	-0.0	3,535.2	3,338.2	6.8	3,345.1
Equity at 1 January 2022	50.0	-241.4	70.2	6.6	0.0	3,145.8	3,031.1	6.8	3,037.9
Total comprehensive income	0.0	0.0	0.0	-8.2	0.4	603.4	595.6	-0.4	595.1
Total transactions with owners	0.0	-71.9	-16.0	0.0	0.0	-18.2	-106.0	-0.2	-106.2
Equity at 31 December 2022	50.0	-313.3	54.2	-1.6	0.4	3,731.0	3,520.7	6.2	3,526.9

*The adjustment in 2023 relates to change of accounting policies for business combinations following a compliance review of the Annual Reports for 2020 and 2021. Reference is made to note 11 regarding accounting policies and description in the 2022 Annual Report.

NOTE 1

Segment information

Public Q3

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	Q3 2023	Q3 2022	% change	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022
Revenue	1,003.9	885.4	13.4%	425.2	425.5	384.0	297.4	119.2	95.0	38.1	41.8	37.5	25.7
Cost of service	-734.7	-607.3	21.0%	-260.8	-240.5	-321.4	-240.6	-92.4	-70.7	-32.2	-35.4	-27.9	-20.1
Gross profit	269.2	278.0	-3.2%	164.4	185.0	62.6	56.9	26.8	24.3	5.9	6.4	9.6	5.5
<i>Gross profit margin</i>	26.8%	31.4%	-4.6pp	38.7%	43.5%	16.3%	19.1%	22.5%	25.6%	15.4%	15.2%	25.5%	21.5%
Allocated costs	-145.3	-124.7	16.5%	-70.7	-60.3	-44.1	-34.9	-14.9	-12.4	-7.5	-9.4	-8.1	-7.6
Adjusted EBITA before HQ costs	124.0	153.4	-19.2%	93.7	124.7	18.5	21.9	11.9	11.9	-1.6	-3.1	1.4	-2.1
<i>Adjusted EBITA margin before allocated cost from HQ</i>	12.3%	17.3%	-5.0pp	22.0%	29.3%	4.8%	7.4%	10.0%	12.5%	-4.2%	-7.4%	3.8%	-8.2%
Allocated costs from HQ	-7.9	-7.0	13.0%	-5.3	-4.8	0.0	0.0	-1.6	-1.3	-0.5	-0.5	-0.6	-0.4
EBITA	116.0	146.3	-20.7%	88.5	119.9	18.5	21.9	10.4	10.6	-2.1	-3.6	0.8	-2.5
<i>EBITA margin</i>	11.6%	16.5%	-5.0pp	20.8%	28.2%	4.8%	7.4%	8.7%	11.2%	-5.6%	-8.6%	2.2%	-9.8%
Amortisation	-23.8	-22.4	6.1%	-9.7	-11.6	-9.2	-5.5	-2.9	-3.1	-1.0	-1.3	-1.1	-1.0
Operating profit	92.2	123.9	-25.6%	78.8	108.3	9.3	16.4	7.5	7.6	-3.1	-4.9	-0.3	-3.5
<i>Operating profit margin</i>	9.2%	14.0%	-4.8pp	18.5%	25.5%	2.4%	5.5%	6.3%	8.0%	-8.1%	-11.6%	-0.8%	-13.7%

CONTINUED

Segment information

Private Q3

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	Q3 2023	Q3 2022	% change	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022
Revenue	457.8	462.8	-1.1%	252.1	288.3	134.1	107.2	41.7	37.2	29.7	29.7	0.2	0.4
Cost of service	-324.6	-269.7	20.4%	-148.2	-132.9	-109.1	-85.9	-33.3	-26.1	-33.9	-24.4	-0.2	-0.3
Gross profit	133.2	193.1	-31.0%	103.9	155.3	24.9	21.3	8.5	11.0	-4.1	5.4	0.0	0.1
<i>Gross profit margin</i>	29.1%	41.7%	-12.6pp	41.2%	53.9%	18.6%	19.9%	20.3%	29.7%	-13.9%	18.1%	18.8%	15.5%
Allocated costs	-70.7	-60.1	17.5%	-41.3	-38.4	-16.3	-11.6	-5.7	-4.4	-7.4	-5.6	-0.0	-0.1
Adjusted EBITA before HQ costs	62.5	133.0	-53.0%	62.6	116.9	8.6	9.7	2.8	6.6	-11.5	-0.2	0.0	-0.0
<i>Adjusted EBITA margin before allocated cost from HQ</i>	13.7%	28.7%	-15.1pp	24.8%	40.6%	6.4%	9.0%	6.6%	17.8%	-38.7%	-0.8%	5.5%	-6.5%
Allocated costs from HQ	-4.2	-3.8	9.6%	-3.1	-3.1	0.0	0.0	-0.6	-0.5	-0.5	-0.3	-0.0	-0.0
Other operating income / expense	-0.0	-0.5	-99.8%	0.0	0.0	-0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	58.3	128.6	-54.7%	59.5	113.9	8.6	9.2	2.2	6.1	-12.0	-0.5	0.0	-0.0
<i>EBITA margin</i>	12.7%	27.8%	-15.1pp	23.6%	39.5%	6.4%	8.6%	5.2%	16.5%	-40.5%	-1.8%	4.5%	-7.7%
Amortisation	-12.0	-12.5	-3.8%	-7.4	-8.5	-2.6	-2.1	-1.1	-1.1	-1.0	-0.7	-0.0	-0.0
Operating profit	46.3	116.2	-60.1%	52.2	105.3	6.0	7.1	1.1	5.0	-13.0	-1.3	0.0	-0.0
<i>Operating profit margin</i>	10.1%	25.1%	-15.0pp	20.7%	36.5%	4.5%	6.6%	2.6%	13.6%	-43.7%	-4.3%	2.7%	-10.6%

CONTINUED

Segment information

Public 9 months

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	YTD 2023	YTD 2022	% change	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022
Revenue	3,037.6	2,596.8	17.0%	1,314.3	1,223.2	1,125.8	897.9	368.2	281.5	126.4	123.4	102.8	70.8
Cost of service	-2,235.6	-1,881.7	18.8%	-870.7	-773.8	-900.3	-727.2	-277.6	-208.9	-102.2	-110.4	-84.9	-61.3
Gross profit	801.9	715.1	12.1%	443.6	449.5	225.6	170.7	90.6	72.6	24.3	13.0	18.0	9.4
<i>Gross profit margin</i>	26.4%	27.5%	-1.1pp	33.8%	36.7%	20.0%	19.0%	24.6%	25.8%	19.2%	10.5%	17.5%	13.3%
Allocated costs	-459.6	-371.5	23.7%	-235.4	-178.1	-126.3	-101.4	-49.3	-39.3	-23.9	-28.5	-24.7	-24.1
Adjusted EBITA before HQ costs	342.3	343.6	-0.4%	208.2	271.3	99.3	69.3	41.3	33.2	0.3	-15.5	-6.8	-14.7
<i>Adjusted EBITA margin before allocated cost from HQ</i>	11.3%	13.2%	-2.0pp	15.8%	22.2%	8.8%	7.7%	11.2%	11.8%	0.2%	-12.6%	-6.6%	-20.8%
Allocated costs from HQ	-24.9	-24.2	2.8%	-16.7	-16.5	0.0	0.0	-4.8	-4.3	-1.7	-2.0	-1.7	-1.4
EBITA	317.4	319.4	-0.6%	191.5	254.8	99.3	69.3	36.4	28.9	-1.4	-17.5	-8.5	-16.1
<i>EBITA margin</i>	10.4%	12.3%	-1.8pp	14.6%	20.8%	8.8%	7.7%	9.9%	10.3%	-1.1%	-14.2%	-8.3%	-22.8%
Amortisation	-68.4	-65.1	5.1%	-29.1	-34.4	-25.0	-14.6	-8.4	-8.9	-2.9	-4.1	-3.0	-3.0
Operating profit	249.0	254.3	-2.1%	162.5	220.4	74.3	54.7	28.0	20.0	-4.3	-21.6	-11.5	-19.1
<i>Operating profit margin</i>	8.2%	9.8%	-1.6pp	12.4%	18.0%	6.6%	6.1%	7.6%	7.1%	-3.4%	-17.5%	-11.2%	-27.0%

CONTINUED

Segment information

Private 9 months

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	YTD 2023	YTD 2022	% change	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022	YTD 2023	YTD 2022
Revenue	1,458.2	1,428.5	2.1%	825.7	894.6	397.6	324.3	126.5	126.2	107.7	82.1	0.6	1.3
Cost of service	-1,014.9	-891.2	13.9%	-499.8	-471.2	-316.9	-260.7	-90.9	-84.6	-106.8	-73.5	-0.5	-1.2
Gross profit	443.4	537.3	-17.5%	325.9	423.4	80.7	63.6	35.7	41.6	0.9	8.6	0.1	0.1
<i>Gross profit margin</i>	<i>30.4%</i>	<i>37.6%</i>	<i>-7.2pp</i>	<i>39.5%</i>	<i>47.3%</i>	<i>20.3%</i>	<i>19.6%</i>	<i>28.2%</i>	<i>33.0%</i>	<i>0.8%</i>	<i>10.4%</i>	<i>15.3%</i>	<i>9.7%</i>
Allocated costs	-231.2	-184.4	25.4%	-144.5	-118.7	-46.1	-34.2	-17.2	-14.7	-23.3	-16.4	-0.1	-0.4
Adjusted EBITA before HQ costs	212.1	352.9	-39.9%	181.4	304.7	34.6	29.4	18.5	26.9	-22.4	-7.8	-0.0	-0.2
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>14.5%</i>	<i>24.7%</i>	<i>-10.2pp</i>	<i>22.0%</i>	<i>34.1%</i>	<i>8.7%</i>	<i>9.1%</i>	<i>14.6%</i>	<i>21.3%</i>	<i>-20.8%</i>	<i>-9.5%</i>	<i>-1.3%</i>	<i>-18.0%</i>
Allocated costs from HQ	-13.6	-13.8	-1.8%	-10.3	-11.0	0.0	0.0	-1.7	-1.6	-1.6	-1.1	-0.0	-0.0
Other operating income / expense	0.6	-0.4	-244.2%	0.0	0.0	0.6	-0.4	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	199.2	338.7	-41.2%	171.2	293.7	35.2	29.0	16.8	25.2	-24.0	-9.0	-0.0	-0.3
<i>EBITA margin</i>	<i>13.7%</i>	<i>23.7%</i>	<i>-10.1pp</i>	<i>20.7%</i>	<i>32.8%</i>	<i>8.9%</i>	<i>8.9%</i>	<i>13.3%</i>	<i>20.0%</i>	<i>-22.3%</i>	<i>-10.9%</i>	<i>-2.4%</i>	<i>-19.7%</i>
Amortisation	-36.1	-35.2	2.7%	-22.9	-24.1	-7.4	-5.3	-3.0	-3.4	-2.8	-2.4	-0.0	-0.0
Operating profit	163.1	303.5	-46.3%	148.2	269.6	27.9	23.7	13.8	21.8	-26.8	-11.3	-0.0	-0.3
<i>Operating profit margin</i>	<i>11.2%</i>	<i>21.2%</i>	<i>-10.1pp</i>	<i>17.9%</i>	<i>30.1%</i>	<i>7.0%</i>	<i>7.3%</i>	<i>10.9%</i>	<i>17.3%</i>	<i>-24.9%</i>	<i>-13.8%</i>	<i>-4.4%</i>	<i>-23.3%</i>

CONTINUED

Segment information

Geographical

Segment information related to geographical areas

DKK million	Q3 2023								Total
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	
Revenue from external customers	686.2	186.2	167.3	177.5	69.2	58.3	42.9	74.0	1,461.7

DKK million	Q3 2022								Total
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	
Revenue from external customers	725.4	125.3	139.5	165.4	73.6	33.5	27.6	57.9	1,348.1

Geographical 9 months and full year

Segment information related to geographical areas

DKK million	YTD 2023								Total
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	
Revenue from external customers	2,170.4	558.9	513.3	494.7	237.3	200.4	118.2	202.7	4,495.8

DKK million	YTD 2022								Total
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	
Revenue from external customers	2,139.4	392.2	419.5	559.7	208.2	71.2	75.1	160.1	4,025.3

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

NOTE 2

Cost of services

DKK million	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Total 2022
Cost of services	-293.6	-228.8	-842.7	-689.8	-983.2
Salaries	-761.0	-642.3	-2,394.0	-2,065.2	-2,764.9
Depreciation	-4.6	-5.9	-13.8	-17.9	-24.1
Cost of services total	-1,059.3	-877.0	-3,250.5	-2,772.9	-3,772.2

NOTE 3

Administrative costs

DKK million	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Total 2022
Administrative costs	-88.9	-90.5	-305.3	-267.3	-369.4
Salaries	-85.3	-67.0	-258.1	-216.8	-280.0
Depreciation	-40.9	-27.5	-127.3	-80.9	-114.5
Administrative costs total	-215.1	-185.1	-690.7	-565.1	-763.9

NOTE 4

Financial income and expenses

DKK million	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Total 2022
Financial Income					
Exchange rate adjustments	9.3	9.9	17.0	16.6	27.3
Other financial income	0.7	0.5	1.9	2.2	3.0
Financial income total	10.0	10.4	18.9	18.8	30.3
Financial expenses					
Interest expense, bank loan	-22.5	-10.0	-62.6	-23.3	-41.8
Interest expense, leasing	-7.1	-1.5	-15.4	-4.5	-7.1
Exchange rate adjustments	-10.6	-12.4	-27.8	-24.1	-34.7
Other financial expenses	-5.3	-2.7	-13.0	-14.2	-16.6
Fair value adj. of contingent consideration	0.0	0.0	0.0	0.0	-7.9
Financial expenses total	-45.6	-26.6	-118.7	-66.2	-108.1

NOTE 5

Earnings per share

DKK million	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Total 2022
Earnings per share - EPS (DKK)	1.61	3.45	4.81	7.88	12.26
Diluted earnings per share - EPS-D (DKK)	1.60	3.42	4.79	7.80	12.15
Profit	79.8	169.7	238.3	387.8	603.4
Average number of shares	50.0	50.0	50.0	50.0	50.0
Average number of treasury shares	0.4	0.9	0.5	0.8	0.8
Average number of shares in circulation	49.6	49.1	49.5	49.2	49.2
Average number of outstanding restricted stock units	0.3	0.5	0.3	0.5	0.5
Average number of diluted shares in circulation	49.9	49.6	49.8	49.7	49.7

NOTE 6

Trade receivables

DKK million	30 September 2023	30 September 2022	31 December 2022
Not overdue	689.1	707.5	746.5
0-30 days overdue	254.6	159.6	224.0
31-60 days overdue	46.6	57.4	61.4
61-90 days overdue	13.5	39.0	33.4
Over 90 days overdue	97.0	112.8	63.2
Total trade receivables excl. expected credit loss	1,100.8	1,076.3	1,128.5
Expected credit loss	-21.8	-18.3	-16.6
Total trade receivables	1,079.1	1,057.9	1,112.0

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 expected credit loss is made. At 30 September 2023, the Group recognised a provision for expected credit losses of DKK 21.8m (30 September 2022: DKK 18.3m), and no credit losses have incurred during Q3 2023.

The credit quality of trade receivables at 30 September 2023 is considered satisfactory.

NOTE 7

Contract work in progress

DKK million	30 September 2023	30 September 2022	31 December 2022
Selling price of work performed on fixed price projects	4,064.0	3,963.9	3,811.9
Invoiced amount on fixed price projects	-3,042.9	-3,121.2	-3,130.9
Total contract work in progress	1,021.1	842.7	681.0
<i>Net value – stated on a contract-per-contract basis – is presented in the statement of financial position as follows:</i>			
Contract work in progress	1,509.2	1,222.8	1,114.5
Prebilled invoices	-488.2	-380.2	-433.5
Total contract work in progress	1,021.1	842.7	681.0

Based on the current project portfolio including monitoring of deliveries on projects, the Group has recognised a provision of DKK 2.4m, covering legal claims and project related risk (DKK 10.3m).

NOTE 8

Other payables

DKK million	30 September 2023	30 September 2022	31 December 2022
Wages and salaries, payroll taxes, social security costs, etc. payable	115.8	85.5	87.4
Holiday pay obligation	127.7	108.2	97.0
VAT and duties	96.4	99.3	111.0
Contingent purchase price & earn out	0.0	93.4	101.3
Holdback	10.2	60.8	10.2
Other costs payable	279.5	210.0	233.7
Total other payables	629.7	657.2	640.6

For further details on contingent purchase price and earn out, please refer Annual Report 2022 note 29.

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

NOTE 9

Income Statement classified by function

DKK million	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Total 2022
Income statement					
Revenue	1,461.7	1,348.1	4,495.8	4,025.3	5,544.6
Cost of services, incl. depreciation and amortisation	-1,072.8	-885.7	-3,287.9	-2,793.9	-3,803.3
Gross profit	389.0	462.4	1,207.9	1,231.5	1,741.3
Sales and marketing costs	-13.0	-10.6	-38.6	-28.9	-41.0
Administrative costs, incl. depreciation, amortisation and special items	-237.4	-211.2	-757.7	-644.3	-866.8
Other operating income / expense	-0.0	-0.5	0.6	-0.4	5.9
Operating profit (EBIT)	138.5	240.1	412.1	557.8	839.4
Financial income	10.0	10.4	18.9	18.8	30.3
Financial expenses	-45.6	-26.6	-118.7	-66.2	-108.1
Income / loss from joint venture / associates	-2.3	-2.5	-6.8	-10.3	-5.1
Profit / loss before tax	100.6	221.4	305.4	500.2	756.5
Tax on the profit for the period	-20.7	-51.7	-67.0	-112.8	-153.8
Net profit / loss for the period	80.0	169.7	238.5	387.3	602.8
Depreciation and Amortisation have been presented as follows in the income statement:					
Cost of services	-18.1	-14.7	-51.3	-38.9	-55.3
Administrative costs	-63.2	-53.7	-194.3	-160.2	-217.4
Depreciation and amortisation	-81.4	-68.3	-245.6	-199.0	-272.7

NOTE 10

Collateral provided and contingent liabilities

As part of its contract commitments with customers, the Group has through its banks provided performance guarantees of DKK 467.2m (DKK 405.8m).

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

NOTE 11

Related party transactions

In Q3 2023, Netcompany recognised revenue from Smarter Airports A/S of DKK 7.4m (DKK 12.9m).

NOTE 12

Accounting policies

The annual consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The interim consolidated financial statements included in this Q3 2023 financial report have been prepared

in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. The accounting policies applied are consistent with those applied in the consolidated Annual Report for the year ended 31 December 2022 for Netcompany

Group A/S, except for amended interpretation of IFRS 3 section B55(a) which state that earn-out payments subject to the selling shareholders continued employment during a specified period of time is expensed as remuneration

over the period in accordance with the outcome of the compliance review of Netcompany Group A/S' Annual Reports for 2020 and 2021 by the Danish Business Authorities.

NOTE 13

Financial figures and highlights Q vs. Q

DKK million	Q3 2023	Q3 2022	% change Q3	YTD 2023	YTD 2022	% change YTD
Income statement						
Public revenue	1,003.9	885.4	13.4%	3,037.6	2,596.8	17.0%
Private revenue	457.8	462.8	-1.1%	1,458.2	1,428.5	2.1%
Revenue by segments, total	1,461.7	1,348.1	8.4%	4,495.8	4,025.3	11.7%
Development revenue	433.1	657.5	-34.1%	1,578.6	1,916.5	-17.6%
Maintenance revenue	1,025.9	683.5	50.1%	2,876.8	2,096.4	37.2%
License revenue	2.8	7.1	-61.0%	40.4	12.5	224.5%
Revenue by types, total	1,461.7	1,348.1	8.4%	4,495.8	4,025.3	11.7%
Organic revenue	1,461.7	943.5	8.4%	4,495.8	2,803.1	11.7%
Non-organic revenue	0.0	404.6	N/A	0.0	1,222.2	N/A
Revenue by growth, total	1,461.7	1,348.1	8.4%	4,495.8	4,025.3	11.7%
Adjusted EBITDA	219.9	308.9	-28.8%	657.1	757.3	-13.2%
EBITDA	219.9	308.4	-28.7%	657.7	756.9	-13.1%
Adjusted EBITA	174.3	275.5	-36.7%	516.0	658.5	-21.6%
EBITA	174.3	275.0	-36.6%	516.6	658.1	-21.5%
Operating profit (EBIT)	138.5	240.1	-42.3%	412.1	557.8	-26.1%
Net financials	-35.6	-16.2	119.4%	-99.9	-47.3	110.9%
Net profit / loss	80.0	169.7	-52.9%	238.5	387.3	-38.4%
Financial position						
Capex	-36.2	-45.0	-19.6%	-157.7	-95.7	64.8%
Total assets	7,879.8	7,013.4	12.4%	7,879.8	7,013.4	12.4%
Equity	3,752.9	3,345.1	12.2%	3,752.9	3,345.1	12.2%
Net increase in cash and cash equivalents	63.3	-24.0	-363.8%	-235.0	-229.1	2.6%
Free cash flow	100.4	221.5	-54.7%	169.5	279.4	-39.3%
Free cash flow (tax normalised)	79.4	174.9	-54.6%	153.0	281.2	-45.6%

Netcompany grew topline by 9.2% in Q3 driven by strong performance internationally. Cash flow improved sequentially from Q2 as expected.

Netcompany Group A/S
Strandgade 3, 1401 Copenhagen
Company Registration no. 39 48 89 14
Company Announcement No. 12/2023
2 November 2023

CONTINUED FINANCIAL HIGHLIGHTS AND KEY FIGURES Q VS. Q

DKK million	Q3 2023	Q3 2022	% change Q3	YTD 2023	YTD 2022	% change YTD
Earnings per share						
Earnings per share (DKK)	1.61	3.45	-53.4%	4.81	7.88	-38.9%
Diluted earnings per share (DKK)	1.60	3.42	-53.2%	4.79	7.80	-38.7%
Employees						
Average number of full-time employees	7,760	7,039	10.2%	7,652	6,757	13.2%

Financial ratios

Revenue growth	8.4%	68.9%	-60.5pp	11.7%	62.3%	-50.6pp
Gross profit margin	27.5%	34.9%	-7.4pp	27.7%	31.1%	-3.4pp
Adjusted EBITDA margin	15.0%	22.9%	-7.9pp	14.6%	18.8%	-4.2pp
EBITDA margin	15.0%	22.9%	-7.8pp	14.6%	18.8%	-4.2pp
Adjusted EBITA margin	11.9%	20.4%	-8.5pp	11.5%	16.4%	-4.9pp
EBITA margin	11.9%	20.4%	-8.5pp	11.5%	16.3%	-4.9pp
Operating profit margin	9.5%	17.8%	-8.3pp	9.2%	13.9%	-4.7pp
Effective tax rate	20.5%	23.4%	-2.8pp	21.9%	22.6%	-0.6pp
Return on equity	2.3%	5.5%	-3.3pp	6.7%	12.6%	-5.9pp
Solvency ratio	47.6%	47.7%	-0.1pp	47.6%	47.7%	-0.1pp
ROIC	1.5%	4.1%	-2.6pp	4.5%	9.3%	-4.8pp
ROIC (Adjusted for Goodwill)	4.1%	12.7%	-8.6pp	12.2%	29.0%	-16.8pp
Cash conversion ratio	93.0%	112.5%	-19.4pp	53.0%	60.0%	-7.0pp
Cash conversion ratio (tax normalised)	73.6%	88.8%	-15.2pp	47.8%	60.4%	-12.6pp

Formulas

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

Organic revenue	=	Revenue not classified as non-organic revenue	Operating profit margin¹	=	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$	Capex^{1,2}	=	Capitalised costs and cost spent to buy intangible and tangible assets, excluding impact from business acquisitions.
Non-organic revenue	=	Revenue from acquired businesses the first 12 months after acquisition	EBITDA^{1,2}	=	EBIT + Depreciation and amortisation	Cash conversion ratio^{1,2}	=	$\frac{\text{Free cash flow} \times 100}{\text{Net profit} - \text{Amortisation and deferred tax of amortisation}}$
Organic Growth¹	=	$\frac{\text{Organic revenue current year} \times 100}{\text{Revenue last year}}$	EBITDA margin	=	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$	Days sales outstanding^{1,2}	=	$\frac{\text{Trade receivables} \times \text{days}}{\text{Revenue}}$
Gross profit margin^{1,2}	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	Adjusted EBITDA	=	EBITDA + Special items + Other operating income	Return on equity²	=	$\frac{\text{Net profit for the period} \times 100}{\text{Average equity}}$
EBITA^{1,2}	=	Operating profit + Amortisation	Adjusted EBTIDA margin	=	$\frac{\text{Adjusted EBITDA} \times 100}{\text{Revenue}}$	Return on invested capital (ROIC)^{1,2}	=	$\frac{\text{Net profit} \times 100}{\text{Average invested capital}}$
EBITA margin^{1,2}	=	$\frac{\text{EBITA} \times 100}{\text{Revenue}}$	EPS¹	=	$\frac{\text{Net profit} - \text{Non-controlling interest}}{\text{Average outstanding shares}}$	ROIC (Adjusted for Goodwill)¹	=	$\frac{\text{Net profit} \times 100}{\text{Average invested capital} - \text{average Goodwill}}$
Adjusted EBITA	=	EBITA + Special items + Other operating income	EPS diluted¹	=	$\frac{\text{Net profit} - \text{Non-controlling interest}}{\text{Average outstanding shares} + \text{Diluted shares}}$	Solvency (equity ratio)¹	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$
Adjusted EBITA margin	=	$\frac{\text{Adjusted EBITA} \times 100}{\text{Revenue}}$	Free cash flow^{1,2}	=	Cash flow from operating activities - Capex			

¹Key figures defined according to IFRS.

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

Disclaimer

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

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

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

Although Netcompany believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ, e.g. as the result of risks related to the industry in general or Netcompany in particular, including those described in Netcompany Group A/S' Annual Report 2022 and other information made available by Netcompany.

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

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

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

The Annual Report 2022 of Netcompany Group A/S is available at our website 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.