

netcompany

Q1 | 23

Company Announcement
Three months ended 31 March 2023

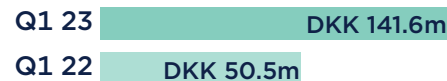
Off to a good start to the
year despite uncertain
market conditions

Summary

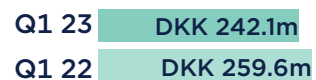
Revenue increased by 12.3% (constant 13.7%)



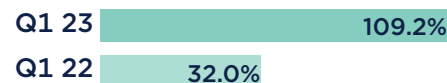
Free cash flow increased by DKK 91m



EBITDA decreased 6.7%



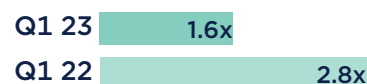
Cash conversion ratio improved by 77.2 percentage points



EBITDA margin decreased by 3.2pp



Debt leverage decreased by 43.4%



Average employees increased by 984 FTEs



Conference call details

In connection with the publication of the results for Q1 2023, Netcompany will host a conference call on 4 May 2023 at 11.00 CEST.

The conference call can be followed live via
<https://netcompany-as.eventcdn.net/events/interim-report-Q1-2023>
For further dial-in details please visit the company's website; www.netcompany.com

In Q1, we grew revenue by 13.7% and generated an EBITDA margin of 15.7% driven by strong results in the UK and in Netcompany-Intrasoft. In addition, we increased our free cash flow by more than 180% compared to the same period last year.

While general macro and geopolitical uncertainty remained at elevated levels during Q1 2023, we are satisfied with a strong start to the year.

It makes me proud that we are able to continue to grow and hire outstanding talents in these times and during Q1 we reached 7,500 full time equivalents – an increase of 15% compared to the same period last year.

With our continued intake of talent, our enhanced “Go-To-Market” approach introduced at the beginning of the year and a continued momentum in building our pipeline across our different geographies, I am confident that we will deliver satisfactory financial results throughout 2023 and beyond.

André Rogaczewski

NETCOMPANY CEO AND CO-FOUNDER

Performance overview Q1

DKK million	Q1 2023 (reported)	Q1 2023 (constant)*	Q1 2022	% change (reported)	% change (constant)*	Total 2022
Revenue	1,540.2	1,559.2	1,371.5	12.3%	13.7%	5,544.6
Cost of services	-1,100.1	-1,113.7	-954.2	15.3%	16.7%	-3,772.2
Gross profit	440.1	445.4	417.3	5.5%	6.7%	1,772.5
<i>Gross profit margin</i>	28.6%	28.6%	30.4%	-1.9pp	-1.9pp	32.0%
Sales and marketing costs	-12.0	-11.6	-8.8	36.2%	32.2%	-41.0
Administrative costs	-231.2	-234.4	-181.5	27.4%	29.2%	-763.9
Adjusted EBITA	196.9	199.4	227.0	-13.3%	-12.2%	967.6
<i>Adjusted EBITA margin</i>	12.8%	12.8%	16.6%	-3.8pp	-3.8pp	17.5%
Other operating income / expense	0.2	0.2	0.2	-3.6%	-3.6%	5.9
EBITA	197.1	199.6	227.2	-13.3%	-12.2%	973.5
<i>EBITA margin</i>	12.8%	12.8%	16.6%	-3.8pp	-3.8pp	17.6%
Amortisation	-33.8	-33.8	-32.6	3.5%	3.5%	-134.1
Operating profit (EBIT)	163.3	165.8	194.6	-16.1%	-14.8%	839.4
<i>Operating profit margin</i>	10.6%	10.6%	14.2%	-3.6pp	-3.6pp	15.1%
Net financials	-29.6	-29.7	-12.4	139.0%	140.4%	-77.8
Income / loss, joint venture / associates	-2.7	-2.7	-4.1	65.9%	65.9%	-5.1
Profit / loss before tax	131.0	133.4	178.2	-26.5%	-25.1%	756.5
Tax	-27.7	-27.9	-45.5	-39.1%	-38.6%	-153.8
<i>Effective tax rate</i>	21.2%	20.9%	25.5%	-4.4pp	-4.6pp	20.3%
Net profit / loss	103.3	105.4	132.7	-22.1%	-20.5%	602.8
Additional KPIs						
Adjusted EBITDA	242.1	245.0	259.6	-6.7%	-5.6%	1,106.2
<i>Adjusted EBITDA margin</i>	15.7%	15.7%	18.9%	-3.2pp	-3.2pp	20.0%
Free cash flow	141.6	N/A	50.5	180.2%	N/A	602.7
Cash conversion rate	109.2%	N/A	32.0%	77.2pp	N/A	85.2%

*Constant currencies measured using average exchange rates for Q1 2022

CONTINUED PERFORMANCE OVERVIEW Q1

Reported revenue grew 12.3% (constant 13.7%) in Q1 2023 to DKK 1,540.2m, all organic. Client facing FTEs grew 15.1% and average FTEs in Q1 2023 amounted to 7,497. Revenue from public segment increased by 17.1%, whereas revenue from private clients increased 3.8% compared to the same period last year.

Gross profit margin was 28.6%, which was 1.9 percentage points lower than the same period in 2022 – in line with expectations. The lower gross profit margin was mainly driven by lower margin in the Danish business unit.

Sales and marketing costs were 36.2% higher than the same period in 2022 at DKK 12m as a result of the generally higher level of marketing spend realised during 2022 and continued in 2023.

Administrative costs increased by 27.4% to DKK 231.2m in Q1 2023 corresponding to increase of DKK 49.8m. Depreciation accounted for DKK 15m of the total increase and related to leases. The main part hereof was related to termination and re-estab-

lishment costs for Netcompany's previous headquarter at Grønningen in Copenhagen. In addition, costs related to the enhanced "Go-To-Market" model impacted administrative costs by around DKK 7m. The remaining increase of administrative costs was largely driven by the 15.1% increase in FTEs in the Group.

As a consequence of the lower gross profit and increased administrative costs, adjusted EBITA margin was 3.8 percentage points lower at 12.8% compared to 16.6% in the same period last year.

Amortisation was DKK 33.8m – in line with the level of amortisation in the same period last year.

Operating profit (EBIT) was DKK 31.3m lower than for Q1 2022 yielding a margin of 10.6% compared to 14.2% for Q1 2022.

Net financials were negative DKK 29.6m compared to negative DKK 12.4m for the same period last year. The main reason for the increased financial costs was the increase in the interest rate level seen dur-

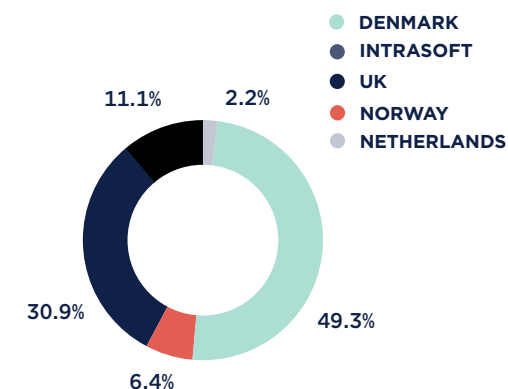
ing 2022, which led to an increase of DKK 12.8m in interest costs related to the loan obtained to finance the acquisition of Intrasoft International A.S.

Income taxes in Q1 2023 were DKK 27.7m compared to DKK 45.5m in the same quarter last year and consequently the effective income tax rate was lower at 21.2% in Q1 2023 compared to 25.5% in Q1 2022. However, taxes for Q1 2022 were corrected in Q2 2022. Adjusted for this, the effective tax rates in Q1 2022 and Q1 2023 were on the same level.

Business Segments Q1

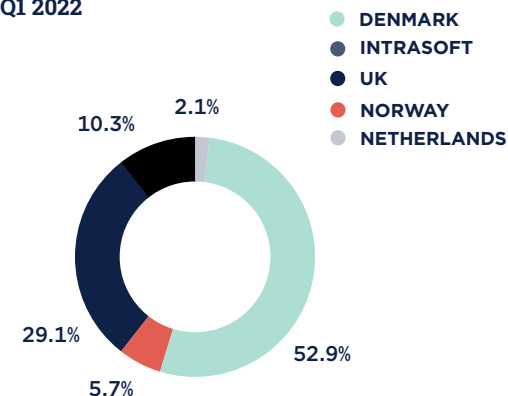
DKK million Constant (2022 rate)	Q1 2023					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	1,559.2	769.3	482.2	173.8	99.6	34.3
Gross profit	450.1	273.5	98.3	52.6	18.8	7.0
<i>Gross profit margin</i>	28.9%	35.5%	20.4%	30.2%	18.9%	20.5%
Local admin costs	-190.9	-107.7	-42.3	-17.7	-16.6	-6.5
Adjusted EBITDA before allocated cost from HQ	259.3	165.8	55.9	34.9	2.1	0.6
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	16.6%	21.5%	11.6%	20.1%	2.2%	1.6%
Allocated costs from HQ	-14.3	-10.2	0.0	-2.3	-1.2	-0.6
Depreciation	-45.6	-28.1	-10.6	-3.3	-2.1	-1.5
Amortisation	-33.8	-17.7	-9.7	-3.5	-1.9	-0.9
Other operating income / expense	0.2	0.0	0.2	0.0	0.0	0.0
EBIT	165.8	109.8	35.8	25.7	-3.0	-2.5
Client facing FTEs	7,006	2,855	3,105	554	338	154

Revenue, %
Q1 2023



DKK million Reported	Q1 2022					
	Group	Denmark	Intrasoft	UK	Norway	Netherlands
Revenue from external customers	1,371.5	725.3	398.5	141.4	78.1	28.1
Gross profit	424.3	292.2	69.1	42.9	13.4	6.8
<i>Gross profit margin</i>	30.9%	40.3%	17.3%	30.3%	17.1%	24.0%
Local admin costs	-150.6	-82.8	-35.0	-13.9	-12.2	-6.6
Adjusted EBITDA before allocated cost from HQ	273.7	209.4	34.0	29.0	1.1	0.1
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	20.0%	28.9%	8.5%	20.5%	1.4%	0.5%
Allocated costs from HQ	-14.1	-10.2	0.0	-2.1	-1.2	-0.6
Depreciation	-32.6	-17.5	-9.3	-2.6	-1.9	-1.3
Amortisation	-32.6	-19.3	-6.0	-4.0	-2.4	-1.1
Other operating income / expense	0.2	0.0	0.2	0.0	0.0	0.0
EBIT	194.6	162.4	18.9	20.4	-4.4	-2.8
Client facing FTEs	6,085	2,496	2,717	459	269	143

Revenue, %
Q1 2022



CONTINUED BUSINESS SEGMENTS Q1

Netcompany Denmark

Revenue growth in the Danish business unit was 6.1% – driven by strong growth in the public segment, which grew 13.1%, whereas the private segment realised a small decline of 3.2% in revenue growth in the first quarter. While revenue growth in the private segment to some extent was negatively impacted by a somewhat more cautious approach in respect of initiating new projects, pipeline in both public and private segment remains intact and growth in both segments is expected for the full year.

Adjusted EBITDA margin was 21.5% compared to 28.9 % in Q1 2022. The changed composition of churn and costs for the enhanced “Go-To-Market” approach were the main reasons for the lower margin, and in particular the impact from the changed composition of churn is expected to impact margins negatively in Q2 2023 too.

Netcompany-Intrasoft

Revenue in Netcompany-Intrasoft grew by 21% to DKK 482.2m in Q1 2023 – all organic.

The growth in Q1 was driven by strong performance in the public and EU area that grew 22% supported by equally strong growth in the private segment that grew 18.2%. Client facing FTEs grew 14.3% in the first quarter of 2023.

The pipeline continues to build and support both near-term and long-term growth – both with the “RRF” programme in Greece, within customs project in Europe and within the EU in general.

Adjusted EBITDA margin was 11.6% in Q1 2023 compared to 8.5% in the same period last year. The improved margin was a result of better pricing and slightly higher utilisation on projects across both public and private customers.

Netcompany UK

In the UK, the strong growth momentum observed during last year continued during Q1 2023 and revenue grew 22.9% compared to the same period last year. Growth in Q1 2023 was driven by continued strong performance in the public segment, which grew by 34.5%, whereas revenue in the private segment was on level with the

same period last year. Accordingly, client facing FTEs grew 20.7% in Q1 2023.

Pipeline continues to build in both the public and private segment.

Adjusted EBITDA margin was in line with Q1 2022 at 20.1% as a result of continued high utilisation and an effective onboarding of new employees.

Netcompany Norway

Revenue growth in Netcompany Norway was 27.6% in Q1 2023 compared to the same period last year. As in previous quarters, growth was driven by the private segment in Norway that grew 57.7%. Revenue in the public segment increased by 8.8% in Q1 2023 and thereby continuing the gradual improvement as observed in the public segment throughout the latter part of 2022.

Adjusted EBITDA margin was 2.2% compared to 1.4% in Q2 2022 as utilisation improved. While margins in Norway are still below group levels there are clear indications that margins will continue to improve throughout 2023. The pipeline cases

are generally growing in absolute size and support continued growth in Norway.

Netcompany Netherlands

Revenue in the Dutch business unit grew 22.1% in Q1 2023. Growth was – in line with previous quarters – generated in the public segment.

Growth was driven by increased client facing FTEs that increased by 7.1%. The remaining growth was generated by a combination of increased utilisation and better project pricing. Pipeline is still purely public segment based and is accelerating with larger opportunities progressing according to plans.

Adjusted EBITDA was 1.6% compared to 0.5% in Q1 2022. The current project portfolio and the pipeline opportunities support continued profitable growth in the Netherlands throughout the year and in the years to come. As in Norway there are clear indications that margins will continue to improve throughout 2023.

Revenue visibility

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

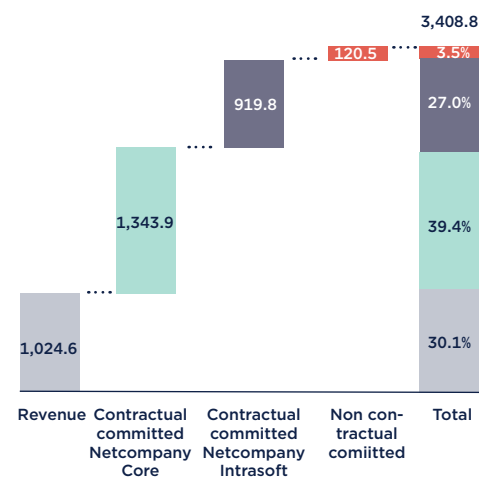
By the beginning of April 2023, revenue visibility for 2023 amounted to DKK 4,942.1m, of which contractual committed revenue amounted to DKK 3,168.8m and non-contractual committed engagements amounted to DKK 233.1m, while realised revenue in Q1 2023 amounted to DKK 1,540.2m.

Compared to Q1 2022, revenue visibility improved by 8.8% from DKK 4,543.6m for 2022 to DKK 4,942.1m for 2023.

Revenue visibility in the public segment amounted to DKK 3,408.8m, of which contractual committed revenue amounted to DKK 2,263.8m and non-contractual

DKK million

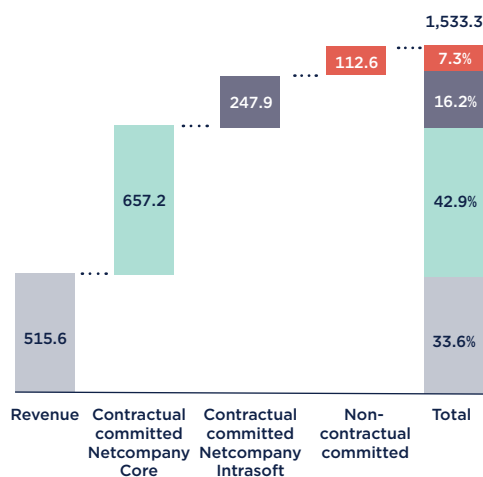
Public segment



committed engagements amounted to DKK 120.5m, while realised revenue in Q1 2023 amounted to DKK 1,024.6m.

Revenue visibility in the private segment amounted to DKK 1,533.3m, of which contractual committed revenue amounted to DKK 905.1m and non-contractual com-

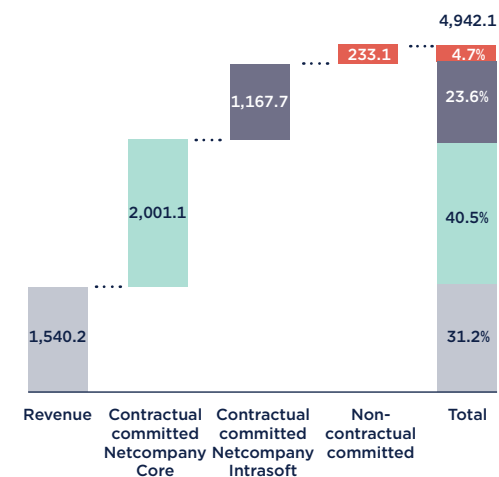
Private segment



mited engagements amounted to DKK 112.6m, while realised revenue in Q1 2023 amounted to DKK 515.6m.

By the beginning of April 2023, the total order backlog for Netcompany-Intrasoft amounted DKK 7,364.9m mainly within EU institutions. Of the total order backlog

Total segment



for Netcompany-Intrasoft, DKK 1,167.7m is expected to be released in the last nine months of 2023 and DKK 5,715.1m is expected to be released in the period from 2024 to 2030.

Employees

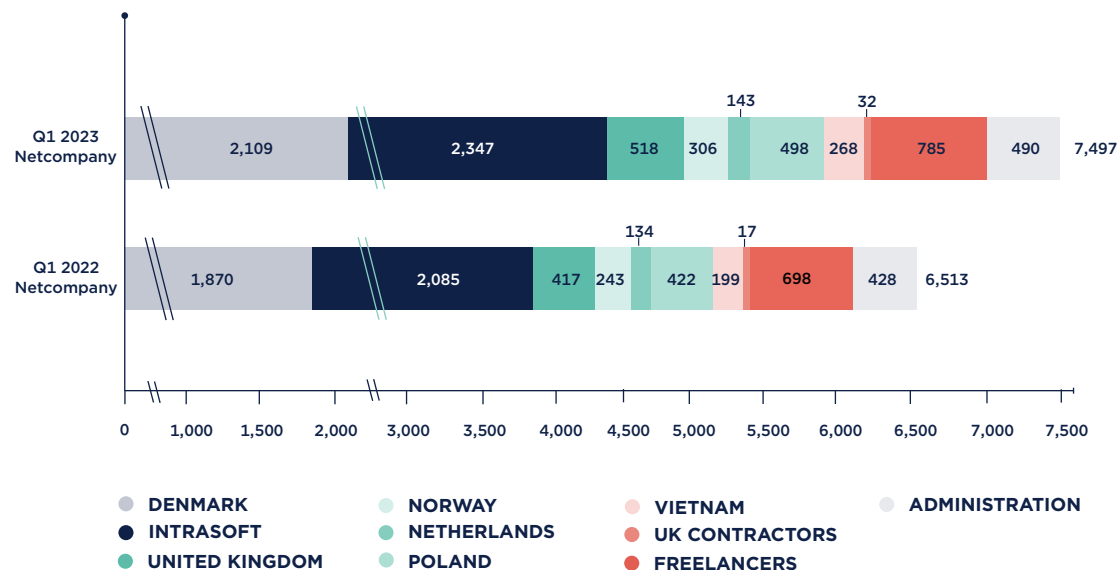
Average FTEs increased to 7,497 during Q1 2023

Netcompany employed an average of 7,497 FTEs in Q1 2023, which was an increase of 984 FTEs compared to Q1 2022 (6,513 FTEs).

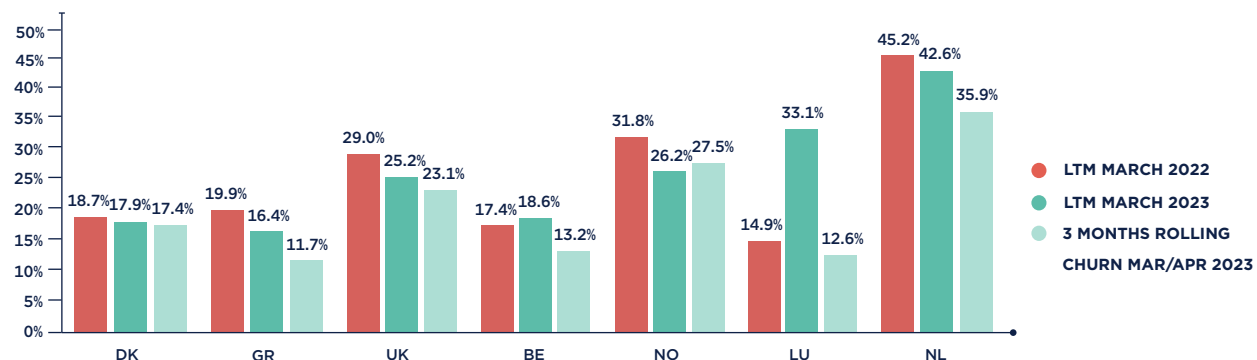
The number of client facing employees for the Group increased by 921 from 6,085 in Q1 2022 to 7,006 in Q1 2023, while the level of non-client facing FTEs was 6.5% in Q1 2023 compared 6.6% in Q1 2022.

The attrition rate for the last twelve months was 20%, which was an increase of 2.6 percentage points compared to the same period last year. However, on a sequential basis the churn rate decreased compared to Q4 2022. This was as expected and caused by lower churn rates in Q1 2023 and Q4 2022 than previous year.

3 months rolling churn rates are generally lower than the same period last year but have increased from Q4 2022 - as expected and planned.



Attrition rate



Cash flow and other significant financial positions

Free cash flow and cash conversion rate

The Group generated a free cash flow of DKK 141.6m in Q1 2023 compared to DKK 50.5m in Q1 2022. Free cashflow increased despite a decrease of DKK 31.3m in EBIT. Part of the decrease in EBIT was caused by the development in depreciation and amortisation, which increased by DKK 13.8m and by nature had zero effect on the cash flow.

Normalised for taxes paid on account¹, the Group generated a free cash flow of DKK 166.5m in Q1 2023 compared to DKK 126.8m in Q1 2022.

The increase was mainly driven by the development in working capital changes, and somewhat offset by the lower operating result before depreciation and amortisation. Working capital changes improved to DKK 14.3m in Q1 2023, from negative DKK 64.8m in Q1 2022, mainly driven by the development in trade receivables and other payables compared to the same period last year. However, the improvement

in trade receivables was partly offset by the development in work in progress.

Cash conversion rate increased from 32% in Q1 2022 to 109.2% in Q1 2023, mainly driven by the increase in cash flow, but also impacted by the lower net profit.

Normalised for the taxes paid on account cash conversion rate increased from 80.2% in Q1 2022 to 128.5% in Q1 2023.

Trade receivables

At 31 March 2023, trade receivables were on level with Q1 2022. Compared to Q1 2022, trade receivables increased 1% from DKK 916.4m to DKK 906.7m by the end of Q1 2023. In the same period revenue increased 12.3% from DKK 1,371.5m in Q1 2022 to DKK 1,540.2m in Q1 2023.

The lower increase in trade receivables compared to revenue was a result of continued faster collection of receivables, which also impacted days sales outstanding positively.

DKK million	Not overdue	0-30 days	30-60 days	60- 90 days	>90 days	Provi-sion	Total
Trade receivables, 31 March 2023	640.6	144.2	32.5	62.1	56.6	-19.6	916.4
<i>Paid in the following month</i>	<i>176.2</i>	<i>71.8</i>	<i>20.2</i>	<i>9.8</i>	<i>10.4</i>	<i>0.0</i>	<i>288.3</i>
<i>% paid subsequently</i>	<i>27.5%</i>	<i>49.8%</i>	<i>62.2%</i>	<i>15.7%</i>	<i>18.4%</i>	<i>0.0%</i>	<i>31.5%</i>

DKK million	Not overdue	0-30 days	30-60 days	60- 90 days	>90 days	Provi-sion	Total
Trade receivables, 31 March 2022	634.8	119.1	34.2	55.1	83.1	-19.7	906.7
<i>Paid in the following month</i>	<i>316.5</i>	<i>79.1</i>	<i>19.8</i>	<i>8.9</i>	<i>10.2</i>	<i>0.0</i>	<i>434.6</i>
<i>% paid subsequently</i>	<i>49.9%</i>	<i>66.4%</i>	<i>58.0%</i>	<i>16.2%</i>	<i>12.3%</i>	<i>0.0%</i>	<i>47.9%</i>

Days sales outstanding decreased from 60.3 days in Q1 2022 to 54.3 days in Q1 2023.

The overdue part of trade receivables was on level with Q1 2022. By the end of Q1 2023 it was 31.6% compared to 31.5% by the end of Q1 2022. Compared to Q4 2022, the overdue part of trade receivables decreased by 2.3 percentage points.

Trade receivables paid in the following

month amounted to DKK 288.3m in April, of which DKK 112.2m was overdue end of March.

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

CONTINUED CASH FLOW AND OTHER SIGNIFICANT FINANCIAL POSITIONS

Work in progress

At 31 March 2023, Netcompany's work in progress amounted to DKK 935m, represented by contract work in progress of DKK 1,366.7m and prepayments received from customers of DKK 431.7m. Work in progress increased by 11.3% from DKK 840.2m in Q1 2022 to DKK 935m in Q1 2023.

In the same period revenue increased 12.3% from DKK 1,371.5m in Q1 2022 to DKK 1,540.2m in Q1 2023.

As a total, the combined work in progress, prebilled invoices and trade receivables increased by 6% from DKK 1,746.9m end of Q1 2022 to DKK 1,851.4m end of Q1 2023 compared to the increase in revenue by 12.3% in the same period.

Funding and liquidity

Following the re-financing completed in May 2022, the maturity for the Group bank loan runs to 2025 and can be prolonged twice by one year.

The combined committed facilities constitute DKK 2,845.4m and an additional facility of DKK 2,000m, available only for new acquisitions. At 31 March 2023, DKK 1,725.4m of the committed lines were utilised on borrowings and DKK 148.9m on guarantees, leaving a total of DKK 2,971.1m available in unutilised funding of which DKK 971.1m can be utilised for normal operations if needed with no additional costs or covenants.

In Q1 2023, Netcompany brought down the loan with DKK 200m by two payments of each DKK 100m.

Risk management

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

Capital structure

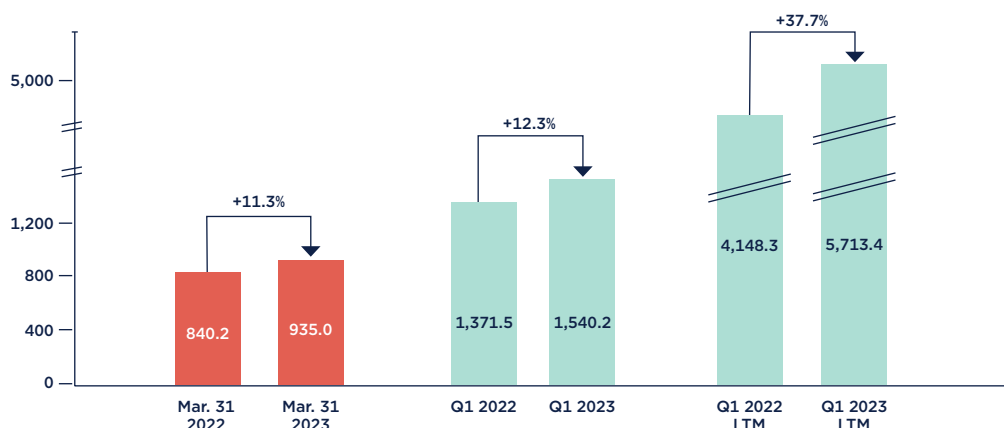
Compared to Q4 2022, debt ratio was unchanged at 1.6x, which is fully compliant with current covenants.

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 (DKK million)



In addition, Netcompany-Intrasoft had utilised DKK 337.4m on local guarantees, having no impact on the Group facilities except for leverage.

Including net cash balance as of 31 March 2023 of DKK 242.2m available Group funding was DKK 1,213.3m.

Guidance 2023

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

Netcompany realised a strong start to 2023 with revenue growth of 13.7% and adjusted EBITDA margin of 15.7% - both measured in constant currencies - compared to full year expectations for revenue growth of 8-12% and adjusted EBITDA of 15-18%.

Despite the strong start to the year, a high level of uncertainty still exists - both in relation to macro-economic impacts and the continued geo-political unrest in Europe.

Hence, at this point in time, Netcompany maintains expectations to 2023 as previously communicated.

A number of risks to our guidance were given in connection with our Annual Report for 2022.

<https://www.netcompany.com/int/Investor-Relations/Annual-Report>

Those risks still exist and could impact our performance for the remaining part of 2023.

Netcompany will host a Capital Markets Day on 1 June 2023 where Netcompany expect to present financial midterm aspirational targets to be reached by 2026.

Shareholder information

Capital

Netcompany's share capital is DKK 50m divided into 50m shares. Netcompany holds 393,828 treasury shares equivalent to 0.8% 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, 382,801 RSUs in relation to the share-based incentive schemes were issued at 31 March 2023 of which 77,269 were granted to Executive Management and 305,532 were granted to Other Key Management Personnel and Other Employees. The fair value of the RSUs at grant was DKK 134.9m. The cost related hereto is expensed over the vesting period.

A total amount of DKK 11.5m was recognised as personnel costs in the income statement in Q1 2023. In Q1 2023, the RSU programmes granted in 2019 were exercised, and 71,209 treasury shares (recognised at DKK 15.7m on equity) were

transferred from reserves to Executive Management, Other Key Management Personnel and Other Employees part of the RSU programme.

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.

Contingent purchase price / restricted stock units

In connection with the acquisition of 100% of the shares of QDelft B.V. (now Netcompany Netherlands) in 2019 a total of 436,322 RSUs were transferred in February 2023 as the final payment.

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

4 May 2023

Interim report for the first 3 months of 2023

16 August 2023

Interim report for the first 6 months of 2023

3 November 2023

Interim report for the first 9 months of 2023

Statement of the Board of Directors and Executive Management

Today, the Board of Directors and Executive Management considered and approved the interim consolidated financial statements for Netcompany Group A/S (“Netcompany” or “the company” and together with all its subsidiaries “the Group”) for the period 1 January 2023 to 31 March 2023. The Q1 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, including the result of the compliance review performed by The Danish Business Authorities.

In our opinion, the accounting policies used are appropriate, and the overall presentation of the interim consolidated

financial statements gives a true and fair view of the Group’s assets, liabilities and financial position as at 31 March 2023 and of the results of the Group’s operations and cash flows for the period 1 January 2023 to 31 March 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, 4 MAY 2023

Executive Management

André Rogaczewski
CEO

Claus Jørgensen
COO

Thomas Johansen
CFO

Board of Directors

Bo Rygaard
Chairman of the Board

Juha Christensen
Vice Chairman of the Board

Susan Helen Cooklin

Åsa Riisberg

Bart Walterus

CONSOLIDATED INTERIM FINANCIAL STATEMENTS



Income statement and Statement of comprehensive income

DKK million	Note	Q1 2023	Q1 2022	Total 2022
Income statement				
Revenue	1	1,540.2	1,371.5	5,544.6
Cost of services	2	-1,100.1	-954.2	-3,772.2
Gross profit		440.1	417.3	1,772.5
Sales and marketing costs		-12.0	-8.8	-41.0
Administrative costs	3	-231.2	-181.5	-763.9
Other operating income / expense		0.2	0.2	5.9
EBITA		197.1	227.2	973.5
Amortisation		-33.8	-32.6	-134.1
Operating profit (EBIT)		163.3	194.6	839.4
Financial income	4	3.9	4.9	30.3
Financial expenses	4	-33.5	-17.2	-108.1
Income / loss, joint venture / associates		-2.7	-4.1	-5.1
Profit / loss before tax		131.0	178.2	756.5
Tax on the profit for the period		-27.7	-45.5	-153.8
Net profit / loss for the period		103.3	132.7	602.8
Of which				
Non-controlling interest		-0.3	-0.7	-0.6
Netcompany Group A/S' share		103.6	133.4	603.4
Earnings per share				
Earnings per share (DKK)	5	2.10	2.71	12.27
Diluted Earnings per share (DKK)	5	2.09	2.68	12.15

DKK million	Note	Q1 2023	Q1 2022	Total 2022
Statement of comprehensive income				
Net profit / loss for the period		103.3	132.7	602.8
Other comprehensive income items that may be reclassified subsequently to profit or loss:				
Exchange rate adjustments on translating foreign subsidiaries		-0.2	1.1	-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	0.4
Other comprehensive income, net of tax		-0.2	1.0	-7.6
Of which				
Non-controlling interest		-0.1	0.1	0.2
Netcompany Group A/S' share		-0.1	0.9	-7.8
Total comprehensive income		103.1	133.7	595.1
Of which				
Non-controlling interest		-0.4	-0.6	-0.4
Netcompany Group A/S' share		103.5	134.3	595.6

Statement of financial position

DKK million	Note	31 March 2023	31 March 2022	31 December 2022
Assets				
Intangible assets		3,755.3	3,880.8	3,879.9
Tangible assets		390.2	319.0	332.2
Investment in joint venture		94.7	99.1	97.4
Investment in associates		8.0	7.3	8.0
Other securities and investments		1.4	1.4	1.3
Other receivables		61.6	31.9	54.9
Deferred tax assets		34.1	17.0	32.7
Total non-current assets		4,345.4	4,356.5	4,406.4
Trade receivables	6	916.4	906.7	1,112.0
Receivables from joint venture		7.6	10.8	10.0
Receivables from associates		16.4	16.4	16.4
Contract work in progress	7	1,366.7	1,174.0	1,114.5
Other receivables		87.6	48.7	38.3
Prepayments		116.1	126.0	124.4
Tax receivables		60.7	71.1	36.0
Total receivables		2,571.6	2,353.7	2,451.5
Cash		242.2	322.7	336.0
Total current assets		2,813.8	2,676.4	2,787.5
Assets held for sale		0.0	0.0	0.0
Total assets		7,159.1	7,032.8	7,193.9

DKK million	Note	31 March 2023	31 March 2022	31 December 2022
Equity and liabilities				
Share capital		50.0	50.0	50.0
Treasury shares		-186.5	-252.3	-313.3
Retained earnings		3,752.6	3,326.2	3,783.6
Other reserves		0.4	-0.0	0.4
Equity attributable to Group		3,616.5	3,123.8	3,520.7
Non-controlling interest		5.8	6.2	6.2
Total equity		3,622.3	3,130.0	3,526.9
Borrowings		1,673.2	2,176.6	1,872.4
Lease liabilities		241.1	180.1	180.5
Pension obligations		14.5	17.2	13.8
Other payables		0.0	1.1	0.0
Deferred tax liability		110.9	132.4	111.0
Total non-current liabilities		2,039.6	2,507.5	2,177.6
Borrowings		45.4	59.6	47.3
Lease liabilities		87.4	79.3	85.4
Pension obligations		5.8	1.7	5.8
Prebilled invoices	7	431.7	333.8	433.5
Trade payables		282.1	196.9	265.2
Other payables		637.9	715.6	640.6
Provisions		6.9	8.5	11.6
Total current liabilities		1,497.2	1,395.3	1,489.4
Liabilities held for sale		0.0	0.0	0.0
Total liabilities		3,536.8	3,902.8	3,667.0
Total equity and liabilities		7,159.1	7,032.8	7,193.9

Cash Flow statement

DKK million	Q1 2023	Q1 2022	Total 2022
Operating profit (EBIT)	163.3	194.6	839.4
Depreciation and amortisation	79.0	65.2	272.7
Non-cash items	7.2	9.7	14.4
Working capital changes	14.3	-64.8	-59.3
Total	263.8	204.7	1,067.1
Income taxes paid	-54.8	-123.0	-234.1
Financial income received	1.4	2.8	7.3
Financial expenses paid	-20.2	-14.9	-67.3
Cash flow from operating activities	190.2	69.6	773.0
Net cash outflow on acquisition of subsidiaries	0.0	0.0	-50.0
Other investments	-0.1	4.2	4.4
Capitalisation of intangible assets	-29.8	-16.9	-98.0
Acquisition of intangible assets	0.0	0.0	-20.0
Acquisition of fixed assets	-18.9	-2.1	-52.2
Disposals of fixed assets	0.0	0.0	0.5
Other receivables (deposits)	-6.6	-5.8	-28.9
Cash flow from investment activities	-55.3	-20.6	-244.3
Payment of treasury shares	0.0	-50.3	-131.5
Proceeds from borrowings	0.5	0.0	2,182.8
Repayment of borrowings	-202.5	-115.0	-2,610.0
Repayment of right of use assets	-24.9	-20.8	-87.3
Cash flow from financing activities	-226.9	-186.0	-646.0
Net increase in cash and cash equivalents	-92.0	-137.1	-117.3
Cash and cash equivalents at the beginning	336.0	458.8	458.8
Effect of exchange rate changes on the balance cash held in foreign currencies	-1.9	1.0	-5.4
Cash and cash equivalents at the end	242.2	322.7	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 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
Profit for the period	0.0	0.0	0.0	0.0	0.0	103.6	103.6	-0.3	103.3
Other comprehensive income	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1	-0.1	-0.2
Total comprehensive income	0.0	0.0	0.0	-0.1	0.0	103.6	103.5	-0.4	103.1
Share-based remuneration for the period	0.0	126.8	-132.3	0.0	0.0	-0.1	-5.6	0.0	-5.6
Total transactions with owners	0.0	126.8	-132.3	0.0	0.0	-0.1	-5.6	0.0	-5.6
Equity at 31 March 2023	50.0	-186.5	40.3	-1.7	0.4	3,714.1	3,616.5	5.8	3,622.3
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	133.4	133.4	-0.7	132.7
Other comprehensive income	0.0	0.0	0.0	0.9	0.0	0.0	0.9	0.1	1.1
Total comprehensive income	0.0	0.0	0.0	0.9	0.0	133.4	134.3	-0.6	133.7
Treasury Shares for the period	0.0	-50.2	0.0	0.0	0.0	0.2	-49.9	0.0	-49.9
Share-based remuneration for the period	0.0	39.3	-32.3	0.0	0.0	1.3	8.4	0.0	8.4
Total transactions with owners	0.0	-10.9	-32.3	0.0	0.0	1.6	-41.6	0.0	-41.6
Equity at 31 March 2022	50.0	-252.3	37.9	7.5	-0.0	3,280.7	3,123.8	6.2	3,130.0
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	0.0	603.4	595.1	-0.4	594.7
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 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 Q1

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	Q1 2023	Q1 2022	% change	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
Revenue	1,024.6	874.6	17.1%	465.2	411.3	358.0	293.6	120.0	94.1	47.3	48.1	34.1	27.5
Cost of service	-753.5	-641.3	17.5%	-316.9	-270.9	-285.9	-243.8	-86.0	-66.5	-37.5	-39.3	-27.1	-20.8
Gross profit	271.1	233.3	16.2%	148.3	140.5	72.1	49.8	33.9	27.6	9.8	8.8	7.0	6.7
<i>Gross profit margin</i>	26.5%	26.7%	-0.2pp	31.9%	34.1%	20.1%	17.0%	28.3%	29.3%	20.8%	18.3%	20.5%	24.4%
Allocated costs	-151.0	-116.9	29.1%	-80.2	-56.3	-39.2	-32.3	-14.6	-11.5	-8.9	-9.0	-7.9	-7.7
Adjusted EBITA before HQ costs	120.1	116.4	3.2%	68.1	84.1	32.8	17.4	19.3	16.1	0.9	-0.2	-0.9	-1.0
<i>Adjusted EBITA margin before allocated cost from HQ</i>	11.7%	13.3%	-1.6pp	14.6%	20.5%	9.2%	5.9%	16.1%	17.1%	1.9%	-0.4%	-2.8%	-3.6%
Allocated costs from HQ	-9.1	-8.9	2.8%	-6.3	-6.1	0.0	0.0	-1.6	-1.5	-0.6	-0.8	-0.6	-0.5
EBITA	111.0	107.6	3.2%	61.8	78.0	32.8	17.4	17.7	14.6	0.3	-1.0	-1.5	-1.5
<i>EBITA margin</i>	10.8%	12.3%	-1.5pp	13.3%	19.0%	9.2%	5.9%	14.7%	15.5%	0.5%	-2.1%	-4.5%	-5.6%
Amortisation	-21.7	-21.2	2.4%	-9.8	-11.5	-7.4	-4.4	-2.6	-2.7	-1.0	-1.5	-0.9	-1.0
Operating profit	89.3	86.3	3.4%	52.0	66.5	25.4	13.0	15.1	11.9	-0.7	-2.5	-2.5	-2.6
<i>Operating profit margin</i>	8.7%	9.9%	-1.2pp	11.2%	16.2%	7.1%	4.4%	12.6%	12.6%	-1.6%	-5.2%	-7.3%	-9.3%

CONTINUED Segment information

Private Q1

DKK million	Group			Denmark		Intrasoft		UK		Norway		Netherlands	
	Q1 2023	Q1 2022	% change	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
Revenue	515.6	496.8	3.8%	304.1	314.0	124.0	105.0	44.7	47.3	42.6	30.0	0.3	0.6
Cost of service	-346.6	-312.9	10.8%	-182.6	-168.2	-97.9	-86.7	-29.3	-32.0	-36.7	-25.4	-0.2	-0.6
Gross profit	169.0	183.9	-8.1%	121.4	145.8	26.1	18.2	15.5	15.3	5.9	4.6	0.1	0.0
<i>Gross profit margin</i>	<i>32.8%</i>	<i>37.0%</i>	<i>-4.3pp</i>	<i>39.9%</i>	<i>46.4%</i>	<i>21.1%</i>	<i>17.4%</i>	<i>34.6%</i>	<i>32.3%</i>	<i>13.9%</i>	<i>15.3%</i>	<i>28.4%</i>	<i>5.2%</i>
Allocated costs	-78.0	-59.3	31.5%	-50.7	-38.1	-13.6	-11.0	-5.4	-4.9	-8.2	-5.1	-0.0	-0.2
Adjusted EBITA before HQ costs	91.0	124.7	-27.0%	70.8	107.7	12.5	7.3	10.0	10.4	-2.3	-0.5	0.0	-0.2
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>17.7%</i>	<i>25.1%</i>	<i>-7.4pp</i>	<i>23.3%</i>	<i>34.3%</i>	<i>10.1%</i>	<i>6.9%</i>	<i>22.4%</i>	<i>21.9%</i>	<i>-5.5%</i>	<i>-1.8%</i>	<i>13.6%</i>	<i>-25.6%</i>
Allocated costs from HQ	-5.1	-5.2	-1.1%	-4.0	-4.1	0.0	0.0	-0.6	-0.6	-0.6	-0.5	-0.0	-0.0
Other operating income / expense	0.2	0.2	N/A	0.0	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	86.0	119.7	-28.1%	66.8	103.6	12.7	7.5	9.4	9.7	-2.9	-1.0	0.0	-0.2
<i>EBITA margin</i>	<i>16.7%</i>	<i>24.1%</i>	<i>-7.4pp</i>	<i>22.0%</i>	<i>33.0%</i>	<i>10.3%</i>	<i>7.1%</i>	<i>21.0%</i>	<i>20.6%</i>	<i>-6.8%</i>	<i>-3.3%</i>	<i>12.4%</i>	<i>-27.8%</i>
Amortisation	-12.1	-11.4	5.5%	-7.9	-7.7	-2.3	-1.6	-1.0	-1.2	-0.9	-0.9	-0.0	-0.0
Operating profit	74.0	108.2	-31.6%	58.9	95.9	10.4	5.9	8.4	8.5	-3.8	-1.8	0.0	-0.2
<i>Operating profit margin</i>	<i>14.3%</i>	<i>21.8%</i>	<i>-7.4pp</i>	<i>19.4%</i>	<i>30.5%</i>	<i>8.4%</i>	<i>5.6%</i>	<i>18.9%</i>	<i>18.0%</i>	<i>-8.9%</i>	<i>-6.1%</i>	<i>10.6%</i>	<i>-32.1%</i>

CONTINUED Segment information

Geographical

Segment information related to geographical areas

DKK million	Q1 2023								Total
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	
Revenue from external customers	779.5	174.7	169.7	148.6	90.5	82.5	38.8	55.9	1,540.2

DKK million	Q1 2022								Total
	Denmark	Greece	UK	Belgium	Norway	Luxembourg	Netherlands	Other	
Revenue from external customers	731.5	126.6	143.2	201.6	78.5	4.3	28.7	57.2	1,371.5

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	Q1 2023	Q1 2022	Total 2022
Cost of services	-269.3	-220.8	-983.2
Salaries	-826.1	-726.3	-2,764.9
Depreciation	-4.7	-7.0	-24.1
Cost of services total	-1,100.1	-954.2	-3,772.2

NOTE 3 **Administrative costs**

DKK million	Q1 2023	Q1 2022	Total 2022
Administrative costs	-103.4	-82.0	-369.4
Salaries	-87.3	-74.0	-280.0
Depreciation	-40.5	-25.5	-114.5
Administrative costs total	-231.2	-181.5	-763.9

NOTE 4 Financial income and expenses

DKK million	Q1 2023	Q1 2022	Total 2022
Financial Income			
Exchange rate adjustments	3.3	3.4	27.3
Other financial income	0.6	1.5	3.0
Financial income total	3.9	4.9	30.3
Financial expenses			
Interest expense, bank loan	-19.4	-6.6	-41.8
Interest expense, leasing	-2.3	-1.4	-7.1
Exchange rate adjustments	-9.2	-5.2	-34.7
Other financial expenses	-2.7	-4.0	-16.6
Fair value adj. of contingent consideration	0.0	0.0	-7.9
Financial expenses total	-33.5	-17.2	-108.1

NOTE 5 Earnings per share

DKK million	Q1 2023	Q1 2022	Total 2022
Earnings per share - EPS (DKK)	2.10	2.71	12.27
Diluted earnings per share - EPS-D (DKK)	2.09	2.68	12.15
Profit	103.6	133.4	603.4
Average number of shares	50.0	50.0	50.0
Average number of treasury shares	0.7	0.7	0.8
Average number of shares in circulation	49.3	49.3	49.2
Average number of outstanding restricted stock units	0.3	0.5	0.5
Average number of diluted shares in circulation	49.6	49.7	49.7

NOTE 6

Trade receivables

DKK million	31 March 2023	31 March 2022	31 December 2022
Not overdue	640.6	634.8	746.5
0-30 days overdue	144.2	119.1	224.0
31-60 days overdue	32.5	34.2	61.4
61-90 days overdue	62.1	55.1	33.4
Over 90 days overdue	56.6	83.1	63.2
Total trade receivables excl. expected credit loss	936.0	926.4	1,128.5
Expected credit loss	-19.6	-19.7	-16.6
Total trade receivables	916.4	906.7	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 bad debt is made. At 31 March 2023, the Group recognised a provision for expected credit losses of DKK 19.6m (31 March 2022: DKK 19.7m), and no credit losses have incurred during Q1 2023.

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

NOTE 7

Contract work in progress

DKK million	31 March 2023	31 March 2022	31 December 2022
Selling price of work performed on fixed price projects	4,169.7	3,925.7	3,811.9
Invoiced amount on fixed price projects	-3,234.7	-3,085.5	-3,130.9
Total contract work in progress	935.0	840.2	681.0

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

Contract work in progress	1,366.7	1,174.0	1,114.5
Prebilled invoices	-431.7	-333.8	-433.5
Total contract work in progress	935.0	840.2	681.0

Based on the current project portfolio including monitoring of deliveries on projects, the Group has recognised a provision of DKK 6.9m, covering legal claims and project related risks (DKK 8.5m).

NOTE 8

Income Statement classified by function

DKK million	Q1 2023	Q1 2022	Total 2022
Income statement			
Revenue	1,540.2	1,371.5	5,544.6
Cost of services, incl. depreciation and amortisation	-1,100.1	-954.2	-3,772.2
Gross profit	440.1	417.3	1,772.5
Sales and marketing costs	-12.0	-8.8	-41.0
Administrative costs, incl. depreciation, amortisation and special items	-265.0	-214.1	-898.0
Other operating income / expense	0.2	0.2	5.9
Operating profit (EBIT)	163.3	194.6	839.4
Financial income	3.9	4.9	30.3
Financial expenses	-33.5	-17.2	-108.1
Income / loss from joint venture / associates	-2.7	-4.1	-5.1
Profit / loss before tax	131.0	178.2	756.5
Tax on the profit for the period	-27.7	-45.5	-153.8
Net profit / loss for the period	103.3	132.7	602.8

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

Cost of services	-4.7	-7.0	-24.1
Administrative costs	-74.3	-58.2	-248.5
Depreciation and amortisation	-79.0	-65.2	-272.7

NOTE 9

Collateral provided and contingent liabilities

As part of its contract commitments with customers, the Group has through its banks provided performance guarantees of DKK 486.2m (DKK 496.4m).

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

NOTE 10

Related party transactions

In Q1 2023, Netcompany recognised revenue from Smarter Airports A/S of DKK 15.4m (DKK 23.3m).

NOTE 11

Accounting policies

The annual consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The interim consolidated financial statements included in this Q1 2023 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 2022, 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 12

Financial figures and highlights

DKK million	Q1 2023	Q1 2022	% change	Total 2022
Income statement				
Public revenue	1,024.6	874.6	17.1%	3,594.9
Private revenue	515.6	496.8	3.8%	1,949.7
Revenue by segments, total	1,540.2	1,371.5	12.3%	5,544.6
Development revenue	624.2	654.8	-4.7%	2,640.2
Maintenance revenue	912.7	713.9	27.8%	2,876.1
License revenue	3.2	2.7	19.1%	28.3
Revenue by types, total	1,540.2	1,371.5	12.3%	5,544.6
Organic revenue	1,540.2	972.9	12.3%	4,172.8
Non-organic revenue	0.0	398.5	-100.0%	1,371.9
Revenue by growth, total	1,540.2	1,371.5	12.3%	5,544.6
Adjusted EBITDA	242.1	259.6	-6.7%	1,106.2
EBITDA	242.3	259.8	-6.7%	1,112.1
Adjusted EBITA	196.9	227.0	-13.3%	967.6
EBITA	197.1	227.2	-13.3%	973.5
Operating profit (EBIT)	163.3	194.6	-16.1%	839.4
Net financials	-29.6	-12.4	139.0%	-77.8
Net profit / loss	103.3	132.7	-22.1%	602.8
Financial position				
Capex	-48.6	-19.1	155.2%	-170.3
Total assets	7,159.1	7,032.8	1.8%	7,193.9
Equity	3,622.3	3,130.0	15.7%	3,526.9
Net increase in cash and cash equivalents	-92.0	-137.1	-32.9%	-117.3
Free cash flow	141.6	50.5	180.2%	602.7

CONTINUED FINANCIAL HIGHLIGHTS AND KEY FIGURES

DKK million	Q1 2023	Q1 2022	% change	Total 2022
Free cash flow (tax normalised)	166.5	126.8	31.4%	642.6
Earnings per share				
Earnings per share (DKK)	2.10	2.71	-22.4%	12.27
Diluted earnings per share (DKK)	2.09	2.68	-22.2%	12.15
Employees				
Average number of full-time employees	7,497	6,513	15.1%	6,906
Financial ratios				
Revenue growth	12.3%	60.4%	-48.1pp	52.7%
Gross profit margin	28.6%	30.4%	-1.9pp	32.0%
Adjusted EBITDA margin	15.7%	18.9%	-3.2pp	20.0%
EBITDA margin	15.7%	18.9%	-3.2pp	20.1%
Adjusted EBITA margin	12.8%	16.6%	-3.8pp	17.5%
EBITA margin	12.8%	16.6%	-3.8pp	17.6%
Operating profit margin	10.6%	14.2%	-3.6pp	15.1%
Effective tax rate	21.2%	25.5%	-4.4pp	20.3%
Return on equity	3.1%	4.6%	-1.6pp	18.4%
Solvency ratio	50.6%	44.5%	6.1pp	49.0%
ROIC	2.0%	3.3%	-1.2pp	12.0%
ROIC (adjusted for Goodwill)	5.9%	10.8%	-5.0pp	36.6%
Cash conversion ratio	109.2%	32.0%	77.2pp	85.2%
Cash conversion ratio (tax normalised)	128.5%	80.2%	48.3pp	90.9%

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 margin ¹	=	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$	Capex ^{1,2}	=	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 Growth ¹	=	$\frac{\text{Organic revenue current year} \times 100}{\text{Revenue last year}}$	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 equity ²	=	$\frac{\text{Net profit for the period} \times 100}{\text{Average equity}}$
EBITA ^{1,2}	=	Operating profit + Amortisation	Adjusted EBITDA 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}	=	$\frac{\text{EBITA} \times 100}{\text{Revenue}}$	EPS ¹	=	$\frac{\text{Net profit} - \text{Non-controlling interest}}{\text{Average outstanding shares}}$	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 diluted ¹	=	$\frac{\text{Net profit} - \text{Non-controlling interest}}{\text{Average outstanding shares} + \text{Diluted shares}}$	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			

¹ Key figures defined according to IFRS.

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

Disclaimer

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

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

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

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