

## Financial report for the first three months of 2022

NNIT made progress on strategic initiatives to improve performance and maintains full-year outlook despite decline in revenue and earnings in Q1 2022.

### Financial highlights

- Group revenue declined by 4.1% (-7.5% organic) to DKK 701 million as expected following a lower contribution from the Global Infrastructure Agreement with Novo Nordisk. The decrease was partly outweighed by growth in Life Sciences Solutions.
- The operating result before special items decreased to DKK -9 million from DKK 48 million due to the renegotiation of the Novo Nordisk contract and a temporary decline in capacity utilization after cancellation of a large International Life Sciences Solutions project and customer postponement of a large ERP implementation. The operating profit margin declined to -1.3% compared to 6.6% in Q1 2021.
- Special items amounted to DKK 35 million and related mainly to restructuring costs and impairment of the headquarter building.
- NNIT's external reporting structure has been revised to reflect the three business units – Life Sciences Solutions, Cloud & Digital Solutions and Hybrid Cloud Solutions – ensuring alignment with the Group's new organizational structure as of January 1, 2022.

### Business highlights

- The strategic efforts to consolidate global delivery capabilities were accelerated with the initiation of a significant transformation and geographical relocation of the Group's outsourcing organization, which will reduce cost.
- NNIT completed the acquisition of prime4services, a leading European Manufacturing Execution System implementation consultancy, further strengthening the Group's capabilities within Life Sciences Production IT.
- Significant new contracts and renewals secured across all business units, including a six-year contract with ATP and a five-year contract with Banedanmark in continuation of the signings with e-nettet and the Nordic Regional Security Coordinator in Q4 2021.
- The order backlog for 2022 amounted to DKK 2,194 million at the end of Q1 2022, corresponding to decrease of 7.8% compared to the same time last year, and an increase of 8.8% from the beginning of the year.

### Outlook

- NNIT maintains the 2022 outlook for revenue growth of 2-5% with an operating profit margin before special items of around 5%. The structural transformation of the Group is still expected to lead to special items up to the same level as in 2021.

Pär Fors, CEO of NNIT, comments: *"We continued to make headway with the strategic initiatives to build a stronger NNIT with the introduction of new business units, the acquisition of prime4services and signing of key contracts with new and existing customers in Q1 2022. Our financial results were negatively impacted by a temporary decline in capacity utilization, and we remain confident that we will reach our targets for the full-year"*.

### Conference call

On May 6, 2022 at 9:30 CET, NNIT hosts a teleconference, which can be accessed [here](#) or at [www.nnit.com](http://www.nnit.com) under 'Investors – Events & Presentations'.

### Contacts for further information

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## Financial figures and highlights

DKK million	Q1 2022	Q1 2021	Total 2021
<b>Financial performance</b>			
<b>Revenue</b>			
Life Sciences Solutions (LSS)	198	167	723
Cloud & Digital Solutions (CDS)	213	211	848
Hybrid Cloud Solutions (HCS)	290	353	1,306
<b>Total revenue</b>	<b>701</b>	<b>731</b>	<b>2,877</b>
EBITDA before special items	45	102	361
Depreciations, amortizations and impairment	67	54	275
Operating profit before special items <sup>1</sup>	-9	48	142
Special items <sup>1</sup>	35	6	153
Operating profit/loss	-44	42	-11
Net financials	-1	-4	-14
Net profit/loss	-33	31	-7
Investments in tangible assets	24	28	62
Investments in intangible assets and acquisition in subsidiaries	79	6	113
Total assets	2,975	2,702	2,797
Equity	1,130	1,158	1,142
Dividends paid	0	25	25
Free cash flow	-234	-86	34
<b>Earnings per share</b>			
Earnings per share (DKK)	-1.31	1.25	-0.30
Diluted earnings per share (DKK)	-1.31	1.25	-0.30
<b>Employees</b>			
Average number of full-time employees	3,087	3,101	3,162
<b>Financial ratios</b>			
Revenue growth	-4.1%	1.2%	1.7%
Organic growth	-7.5%	-1.7%	-3.0%
Gross profit margin	6.3%	13.7%	12.0%
EBITDA margin	6.4%	14.0%	12.5%
Operating profit margin before special items	-1.3%	6.6%	4.9%
Operating profit margin	-6.3%	5.7%	-0.4%
Effective tax rate	26.7%	18.4%	72.0%
Investments/Revenue	4.1%	4.5%	3.3%
Return on equity <sup>2</sup>	-6.2%	6.2%	-0.6%
Solvency ratio	38.0%	42.9%	40.8%
Return on invested capital (ROIC) <sup>2,3</sup>	-3.4%	6.1%	0.5%
<b>Additional numbers<sup>4</sup></b>			
Order entry backlog for the current year	2,194	2,379	2,017

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

2) Financial metrics are moving annual total (MAT), i.e. annualized

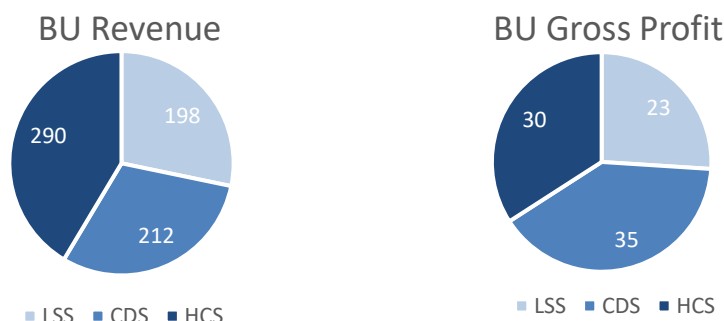
3) Net profit/average invested capital

4) The backlog represents current year contracts, performed or signed

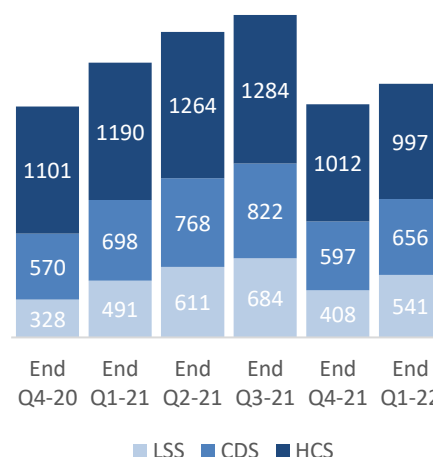
## Business performance

In Q1 2022, NNIT continued to execute on the strategic initiatives to position the Group for future growth, promote customer centricity even further, increase financial transparency with the introduction of the three business units Life Sciences Solutions (LSS) and Cloud & Digital Solutions (CDS) and Hybrid Cloud Solutions (HCS), while ensuring cost reductions.

Business performance was negatively impacted by a 4.1% decline in revenue resulting primarily from the 2021 renegotiation of infrastructure agreement with Novo Nordisk Group, which accounted for 20% of revenue in the quarter against 22% in Q1 2021. In addition, Q1 2022 was impacted by the annulment of a larger project following customer closedown of COVID-19 research and customer postponement of an ERP program. This entails lower capacity utilization across the Group, contributing to a decline in the operating profit margin before special items to -1.3%.



NNIT secured significant new contracts and renewal of existing contracts in Q1 2022, including a new six-year contract with ATP for the operation, support, maintenance, and development of maternity/paternity benefits system. In addition, Banedanmark awarded NNIT a new five-year full-service contract for their administrative IT systems including operation, service and support of Banedanmark's administrative IT systems and applications. The positive traction follows the signing in Q4 2021 of five-year contracts for infrastructure services and support concerning e-nettet's portfolio of applications and a multitude of IT services, including operations, monitoring and cloud services, to the Nordic Regional Security Coordinator. Each of the contracts represented contract value of low three-digit DKK million amounts. NNIT also ensured renewal of several outsourcing contracts and a sizeable cloud migration factory engagement in the quarter. On this background, the Group's order backlog increased by 8.8% from the beginning of the year to DKK 2,194 million, which was a 7.8% decline from end of Q1 2021 prior to the renegotiation with Novo Nordisk.



On 11 March, NNIT completed the acquisition of prime4services, Europe's leading provider of Manufacturing Execution System services, to further boost the Group's Production IT offerings to the life sciences industry.

## Life Sciences Solutions

LSS	2022		2021		
	Q1	Q4	Q3	Q2	Q1
<b>Revenue</b>	<b>198</b>	<b>199</b>	<b>191</b>	<b>166</b>	<b>167</b>
Life Sciences (excl. NNG)	170	175	166	145	146
-Life Sciences (Int.)	163	167	160	137	137
-Life Sciences (DK)	7	8	6	8	9
Novo Nordisk Group	28	24	24	20	20
Public	0	0	1	1	1
<b>BU Production costs</b>	<b>175</b>	<b>159</b>	<b>158</b>	<b>132</b>	<b>125</b>
<b>BU gross profit</b>	<b>23</b>	<b>40</b>	<b>33</b>	<b>34</b>	<b>42</b>
<b>BU gross profit margin</b>	<b>11.6%</b>	<b>20.1%</b>	<b>17.3%</b>	<b>20.5%</b>	<b>25.1%</b>
<b>Order backlog (end of quarter)</b>	<b>541</b>	<b>408</b>	<b>684</b>	<b>611</b>	<b>491</b>

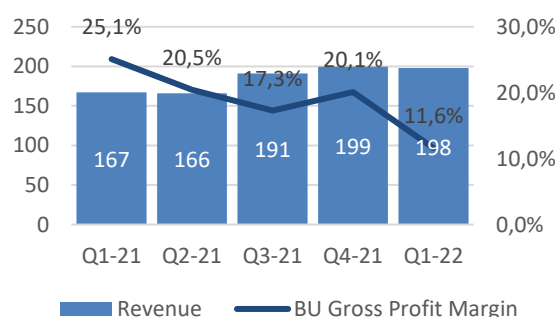
The Life Sciences Solutions business unit develops and delivers the best digital solutions to support the entire life sciences value chain.

In Q1 2022, the business unit grew revenue by 19% to DKK 198 million driven mainly by the acquisitions of SL Controls in July 2021 and prime4services in March 2022. Organic growth was lower than expected at 3.9% resulting in a temporary decline in utilization mainly due to a cancelled project in the US. Life Sciences revenue excluding Novo Nordisk Group grew 16% in the quarter.

The business unit's gross profit was down by 45% to DKK 23 million in Q1 2022 as capacity utilization was low and production costs increased to DKK 175 million from DKK 125 million in Q1 2021. The current trajectory on utilization is however positive, and overall improvements are expected in coming quarters through a combination of increased sales and continued adjustment of capacity.

During the quarter, the Life Sciences Solutions business secured the renewal of several outsourcing contracts with current Danish life science customers for infrastructure services and support for additional 4-5 years. In total, these contracts represent a value of a low triple-digit DKK million amount. In addition, the business unit continued to accelerate Life Sciences Production IT Solution sales to a broad range of current and new international life sciences customers, resulting in a total contract value representing a mid-size double-digit DKK million amount.

The business unit's order backlog increased to DKK 541 million at the end of Q1 2022 from DKK 491 million at the end of Q1 2021. In March 2022, the acquisition of prime4services, a leading European Manufacturing Execution System implementation consultancy, was completed to further strengthen NNIT's capabilities within Life Sciences Production IT.



## Cloud & Digital Solutions

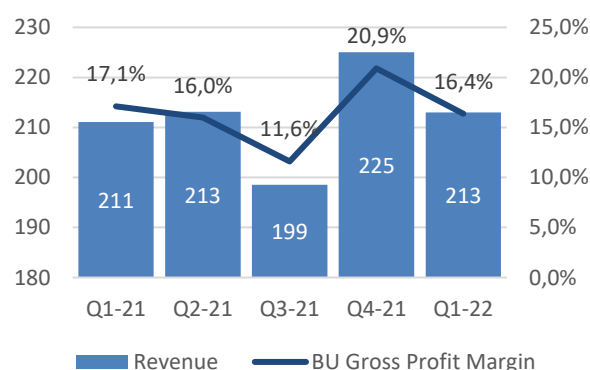
CDS	2022		2021		
	Q1	Q4	Q3	Q2	Q1
<b>Revenue</b>	<b>213</b>	<b>225</b>	<b>199</b>	<b>213</b>	<b>211</b>
Life Sciences (excl. NNG)	35	40	31	35	32
-Life Sciences (Int.)	11	17	12	16	8
-Life Sciences (DK)	24	23	19	19	24
Novo Nordisk Group	23	23	21	22	25
Enterprise	106	111	101	101	98
Public	40	41	38	47	50
Finance	9	10	8	8	6
<b>BU Production costs</b>	<b>178</b>	<b>178</b>	<b>176</b>	<b>179</b>	<b>175</b>
<b>BU gross profit</b>	<b>35</b>	<b>47</b>	<b>23</b>	<b>34</b>	<b>36</b>
<b>BU gross profit margin</b>	<b>16.4%</b>	<b>20.9%</b>	<b>11.6%</b>	<b>16.0%</b>	<b>17.1%</b>
<b>Order backlog (end of quarter)</b>	<b>656</b>	<b>597</b>	<b>822</b>	<b>768</b>	<b>698</b>

The Cloud & Digital Solutions business unit develops and delivers the best digital solutions, enabling customers to leverage business-critical applications in the cloud and taking full advantage of the growing Microsoft ecosystem.

The business unit saw a stable development in Q1 2022 with revenue increasing slightly by 0.9% to DKK 213 million. The quarter was positively impacted by activities within Cloud services, Microsoft Dynamics and SAP implementation to Enterprise and Finance customers, offset by lower sales to Public customers compared to a strong Q1 2021.

In Q1 2022, the business unit's gross profit declined moderately by 2.8% to DKK 35 million following lower utilization rate due to customer postponement of an ERP implementation project and on the back of a slight 1.7% increase in production costs to DKK 178 million.

The business unit won a large Cloud Migration Factory engagement for a Danish enterprise customer in the quarter. In addition, ATP awarded NNIT a 6-year extension on a Maternity payout application support contract for a net worth of a lower triple-digit DKK million amount. At the end of Q1 2022, the business unit's order backlog was DKK 656 million against DKK 698 million in the comparison period. The development was mainly due to before mentioned delayed ERP program.



## Hybrid Cloud Solutions

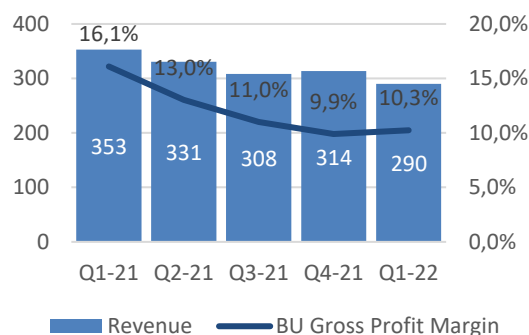
HCS	2022		2021		
	Q1	Q4	Q3	Q2	Q1
<b>Revenue</b>	<b>290</b>	<b>314</b>	<b>308</b>	<b>331</b>	<b>353</b>
Life Sciences (excl. NNG)	39	45	48	53	49
-Life Sciences (Int.)	14	15	15	12	13
-Life Sciences (DK)	25	30	33	41	36
Novo Nordisk Group	89	107	98	108	113
Enterprise	81	83	81	85	80
Public	24	25	25	25	45
Finance	57	54	56	60	66
<b>BU Production costs</b>	<b>260</b>	<b>283</b>	<b>274</b>	<b>288</b>	<b>296</b>
<b>BU gross profit</b>	<b>30</b>	<b>31</b>	<b>34</b>	<b>43</b>	<b>57</b>
<b>BU gross profit margin</b>	<b>10.3%</b>	<b>9.9%</b>	<b>11.0%</b>	<b>13.0%</b>	<b>16.1%</b>
<b>Order backlog (end of quarter)</b>	<b>997</b>	<b>1,012</b>	<b>1,284</b>	<b>1,264</b>	<b>1,190</b>

The Hybrid Cloud Solutions business unit enables customers' digital transformation through development and delivery of best-in-class infrastructure and hybrid cloud solutions.

In Q1 2022, the business unit was impacted by an expected decline in revenue decreasing by 17.8% to DKK 290 million following the renegotiation of an infrastructure agreement with Novo Nordisk in 2021 and the expiration of a SLA contract impacting revenue negatively with DKK 30 million and DKK 20 million, respectively.

Gross profit in HCS declined 47% to DKK 30 million following a reduction in the business unit's production costs by 12.2% to DKK 260 million, which was not sufficient to mitigate the impact of the renegotiated and expired contracts. Measures have been taken to improve capacity utilization and reduce cost through ongoing automation initiatives combined with the initiation of a significant transformation and geographical relocation of the outsourcing organization, which will strengthen NNIT's global delivery capabilities and simultaneously ensure lower salary expenses.

The business unit was awarded a new full-service contract for Banedanmark's administrative IT systems, covering a five-year period for a contract value of a low three-digit DKK million amount. NNIT will be responsible for the operation, service and support of Banedanmark's administrative IT systems and applications, including service desk and onsite support. This follows the signing in Q4 of five-year contracts for infrastructure services and support concerning e-nettet's portfolio of applications and a multitude of IT services, including operations, monitoring and cloud services, to the Nordic Regional Security Coordinator. The business unit's order backlog stood at DKK 997 million in the end of Q1 2022 against DKK 1,190 million in the end of Q1 2021 prior to the renegotiation of the Novo Nordisk contract.

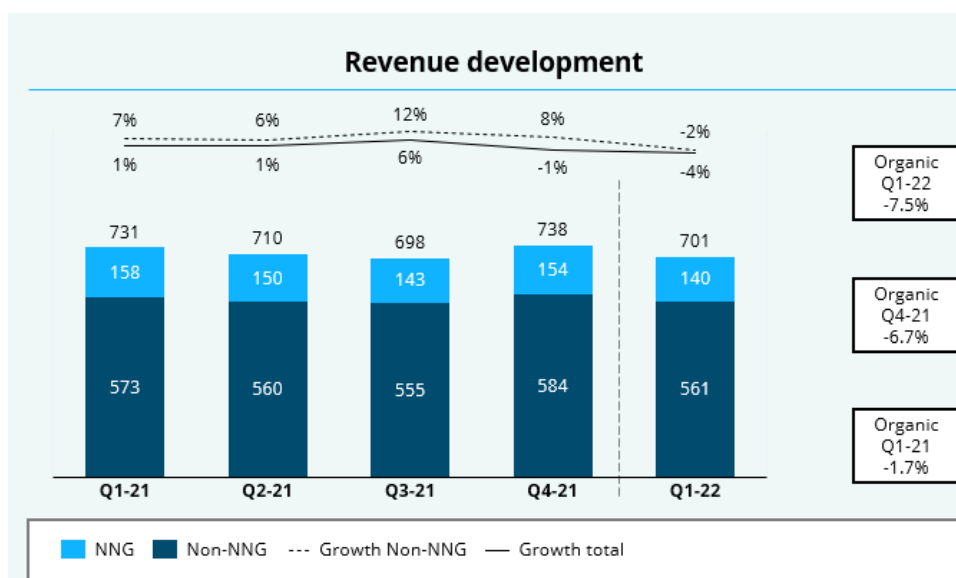


## Group financial review

NNIT	2022			2021		
	Q1	Q4	Q3	Q2	Q1	Total
Revenue	701	738	698	710	731	2,877
BU Production costs	613	620	607	599	596	2,422
<b>BU gross profit</b>	<b>88</b>	<b>118</b>	<b>91</b>	<b>111</b>	<b>135</b>	<b>455</b>
<b>BU gross profit margin</b>	<b>12.6%</b>	<b>16.0%</b>	<b>13.0%</b>	<b>15.6%</b>	<b>18.5%</b>	<b>15.8%</b>
Production cost indirect	44	32	17	25	36	110
<b>Gross profit</b>	<b>44</b>	<b>86</b>	<b>74</b>	<b>86</b>	<b>99</b>	<b>345</b>
<b>Gross profit margin</b>	<b>6.3%</b>	<b>11.7%</b>	<b>10.6%</b>	<b>12.1%</b>	<b>13.5%</b>	<b>12.0%</b>
Sales and marketing costs	32	32	32	30	30	124
Administrative expenses	21	17	21	20	21	79
<b>Operating profit bf. Special items</b>	<b>-9</b>	<b>37</b>	<b>21</b>	<b>36</b>	<b>48</b>	<b>142</b>
<b>OPM bf. Special items</b>	<b>-1.3%</b>	<b>5.0%</b>	<b>3.0%</b>	<b>5.1%</b>	<b>6.6%</b>	<b>4.9%</b>
Special items	35	61	23	63	6	153
<b>Operating profit</b>	<b>-44</b>	<b>-24</b>	<b>-2</b>	<b>-27</b>	<b>42</b>	<b>-11</b>
<b>Operating profit margin</b>	<b>-6.3%</b>	<b>-3.3%</b>	<b>-0.3%</b>	<b>-3.8%</b>	<b>5.7%</b>	<b>-0.4%</b>
Net financials	-1	3	-2	-11	-4	-14
<b>Profit before tax</b>	<b>-45</b>	<b>-21</b>	<b>-4</b>	<b>-38</b>	<b>38</b>	<b>-25</b>
Tax	-12	-23	6	-8	7	-18
<b>Net profit / loss</b>	<b>-33</b>	<b>2</b>	<b>-10</b>	<b>-30</b>	<b>31</b>	<b>-7</b>
<b>Total assets</b>	<b>2,975</b>	<b>2,797</b>	<b>2,881</b>	<b>2,677</b>	<b>2,702</b>	<b>-</b>
<b>Net cash and cash equivalents</b>	<b>-524</b>	<b>-266</b>	<b>-332</b>	<b>-166</b>	<b>-298</b>	<b>-</b>
<b>Equity</b>	<b>1,130</b>	<b>1,142</b>	<b>1,135</b>	<b>1,136</b>	<b>1,158</b>	<b>-</b>
<b>Investments</b>	<b>30</b>	<b>21</b>	<b>24</b>	<b>18</b>	<b>18</b>	<b>81</b>
<b>Free cash flow</b>	<b>-234</b>	<b>115</b>	<b>-145</b>	<b>150</b>	<b>-86</b>	<b>34</b>

## P&L

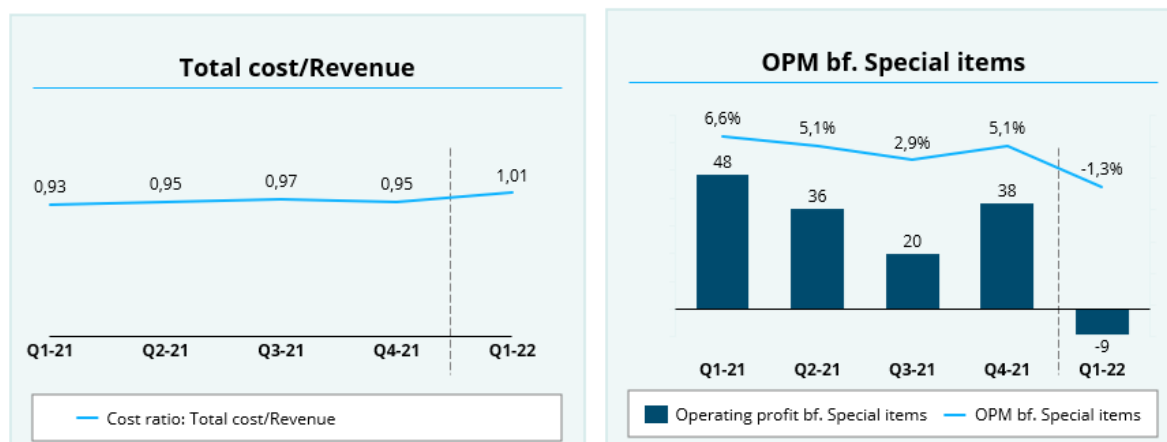
Total revenue decreased 4.1% to DKK 701 million compared with Q1 2021. The revenue from Novo Nordisk Group decreased by 11.4% compared with Q1 2021 and now constitutes 20% of total revenue, down from 22% at Q1 2021.



Total BU production costs increased to DKK 613 million, up 2.9% compared with Q1 2021, while Production cost indirect increased to DKK 44 million leading to a gross profit margin of 6.3%, down 7.4pp from Q1 2021.

Sales and marketing costs and administrative expenses were on par with Q1 2021.

Operating profit before special items ended at DKK -9 million. This corresponds to an operating profit margin before special items of -1.3% compared with 6.6% in Q1 2021.



Net financials were negative at DKK 1 million, representing an increase of DKK 3 million compared with Q1 2021. The development mainly relates to cash flow hedges entered in prior periods.

The effective tax rate was 26.7%, an increase of 8.3pp compared with Q1 2021. This increase is explained by an increase in non-deductible cost related to special items in Q1 2022 as well as Q1 2021 being affected by an adjustment of deferred tax regarding treasury shares resulting from a lower share price.

Net result was a loss of DKK 33 million compared with a profit of DKK 31 million in Q1 2021. The result was negatively impacted by special items in Q1 2022, mainly related to a DKK 13 million additional impairment of the headquarter lease contract and restructuring costs of DKK 20 million.

### Balance sheet

Total assets increased to DKK 2,975 million on March 31, 2022, from DKK 2,702 million on March 31, 2021. The increase was primarily due to an increase in intangible assets after the acquisition of prime4services in Q1 2022 and higher trade receivables and work in progress partly countered by decreases in tangible and lease assets.

Net cash and cash equivalents amounted to DKK -524 million on March 31, 2022, and declined by DKK 226 million from March 31, 2021, driven mainly by payments related to acquisitions (DKK 241 million), which were partly compensated by cash flows from operating activities.

Equity on March 31, 2022, amounted to DKK 1,130 million and declined by DKK 28 million from March 31, 2021.



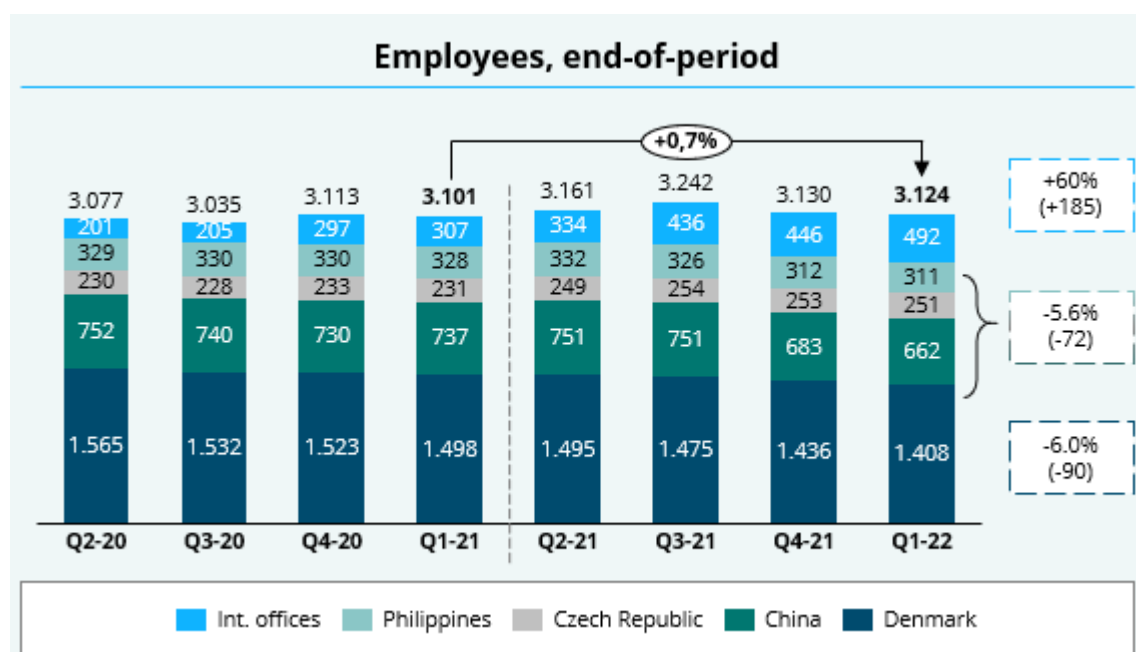
### Investments

Investments, excluding investments related to acquisition of subsidiaries, amounted to DKK 30 million in Q1 2022 compared with DKK 18 million in Q1 2021. The increase was mainly due to timing of investments.

### Free cash flow

The Group's free cash flow for Q1 2022 was DKK -234 million against DKK -86 million in Q1 2021. The development was attributable to a lower net profit and higher investing activities due to the acquisition of prime4services as well as higher earn-out payments, partly countered by lower tax payments.

### Employees, end-of-period



Since Q1 2021, the number of employees in NNIT's international offices increased by 60% (185 FTEs) due to the acquisitions of SL Controls in Q3 2021 and prime4services in Q1 2022. In Denmark, the number of FTEs decreased by 6.0% (90 FTEs), and the global sourcing centers saw a decrease of 5.6% (72 FTEs).

### Events after balance sheet date

There have been no events after the balance sheet date that would have a significant impact on an assessment of NNIT's financial position as of March 31, 2022.

## Outlook

Based on the ongoing strategic initiatives to generate growth and improve profitability as well as the contract wins secured in Q1 2022, a solid order backlog for the year and continued traction, NNIT maintains the previously announced outlook for 2022.

Revenue growth of 2-5% is expected to be driven by Life Sciences Solutions and Cloud & Digital Solutions.

The Group's operating profit margin before special items is expected to be around 5% with special items up to the same level as in 2021.

Guidance	2022 outlook	2021
Revenue growth	2-5%	1.7%
Operating profit margin bf. special items	Around 5%	4.9%
Special items	Up to same level as 2021	DKK 153 million

## Forward-looking statements

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

Please also refer to the overview of risk factors in the 'risk management' section on page 47-49 of the Annual Report 2021.

## Management statement

### **Statement by the Board of Directors and the Executive Management on the unaudited interim consolidated financial statements of NNIT A/S as at and for the three months ended March 31, 2022.**

The Board of Directors and Executive Management ("Management") have reviewed and approved the interim consolidated financial statements of NNIT A/S (NNIT A/S, together with its subsidiaries, the "Group") for the first three months of 2022 with comparative figures for the first three months of 2021. The interim consolidated financial statements have not been audited or reviewed by the company's independent auditors.

The interim consolidated financial statements for the first three months of 2022 have been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union and accounting policies set out in the Annual Report 2021 of NNIT A/S. Furthermore, the interim consolidated financial statement for the first three months of 2022 and Management's review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the accounting policies used are appropriate and the overall presentation of the interim consolidated financial statements for the first three months of 2022 are adequate and give a true and fair view of the Group's assets, liabilities and financial position as at March 31, 2022 and of the results of the Group's operations and cash flow for the three months ended March 31, 2022. Furthermore, in our opinion, Management's review includes a true and fair account of the development in the operations and financial circumstances, of the results for the period, and of the financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group in accordance with Danish disclosure requirements for listed companies.

Besides what has been disclosed in the interim consolidated financial statements and Management's review for the first three months of 2022, no changes in the Group's most significant risks and uncertainties have occurred relative to disclosures published in the Annual Report 2021 of NNIT A/S.

Soeborg, May 6, 2022

### **Executive management**

Pär Fors  
CEO

Pernille Fabricius  
CFO

### **Board of Directors**

Carsten Dilling  
Chairman

Eivind Kolding  
Deputy Chairman

Anne Broeng

Christian Kanstrup

Caroline Serfass

Nigel Govett

Anders Vidstrup

Camilla K. K. Christensen

Trine Io Bjerregaard

## Consolidated financial statements

### Income statement and Statement of comprehensive income

DKK million	Note	Q1 2022	Q1 2021	12M 2021
<b>INCOME STATEMENT</b>				
	1			
<b>Revenue</b>	2	<b>701</b>	<b>731</b>	<b>2,877</b>
Cost of goods sold		657	631	2,533
<b>Gross profit</b>		<b>44</b>	<b>100</b>	<b>344</b>
Sales and marketing costs		32	31	122
Administrative expenses		21	21	80
<b>Operating profit before special items</b>		<b>-9</b>	<b>48</b>	<b>142</b>
Special items	3	35	6	153
<b>Operation profit / loss</b>		<b>-44</b>	<b>42</b>	<b>-11</b>
Financial income		3	1	15
Financial expenses		4	5	29
<b>Profit / loss before income taxes</b>		<b>-45</b>	<b>38</b>	<b>-25</b>
Income Taxes		-12	7	-18
<b>Net profit / loss for the period</b>		<b>-33</b>	<b>31</b>	<b>-7</b>
<b>Earnings per share</b>		<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
<b>Earning per share</b>		<b>-1.31</b>	<b>1.25</b>	<b>-0.3</b>
<b>Diluted earnings per share</b>		<b>-1.31</b>	<b>1.25</b>	<b>-0.3</b>
DKK million	Note	Q1 2022	Q1 2021	12M 2021
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>Net profit / loss for the period</b>		<b>-33</b>	31	-7
Other comprehensive incomes				
<i>Items that will not subsequently be reclassified to the Income Statement:</i>				
Remeasurement related to pension obligations		6	2	3
Tax on other comprehensive income			-2	
<i>Items that may be reclassified to the Income Statement when specific conditions are met:</i>				
Currency revaluation related to subsidiaries (net)		14	20	42
Tax related to currency revaluation related to subsidiaries (net)				-5
Recycled to financial items		3	1	11
Unrealized value adjustments		-2	6	3
<i>Cash flow hedges</i>		1	7	14
Tax on other comprehensive income related to cash flow hedges		-1	-2	-3
<b>Other comprehensive income, net of tax</b>		<b>20</b>	<b>25</b>	<b>51</b>
<b>Total comprehensive income</b>		<b>-13</b>	<b>56</b>	<b>44</b>

## Balance sheet

DKK million	Note	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
<b>ASSETS</b>				
Intangible assets	4	1,051	799	945
Tangible assets		481	538	483
Lease assets		143	211	173
Transition cost		34	73	39
Deferred tax		13	32	13
Deposits		34	33	34
<b>Total non-current assets</b>		<b>1,756</b>	<b>1,686</b>	<b>1,687</b>
Inventories		3	1	3
Transition cost		30	34	31
Trade receivables	5	548	505	578
Work in progress	5	196	146	107
Other receivables		22	22	11
Pre-payments		132	107	101
Tax receivable		53	38	36
Derivative financial instruments		15	5	13
Cash and cash equivalents		220	158	230
<b>Total current assets</b>		<b>1,219</b>	<b>1,016</b>	<b>1,110</b>
<b>Total assets</b>		<b>2,975</b>	<b>2,702</b>	<b>2,797</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital		250	250	250
Treasury shares		-1	-2	-2
Retained earnings		836	904	863
Other reserves		45	6	31
<b>Total equity</b>		<b>1,130</b>	<b>1,158</b>	<b>1,142</b>
Leasing liability		106	155	123
Deferred tax		1	0	0
Employee benefit obligation		12	38	18
Contingent consideration (earn-out)	4	76	63	82
Provisions		25	24	25
Long term loan		47	20	40
Bank overdraft		744	456	496
<b>Total non-current liabilities</b>		<b>1,011</b>	<b>756</b>	<b>784</b>
Prepayments received, transition cost		27	30	30
Prepayments received, WIP	5	94	98	116
Leasing liability		80	70	84
Trade payables		81	65	86
Employee cost payable		197	264	208
Tax payables		2	10	2
Other current liabilities		301	193	281
Derivative financial instruments		0	1	0
Contingent consideration (earn-out)	4	52	57	64
<b>Total non-current liabilities</b>		<b>834</b>	<b>788</b>	<b>871</b>
<b>Total liabilities</b>		<b>2,975</b>	<b>2,702</b>	<b>2,797</b>
Contingent liabilities and legal proceedings	6			

## Statement of cash flow

DKK million	Note	Q1 2022	Q1 2021	12M 2021
<b>STATEMENT OF CASH FLOW</b>				
<b>Net profit / loss for the period</b>		-33	31	-7
Reversal of non-cash items		81	79	335
Interest paid		-3	-4	-17
Income taxes paid		-4	-13	4
<b>Cash flow before change in working capital</b>		<b>41</b>	<b>93</b>	<b>315</b>
Changes in working capital		-118	-120	-72
<b>Cash flow from operating activities</b>		<b>-77</b>	<b>-27</b>	<b>243</b>
Capitalization of intangible assets		-5	-5	-34
Purchase of tangible assets		-25	-13	-47
Change in trade payables related to investments		1	-15	-15
Adjustment acquisition cost		0	-1	0
Acquisition of subsidiary		-74	0	-79
Payment of earn-out		-54	-25	-34
<b>Cash flow from investing activities</b>		<b>-157</b>	<b>-59</b>	<b>-209</b>
Dividends paid		0	-25	-25
Purchase of treasury shares		0	-8	-8
Payment of deposit		0	0	-1
Installments on lease liabilities		-21	-17	-82
Installments on long term loan		-3	0	-23
Bank overdraft		248	151	192
<b>Cash flow from financing activities</b>		<b>224</b>	<b>101</b>	<b>53</b>
<b>Net cash flow</b>		<b>-10</b>	<b>15</b>	<b>87</b>
Cash and cash equivalents at the beginning of the period		230	143	143
<b>Cash and cash equivalents at the end of the period</b>		<b>220</b>	<b>158</b>	<b>230</b>
<b>Additional information <sup>1</sup>:</b>				
Cash and cash equivalents		220	158	230
Bank overdraft		-744	-456	-744
Committed credit facilities		900	900	900
<b>Financial resources at the end of the period</b>		<b>376</b>	<b>602</b>	<b>386</b>
Cash flow from operating activities		-77	-27	243
Cash flow from investing activities		-157	-59	-209
<b>Free cash flow</b>		<b>-234</b>	<b>-86</b>	<b>34</b>

### 1. Additional non-IFRS measures

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

## Statement of changes in equity

DKK million	Other reserves							Proposed dividends	Total
	Share capital	Treasury shares	Retained earnings	Currency revaluation	Cash flow hedges	Tax	Total other reserves		
<b>EQUITY - March 31, 2022</b>									
Balance at the beginning of the period	250	-2	863	24	11	-4	31	0	1,142
Net profit/loss for the period	0	0	-33	0	0	0	0	0	-33
Other comprehensive income for the period	0	0	6	14	1	-1	14	0	20
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-27</b>	<b>14</b>	<b>1</b>	<b>-1</b>	<b>14</b>	<b>0</b>	<b>-13</b>
Transactions with owners:									
Transfer of treasury shares	0	1	-2	0	0	0	0	0	-1
Share-based payments	0	0	2	0	0	0	0	0	2
<b>Balance at the end of the period</b>	<b>250</b>	<b>-1</b>	<b>836</b>	<b>38</b>	<b>12</b>	<b>-5</b>	<b>45</b>	<b>0</b>	<b>1,130</b>
<b>EQUITY - December 31, 2021</b>									
Balance at the beginning of the period	250	-3	879	-18	-3	4	-17	25	1,134
Net profit/loss for the period	0	0	-7	0	0	0	0	0	-7
Other comprehensive income for the period	0	0	3	42	14	-8	48	0	51
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-4</b>	<b>42</b>	<b>14</b>	<b>-8</b>	<b>48</b>	<b>0</b>	<b>44</b>
Adjustment related to previous years	0	0	-11	0	0	0	0	0	-11
Transactions with owners:									
Purchase of treasury shares	0	-1	-7	0	0	0	0	0	-8
Transfer of treasury shares	0	2	-2	0	0	0	0	0	0
Share-based payments	0	0	8	0	0	0	0	0	8
Dividends paid	0	0	0	0	0	0	0	-25	-25
<b>Balance at the end of the period</b>	<b>250</b>	<b>-2</b>	<b>863</b>	<b>24</b>	<b>11</b>	<b>-4</b>	<b>31</b>	<b>0</b>	<b>1,142</b>
<b>EQUITY - March 31, 2021</b>									
Balance at the beginning of the period	250	-3	879	-18	-3	4	-17	25	1,134
Net profit for the period	0	0	31	0	0	0	0	0	31
Other comprehensive income for the period	0	0	2	20	7	-4	23	0	25
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>33</b>	<b>20</b>	<b>7</b>	<b>-4</b>	<b>23</b>	<b>0</b>	<b>56</b>
Transactions with owners:									
Purchase of treasury shares	0	-1	-7	0	0	0	0	0	-8
Transfer of treasury shares	0	2	-2	0	0	0	0	0	0
Share-based payments	0	0	1	0	0	0	0	0	1
Dividends paid	0	0	0	0	0	0	0	-25	-25
<b>Balance at the end of the period</b>	<b>250</b>	<b>-2</b>	<b>904</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>1,158</b>

## Notes

### Note 1

#### Accounting policies

The consolidated financial statements for the first three months of 2022 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on the basis of the same accounting policies for recognition and measurement as were applied in the Annual Report 2021.

The financial reporting including the consolidated financial statements for the first three months of 2022 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

See pages 70 to 75 of the Annual Report 2021 for a comprehensive description of the accounting policies applied for recognition and measurement.

### Note 2

#### Segment disclosures

Revenue by segment and customer group				
DKK million	Q1 2022			
	LSS	CDS	HCS	Total
Revenue	198	213	290	701
BU Production cost	175	178	260	613
<b>BU gross profit</b>	<b>23</b>	<b>35</b>	<b>30</b>	<b>88</b>
<b>BU gross profit Margin</b>	<b>11.6%</b>	<b>16.4%</b>	<b>10.3%</b>	<b>12.6%</b>

DKK million	Q1 2021			
	LSS	CDS	HCS	Total
Revenue	167	211	353	731
BU Production cost	125	175	296	596
<b>BU gross profit</b>	<b>42</b>	<b>36</b>	<b>57</b>	<b>135</b>
<b>BU gross profit Margin</b>	<b>25.1%</b>	<b>17.1%</b>	<b>16.1%</b>	<b>18.5%</b>

DKK million	2021			
	LSS	CDS	HCS	Total
Revenue	723	848	1,306	2,877
BU Production cost	574	708	1,140	2,422
<b>BU gross profit</b>	<b>149</b>	<b>140</b>	<b>166</b>	<b>455</b>
<b>BU gross profit Margin</b>	<b>20.6%</b>	<b>16.5%</b>	<b>12.7%</b>	<b>15.8%</b>

The Danish operations generated 70% of NNIT's revenue in Q1 2022 and 73% in the same period last year based on the location of customer purchase orders. As a consequence of the predominantly Danish revenue, a geographical revenue split is not disclosed.



**Note 3**
*Special items*

DKK million	Q1 2022	Q1 2021	12M 2021
<b>Special items related to:</b>			
Impairment of assets	13	0	56
Change of members of Group Management	0	0	25
Restructuring cost	20	6	65
Cost regarding acquisition and disposal of subsidiaries	2	0	7
<b>Total special items</b>	<b>35</b>	<b>6</b>	<b>153</b>
<b>If special items had been recognized in operating profit before special items, they would have been included in the following items:</b>			
Cost of goods sold	31	6	118
Sales and marketing costs	2	0	2
Administrative expenses	2	0	33
<b>Cash flow from operating activities</b>	<b>35</b>	<b>6</b>	<b>153</b>

Impairment of assets comprise impairment of the Soeborg headquarter building. Restructuring costs mainly comprise redundancies in Denmark, China and Czech Republic.

## Note 4

### Acquisition of subsidiaries

On March 11, 2022, NNIT acquired full ownership and control of prime4services GmbH. Prime4services operates solely within the life sciences industry providing supplier-independent consulting and engineering services for digitalization of manufacturing processes, primarily through conception, implementation and validation of Manufacturing Execution Systems (MES): Improving manufacturing excellence through the efficient integration of MES into the existing system landscape is a key focus. With the acquisition, the NNIT Group further solidifies its position within the international life sciences industry. The company employs approximately 60 experts and is headquartered in Karlsruhe, Germany, with subsidiaries in Italy, Spain and Switzerland. In time, prime4services will be fully integrated with NNIT to form a MES Powerhouse, combining the Production IT Excellence capabilities of both companies.

The purchase price was DKK 90 million in up-front cash payment and an earn out in an amount up to DKK 41 million. Payments under the earn out clause are based on achievement of specific targets for the combined business over the next three-year period. The payment under the earn out clause is expected to amount to DKK 35 million corresponding to a present value of DKK 32 million equaling a total consideration of DKK 122 million.

Management has not yet completed the purchase price allocation, and assets and liabilities have therefore been included in the financial reporting for Q1 2022 on a preliminary basis.

The majority of the purchase price is currently allocated to goodwill, DKK 103 million. Goodwill can be attributed to assembled workforce and expected synergies. Goodwill is not deductible for tax purposes.

Remaining part of the preliminary purchase price allocation is dedicated to intangible assets consisting of committed orders with customers and pipeline. Both measured at fair value. The pipeline has been assessed by evaluating the stages of the order pipeline in combination with average expected EBIT margin excluding selling costs. Transaction cost of DKK 1.7 million has been recognized in special items.

### Earnings impact

Revenue and EBITDA comprise DKK 5 million and DKK 1 million, respectively, since the date of acquisition March 11, 2022. On a pro forma basis, if the acquisition had been effective from January 1, 2022, prime4services would have contributed DKK 14 million to revenue and DKK 3 million to EBITDA.

## Note 5

### Related party transactions

DKK million	Q1 2022	Q1 2021	2021
<b>Assets</b>			
Receivables from related parties	121	211	236
Work in progress related parties	84	25	17
<b>Liabilities</b>			
Liabilities to related parties	0	0	0
Prepayments from related parties	23	31	43

## Note 6

### Contingent liabilities and legal proceedings

The group is occasionally involved in legal, customer and tax disputes in certain countries. Such disputes are by nature subject to considerable uncertainty. None of these cases are expected to have a material impact on the financial position of NNIT.

## Note 7

### Currency hedging

NNIT has up until October 2021 entered hedging contracts to hedge the most material foreign currency balances; Chinese yuan, Czech koruna and the Philippine peso. These three currencies were hedged 14 months ahead.

Going forward, currencies are not hedged as the risk has been considered immaterial.

## Note 8

### Sensitivities

Estimated annual impact of NNIT's operating profit of a 10% increase in the outlined currencies against DKK		Prior hedging period (months)
EUR	6	-
CNY	-4	14
CZK	-3	14
PHP	-2	14
USD	2	-
CHF	0	-

### Key currency assumptions

DKK per 100	2020 average exchange rates	2021 average exchange rates	2022 average exchange rates
CNY	94,70	97,55	104,44
EUR	745,43	743,70	744,08
CZK	28,22	29,00	30,21
PHP	13,17	12,76	12,87
CHF	696,32	687,94	717,56
USD	653,36	628,99	663,02

### Currency development

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

NNIT have previously hedged 90% of its net exposure in Chinese yuan (CNY hedged with CNH (CNY offshore)), Philippine peso (PHP) and Czech koruna (CZK) for the coming 14 months. As of October 2021, NNIT does not use hedging as the exchange risk is considered immaterial.