

## Company announcement 11/2016 Søborg/Copenhagen, October 26, 2016

### Financial report for the first nine months of 2016

## **NNIT delivers organic revenue growth of 6.3% and an operating profit margin of 9.8% in the first nine months of 2016.**

### **Performance highlights for the first nine months of 2016**

- Revenue increased by 6.3% to DKK 1,996m in reported currencies and by 6.4% in constant currencies
- Operating profit margin was 9.8% in reported currencies and 9.3% in constant currencies compared with 9.4% in 9M 2015
- Operating profit increased by 11.0% to DKK 196m in reported currencies driven by IT Operation Services
- Net profit decreased by 0.6% to DKK 144m mainly due to loss on currency hedges, a negative value adjustment of the Novo Nordisk shares used to hedge NNIT's long term incentive program before 2015 and an increase in the effective tax rate
- Free cash flow was DKK 118m in line with 2015
- Order backlog for 2016 at the beginning of Q4 2016 increased by DKK 179m to DKK 2,662m which is a growth of 7.2% compared with the order backlog for 2015 at the beginning of Q4 2015
- Outlook for 2016 in constant currencies is maintained with a reduced level of investment:
  - Revenue is forecasted to grow 5-8% in constant currencies, whereas revenue growth in reported currencies is expected to be around 0.1pp lower based on the current exchange rates
  - Operating profit margin is forecasted to be 10-11% in constant currencies, whereas operating profit margin in reported currencies is expected to be around 0.5pp higher based on the current exchange rates
  - The expected level of investments in 2016 is reduced from 6-7% to around 6% of total revenue as investments related to an additional data center will have limited impact on 2016

Per Kogut, CEO at NNIT comments: "The robustness of NNIT's business is confirmed by the results for the first nine month, demonstrating our ability to deliver consistent and profitable organic growth in accordance with our guidance. Continuously growing our business outside the Novo Nordisk Group, we stand prepared to meet our targets of 5-8% growth for this year, and have posted a 10% profit margin for Q3, which is a testament to the steady profitability provided by NNIT's unique operating model."

## Financial Overview

DKK million	Q3 2016 (reported)	Q3 2016 (constant)*	Q3 2015*	Pct./pp Change (reported)	Pct./pp Change (constant)
Revenue	674	675	633	6.6%	6.7%
Gross margin	19.4%	18.8%	20.1%	-0.7pp	-1.3pp
Operating profit	70	66	62	11.9%	5.4%
Operating profit margin	10.3%	9.7%	9.9%	0.5pp	-0.1pp
Net profit	51	n.a.	50	0.9%	n.a.
Investments	42	42	12	239.9%	239.9%
Free cash flow	20	n.a.	81	-75.8%	n.a.

\*Constant currencies measured using average exchange rates for 9M 2015

DKK million	9M 2016 (reported)	9M 2016 (constant)*	9M 2015*	Pct./pp Change (reported)	Pct./pp Change (constant)
Revenue	1,996	1,998	1,877	6.3%	6.4%
Gross margin	19.0%	18.6%	19.1%	-0.1pp	-0.6pp
Operating profit	196	187	177	11.0%	5.7%
Operating profit margin	9.8%	9.3%	9.4%	0.4pp	-0.1pp
Net profit	143	n.a.	144	-0.6%	n.a.
Investments	112	112	106	5.9%	5.9%
Free cash flow	118	n.a.	123	-3.5%	n.a.

\*Constant currencies measured using average exchange rates for 9M 2015

## Guidance 2016

The order backlog for 2016 at the beginning of Q4 2016 increased by DKK 179m to DKK 2,662m which is a growth of 7.2% compared with the order backlog for 2015 at the beginning of Q4 2015. Due to uncertainty regarding Q4 revenue growth guidance of 5-8% in constant currencies is maintained.

The guidance for operating margin is unchanged compared to the guidance given at Q2 2016.

	Guidance for 2016	Guidance at Q2 2016	Long-term targets
<b>Revenue growth</b>			
In constant currencies*	5-8%	5-8%	-
as reported**	Around 0.1pp lower	Around 0.1pp lower	≥ 5%
<b>Operating profit margin</b>			
In constant currencies*	10-11%	10-11%	-
as reported**	Around 0.5pp higher	Around 0.5pp higher	≥ 10%
Investments / Revenue***	Around 6%	6-7%	

\*Constant currencies measured using average exchange rates for 2015

\*\*Based on exchange rates as of October 19, 2016 as illustrated under key currency assumptions on page 23

\*\*\*Investments including new customer and data center investments are in 2016 expected to be around 6 percent of total revenue. As NNIT has decided to build another data center to support growth NNIT expects total additional investments of around DKK 250m in 2016 to 2018

## About NNIT

NNIT A/S is one of Denmark's leading IT service providers and consultancies. NNIT A/S offers a wide range of IT services and solutions to its customers, primarily in the life sciences sector in Denmark and internationally and to customers in the public, enterprise and finance sectors in Denmark. As of September 30, 2016 NNIT A/S had 2,790 employees.

For more information please visit [www.nnit.com](http://www.nnit.com).

## Conference call details

NNIT will host a teleconference October 26, 2016 at 10:30 CET about the financial report for the first nine months of 2016. Please visit the NNIT webpage at [www.nnit.com](http://www.nnit.com) to access the teleconference, which can be found under 'Investors – Downloads'. Presentation material will be available on the website approximately one hour prior to the start of the presentation.

Conference call details

Webcast link: <http://edge.media-server.com/m/p/vs6tu7q6>

Participant telephone

Numbers: Confirmation code 3637205

Participants, Local - Copenhagen, Denmark:	+45 32 71 16 59
Participants, Local - London, United Kingdom:	+44(0) 20 3427 1913
Participants, Local - Frankfurt, Germany:	+49(0) 69 2222 10621
Participants, Local - Stockholm, Sweden:	+46(0) 8 5352 6408
Participants, Local - Paris, France:	+33(0) 1 76 77 22 28

## Financial Calendar 2017

January 24, 2017	Deadline for NNIT shareholders to submit resolutions to be considered by the Annual General Meeting
January 25, 2017	Full year report for 2016
March 8, 2017	Annual General Meeting
May 18, 2017	Interim report for the first three months of 2017
August 16, 2017	Interim report for the first six months of 2017
October 26, 2017	Interim report for the first nine months of 2017

## 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 26-29 in the Annual Report 2015.

## Contacts for further information

*Investor relations:*

Jesper Vesterbæk Wagener  
Head of Investor Relations  
Tel: +45 3075 5392  
[jywa@nnit.com](mailto:jywa@nnit.com)

*Media relations:*

Rikke Dalager  
Head of Communications  
Tel: +45 3077 8080  
[rida@nnit.com](mailto:rida@nnit.com)

## Financial figures and highlights

DKK million, reported currencies	Q3 2016	Q3 2015	9M 2016	9M 2015	9M change	2015
<b>Financial performance</b>						
Revenue						
Life Sciences	386.8	400.1	1,165.9	1,170.3	-0.4%	1,649.7
<i>Hereof Novo Nordisk Group</i>	298.3	319.8	909.7	923.9	-1.5%	1,315.8
<i>Hereof other Life Sciences</i>	88.6	80.3	256.1	246.5	3.9%	334.0
Enterprise	144.7	97.1	375.2	286.8	30.8%	384.7
Public	90.4	89.5	281.8	283.1	-0.4%	375.1
Finance	52.6	46.4	172.9	137.2	26.0%	190.8
Revenue by customer group	674.5	633.0	1,995.7	1,877.4	6.3%	2,600.3
IT Operation Services	447.1	426.3	1,308.0	1,249.7	4.7%	1,740.4
IT Solution Services	227.4	206.7	687.7	627.7	9.6%	859.9
Revenue by business area	674.5	633.0	1,995.7	1,877.4	6.3%	2,600.3
EBITDA	105.2	97.6	302.0	281.0	7.5%	410.3
Depreciations and amortizations	35.4	35.3	106.0	104.4	1.5%	141.2
Operating profit (EBIT)	69.7	62.4	196.1	176.6	11.0%	269.1
Net financials	-2.7	-0.8	-10.5	3.6	-388.7%	3.1
Net profit	50.9	50.5	143.5	144.3	-0.6%	212.4
Investments in tangible and intangible assets	42.4	12.5	112.3	106.0	5.9%	136.0
Total assets	1,285.4	1,264.1	1,285.4	1,264.1	1.7%	1,335.8
Equity	758.1	665.6	758.1	665.6	13.9%	740.8
Dividends paid	48.5	0.0	145.5	83.7	73.8%	83.7
Free cash flow	19.7	81.5	118.3	122.6	-3.5%	210.8
<b>Earnings per share</b>						
Earnings per share (DKK)	2.10	2.08	5.92	5.95	-0.5%	8.76
Diluted earnings per share (DKK)	2.05	2.02	5.76	5.77		8.54
<b>Employees</b>						
Average number of full-time employees	2,728	2,517	2,632	2,480	6.1%	2,494
<b>Financial ratios</b>						
Gross profit margin	19.4%	20.1%	19.0%	19.1%	-0.1pp	19.9%
EBITDA margin	15.6%	15.4%	15.1%	15.0%	0.2pp	15.8%
Operating profit margin	10.3%	9.9%	9.8%	9.4%	0.4pp	10.3%
Effective tax rate	24.0%	18.0%	22.7%	20.0%	2.7pp	22.0%
Investments/Revenue	6.3%	2.0%	5.6%	5.6%	0pp	5.2%
Return on equity <sup>1</sup>	29.7%	33.7%	29.7%	33.7%	-4pp	29.8%
Solvency ratio	59.0%	52.7%	59.0%	52.7%	6.3pp	55.5%
<b>Long-term financial metrics</b>						
Revenue growth	6.6%	7.8%	6.3%	9.0%	-2.7pp	7.9%
Operating profit margin	10.3%	9.9%	9.8%	9.4%	0.4pp	10.3%
Return on invested capital (ROIC) <sup>1, 2</sup>	37.5%	39.7%	37.5%	39.7%	-2.2pp	38.3%
Cash to earnings <sup>1</sup>	95.2%	79.5%	95.2%	79.5%	15.7pp	99.2%
Cash to earnings (three-year average) <sup>1</sup>	n.a.	n.a.	97.9%	71.7%	26.2pp	93.2%
<b>Additional numbers<sup>3</sup></b>						
Order entry backlog for the current year	2,662.3	2,483.2	2,662.3	2,483.2	7.2%	-
Order entry backlog for the following years 2+3 <sup>4</sup>	2,948.4	2,896.1	2,948.4	2,896.1	1.8%	-

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

2) Net profit/Average invested capital.

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

4) Year 2+3 represents 2017 and 2018 in the 2016 column and 2016 and 2017 in the 2015 column etc.

## Highlights

Below are the key highlights for Q3 2016 and the order backlog for 2016 at the beginning of Q4 2016.

### Sales

The order backlog for 2016 at the beginning of Q4 2016 increased by DKK 179m to DKK 2,662m which is a growth of 7.2% compared with the order backlog for 2015 at the beginning of Q4 2015. The increase was primarily due to contract wins with new customers as well as expansion of contracts with existing customers in the enterprise and finance customer groups.

At the beginning of Q4 2016 the order backlog for 2017 and 2018 was 1.8% higher than the order backlog for 2016 and 2017 at the beginning of Q4 2015. The backlog growth is impacted by the expiry of several large outsourcing contracts which have not yet been renegotiated or retendered.

### Key wins in Q3 2016:

- New application outsourcing contract with the Danish Prison and Probation Service representing a medium-size-double-digit DKKm amount over a 2-year-period with an option for a 2-year extension (press release August 30, 2017)
- Extension of contracts with current customers
  - data center services contract with a finance customer representing a medium-size double-digit DKKm amount over a 5-year-period
  - operation outsourcing contract with a life sciences customer representing a medium-size-double-digit DKKm amount over a 5-year period
  - operation outsourcing contract with a public customer representing a small-size-double-digit DKKm amount over a 2-year-period

### Partnerships announced after Q3 2016:

- NNIT has entered into a worldwide partnership with SAP SE, the market leader in enterprise application software, to market leading solutions supporting regulatory compliance for Identification of Medicinal Products (IDMP) within the pharmaceutical industry. (press release October 5, 2017)
- NNIT has entered into a partnership Informatica Inc., a world leading provider of data management solutions, enabling NNIT to offer the accelerated system configurations required for IDMP compliance on Informatica's leading software solutions. (press release October 25, 2017)

The partnerships enable NNIT to market solutions both with SAP and with other platforms such as Informatica to the life sciences industry that allows a manufacturer to attach a unique identification to individual products, thereby providing a best practice solution to a gradually evolving compliance standard globally.

## Performance overview

DKK million (reported currencies)	Q3 2016	Q3 2015	Change (reported)
<b>Revenue</b>	674.5	633.0	6.6%
Cost of goods sold	543.8	505.8	7.5%
<b>Gross profit</b>	<b>130.7</b>	<b>127.2</b>	<b>2.7%</b>
<i>Gross profit margin</i>	19.4%	20.1%	-0.7pp
Sales and marketing costs	31.6	32.3	-2.2%
Administrative expenses	29.4	32.6	-9.8%
<b>Operating profit</b>	<b>69.7</b>	<b>62.4</b>	<b>11.9%</b>
<i>Operating profit margin</i>	10.3%	9.9%	0.5pp
Net financials	-2.7	-0.8	230.7%
<b>Profit before tax</b>	<b>67.0</b>	<b>61.5</b>	<b>8.9%</b>
Tax	16.1	11.0	45.8%
<i>Effective tax rate</i>	24.0%	18.0%	6.1pp
<b>Net profit</b>	<b>50.9</b>	<b>50.5</b>	<b>0.9%</b>

DKK million (reported currencies)	9M 2016	9M 2015	Change (reported)
<b>Revenue</b>	1,995.7	1,877.4	6.3%
Cost of goods sold	1,616.6	1,518.4	6.5%
<b>Gross profit</b>	<b>379.1</b>	<b>358.9</b>	<b>5.6%</b>
<i>Gross profit margin</i>	19.0%	19.1%	-0.1pp
Sales and marketing costs	98.1	94.4	3.9%
Administrative expenses	84.9	87.9	-3.4%
<b>Operating profit</b>	<b>196.1</b>	<b>176.6</b>	<b>11.0%</b>
<i>Operating profit margin</i>	9.8%	9.4%	0.4pp
Net financials	-10.5	3.6	-388.7%
<b>Profit before tax</b>	<b>185.6</b>	<b>180.2</b>	<b>3.0%</b>
Tax	42.1	36.0	17.1%
<i>Effective tax rate</i>	22.7%	20.0%	2.7pp
<b>Net profit</b>	<b>143.5</b>	<b>144.3</b>	<b>-0.6%</b>

Revenue in reported currencies increased by 6.6% in Q3 2016 (6.7% in constant currencies) and 6.3% in 9M 2016 (6.4% in constant currencies). Operating profit margin in reported currencies was 10.3% in Q3 2016 (9.7% in constant currencies) and 9.8% in 9M 2016 (9.3% in constant currencies).

For a detailed performance overview in both reported and constant currencies please see note 7 on page 24. Comparisons in this financial report are hereafter in reported currencies only as NNIT's major currencies have only depreciated a little giving operating profit growth a tailwind of 0.5pp and revenue growth a slight headwind of 0.1pp compared with the same periods last year.

Revenue increased by 6.6% in Q3 2016 and by 6.3% in 9M 2016 compared with the same periods last year. The increase in 9M 2016 was primarily driven by a 31% growth in the enterprise customer group and a 26% growth in the finance customer group. Revenue in life sciences (including the Novo Nordisk Group and other life sciences customers) and the public customer group declined slightly compared with the same periods last year. Revenue in life sciences was impacted by a decline in Novo Nordisk

Group revenue of 6.3% in Q3 while other life sciences customers increased revenue by 10.3% in Q3 after a slow start to the year.

Cost of goods sold increased by 7.5% in Q3 2016 and 6.5% in 9M 2016 compared with the same periods last year. This led to a gross profit margin of 19.4% in Q3 2016 (20.1% in Q3 2015) and 19.0% in 9M 2016 (19.1% in 9M 2015). The increase in cost of goods sold in Q3 was driven by a lower level of higher margin projects. Cost of goods sold in 9M 2016 was negatively impacted by a provision for loss on a project in the public customer group (IT Solution Services), a provision related to a dispute with another customer in the public customer group (IT Operation Services - see note 4) and an increase in costs of hardware for infrastructure projects. The impact is partly offset by cost savings related to the efficiency measures introduced in IT Operation Services last year.

Sales and marketing costs decreased by 2.2% in Q3 2016 mainly due to vacancies whereas costs increased by 3.9% in 9M 2016 primarily due to severance payments in Q1 2016 in connection with the organizational changes announced in the Q4 2015 report.

Administrative expenses decreased by 10% in Q3 primarily due to cost saving initiatives, timing and a high comparison base in Q3 2015 due to one-off costs. 9M 2016 administrative expenses decreased by 3.4% compared with Q3 and 9M 2015 due to the mentioned cost saving initiatives.

Operating profit in Q3 2016 increased by 11.9% to DKK 69.7m corresponding to an operating profit margin of 10.3% compared with 9.9% in Q3 2015. This led to an increase in operating profit of 11.0% in 9M to DKK 196.1m corresponding to an operating profit margin of 9.8% compared with 9.4% in 9M 2015. The increase was positively impacted by currency tailwind, savings on administrative expenses and cost savings related to the efficiency measures introduced in IT Operation Services last year. This impact is partly countered by a provision for loss on a project in the public customer group (IT Solution Services) as well as a reversal of revenue and a provision related to a dispute with another customer in the public customer group (IT Operation Services).

Net financials in Q3 2016 were DKK -2.7m which is a decrease of DKK 1.9m compared with Q3 2015. Net financials decreased by DKK 14.1m in 9M 2016 compared with 9M 2015. Net financials were negatively impacted by a net negative value adjustment of the Novo Nordisk shareholdings and the long-term incentive program from previous years of DKK 3.7m compared with a gain of DKK 3.9m in 9M 2015 and equivalent to a net negative impact of DKK 7.6m, whereas the net impact in Q3 2016 was neutral. Furthermore, net financials were negatively impacted by a loss on cash flow hedges of DKK 5.2m in 9M 2016 compared with a gain of DKK 6.0m in 9M 2015 equivalent to a net negative impact of DKK 11.2m of which DKK 1.9m was in Q3 2016. The impact is partly countered by a lower level of loss on currency exchange and lower bank charges, which in 9M 2015 was impacted by the establishment of a credit facility and costs in relation to becoming a listed company etc. The loss on cash flow hedges in Q3 2016 was due to depreciating currencies whereas operating profits were impacted in the opposite direction by currency changes.

The effective tax rate in Q3 2016 was 24.0% representing an increase of 6.1pp compared with Q3 2015. The effective tax rate in 9M 2016 was 22.7% representing an increase of 2.7pp compared with 9M 2015. The increase is caused by changes in the level of non-taxable adjustments from unrealized losses on Novo Nordisk shares in 2016 compared with gains in 2015.



Net profit in Q3 2016 was DKK 50.9m corresponding to an increase of 0.9% compared with Q3 2015. The increase was positively impacted by the increase in operating profit but countered by the decrease in net financials and higher effective tax rate. Net profit in 9M 2016 was DKK 143.5m corresponding to a decrease of 0.6% compared with 9M 2015 mainly impacted by the decrease in net financials as explained above.

## Revenue

Revenue distribution:

DKKm (reported currencies)	Q3 2016	Q3 2015	Pct Change
Life Sciences	386.8	400.1	-3.3%
<i>Hereof Novo Nordisk Group</i>	298.3	319.8	-6.7%
<i>Hereof other Life Sciences</i>	88.6	80.3	10.3%
Enterprise	144.7	97.1	49.0%
Public	90.4	89.5	1.0%
Finance	52.6	46.4	13.4%
<b>Total</b>	<b>674.5</b>	<b>633.0</b>	<b>6.6%</b>

DKKm (reported currencies)	9M 2016	9M 2015	Pct Change (reported)
Life Sciences	1,165.9	1,170.3	-0.4%
<i>Hereof Novo Nordisk Group</i>	909.7	923.9	-1.5%
<i>Hereof other Life Sciences</i>	256.1	246.5	3.9%
Enterprise	375.2	286.8	30.8%
Public	281.8	283.1	-0.4%
Finance	172.9	137.2	26.0%
<b>Total</b>	<b>1,995.7</b>	<b>1,877.4</b>	<b>6.3%</b>

Revenue growth in Q3 2016 (6.6%) and in 9M 2016 (6.3%) was primarily driven by double digit percentage growth in the enterprise and finance customer groups. 9M 2016 Revenue in life sciences (including the Novo Nordisk Group and other life sciences customers) and the public customer group declined slightly compared with the same periods last year.

The share of NNIT's revenue from customers outside the Novo Nordisk Group reached 54% in 9M 2016 compared with 51% in the same period last year, and is in line with the strategy of becoming less dependent on Novo Nordisk.

Life sciences:

Revenue in Q3 2016 decreased by DKK 13.3m corresponding to a decrease of 3.3% compared with Q3 2015. The decrease was due to a lower level of projects from the Novo Nordisk Group in both business areas. The revenue growth from the non-Novo Nordisk Group life sciences customers was 10.3% in Q3 2016, reflecting that new orders from the previous quarters are now starting to drive life sciences growth outside the Novo Nordisk Group.

Revenue in 9M 2016 decreased by DKK 4.4m corresponding to a decrease of 0.4% compared with 9M 2015. The decrease was driven by a decrease of 1.5% from the Novo Nordisk Group partly countered by a growth of 3.9% from non-Novo Nordisk Group life sciences customers.



**Enterprise:**

Revenue in Q3 2016 increased by DKK 47.6m and DKK 88.4m in 9M 2016 corresponding to an increase of 49% in Q3 2016 and 31% in 9M 2016 compared with the same periods last year. Revenue growth was driven by increased revenue from existing operations customers as well as from new significant customers among others Pandora and Widex.

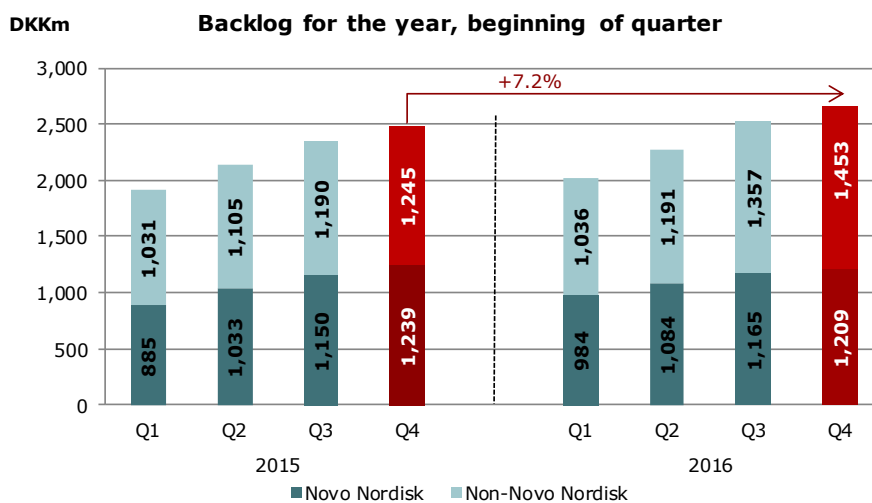
**Public:**

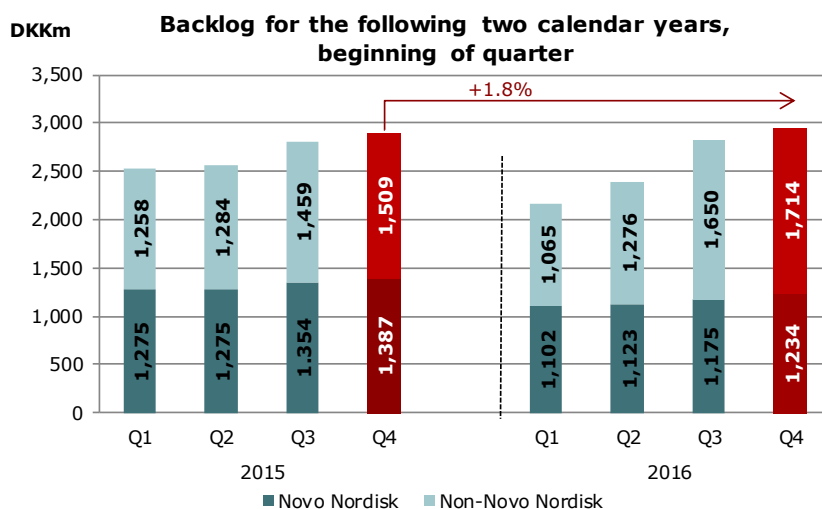
Revenue in Q3 2016 increased by DKK 0.9m and decreased by DKK 1.3m in 9M 2016 corresponding to an increase of 1.0% in Q3 2016 and a decrease of 0.4% in 9M 2016 compared with the same periods last year. This was due to a reversal of revenue related to a dispute with a customer in the public customer group within IT Operation Services and price reductions in some outsourcing contracts which have only partly been offset by increased project activity.

**Finance:**

Revenue in Q3 2016 increased by DKK 6.2m and DKK 35.7m in 9M 2016 corresponding to an increase of 13% in Q3 2016 and 26% in 9M 2016 compared with the same periods last year. The increase in 9M 2016 was due to expansion of several existing customer contracts and contract wins with new customers such as E-nettet and the insurance companies Købstædernes Forsikring and Popermo Forsikring. The data center service contract with Danske Bank will only have limited impact in 2016.

**Order backlog**

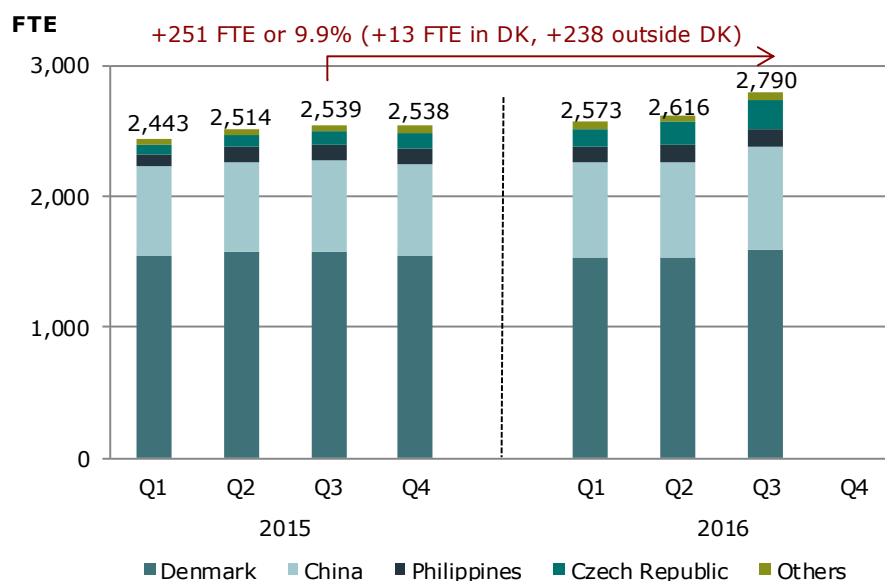




NNIT's order backlog for 2016 at the beginning of Q4 2016 increased by DKK 179m to DKK 2,662m which is a growth of 7.2% compared with the order backlog for 2015 at the same time last year. The increase was primarily due to contract wins with new customers and expansion of contracts with existing customers in the enterprise and finance customer groups while the backlog with the Novo Nordisk Group is 2.4% lower than last year.

NNIT's order backlog for 2017 and 2018 at the beginning of Q4 2016 was 1.8% higher than the backlog for 2016 and 2017 at the same time last year. The backlog increased slightly compared with last year due to the positive impact from the new contract wins. A number of large outsourcing contracts with among others Novo Nordisk, Arla and Vestas have not yet been renegotiated or retendered which partly offsets the positive impact of the new contract wins.

## Employees, end-of-period



At the end of Q3 2016, the number of employees increased by 251 FTE corresponding to 9.9% compared with the same period last year. The large increase in Q3 2016 was

mainly due to the significant contract wins in Q2 2016. The increase was in Czech Republic (117 FTEs), China (89 FTEs) and the Philippines (21 FTEs) in-line with the long-term offshoring strategy. Denmark grew by 13 FTEs and Switzerland, Germany, United Kingdom and United States combined grew by 11 FTEs.

### Balance sheet

Total assets as of September 30, 2016 increased by DKK 21.3m to DKK 1,285.4m compared with DKK 1.264.1m as of September 30, 2015 primarily due to an increase in cash and cash equivalents as well as trade receivables partly countered by a decrease in work in progress and shares.

Cash and cash equivalents as of September 30, 2016 increased by DKK 61.1m to DKK 103.8m compared with September 30, 2015. The increase was due to net profits from operating activities countered by the payment of ordinary dividend for 2015 and interim dividend for 2016 (total payout in 2016 DKK 145.5m).

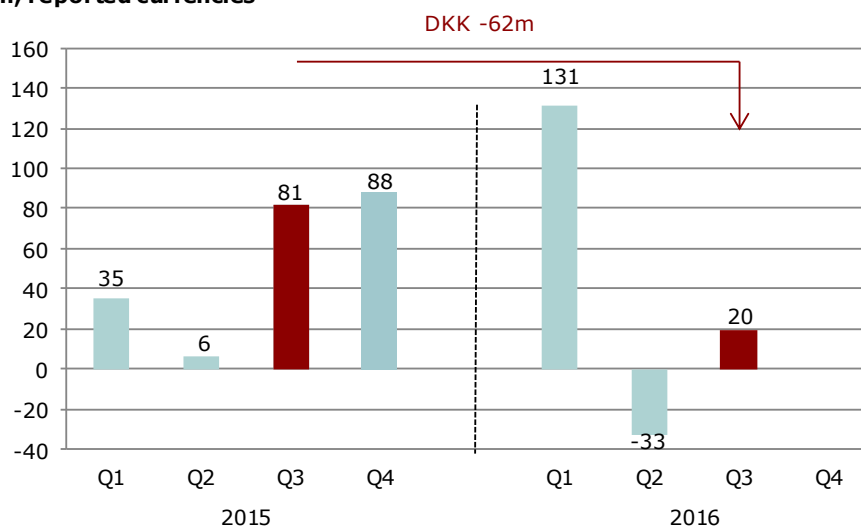
Equity as of September 30, 2016 was DKK 758.1m which was an increase of DKK 92.5m compared with September 30, 2015. The increase in equity mainly relates to net profit for the past 12 months partly countered by payment of ordinary dividend for 2015 and interim dividend for 2016 (total payout in 2016 DKK 145.5m).

### Investments

Investments in Q3 2016 amounted to DKK 42.4m (DKK 112.3m in 9M 2016) compared with DKK 12.5m in Q3 2015 (DKK 106.0m in 9M 2015). The increase in investments was mainly related to timing of hardware purchases in connection with outsourcing contracts. Investments related to building an additional data center are expected to impact 2016 to a limited extend only, whereas the bulk of the investment is expected to be in 2017.

### Free cash flow

DKKm, reported currencies



Free cash flow in Q3 2016 was DKK 19.7m which was DKK 61.8m lower than in Q3 2015 mainly due to an increase in work in progress and trade receivables as well as higher level of investments in Q3 2016 compared with Q3 2015. Free cash flow in 9M 2016 was DKK 118.3m which was DKK 4.3m lower than in 9M 2015. The slightly lower

free cash flow was primarily related to a higher level of interim payment of income taxes in 9M 2016 compared with 9M 2015 partly countered by a higher operating performance.

## Business areas

### IT Operation Services

DKK million (reported currencies)	Q3 2016	Q3 2015	Change
<b>Revenue</b>			
Novo Nordisk Group	203.0	216.0	-6.0%
Non-Novo Nordisk Group	244.1	210.3	16.0%
<b>Total</b>	<b>447.1</b>	<b>426.3</b>	<b>4.9%</b>
Costs	393.9	381.7	3.2%
<b>Operating profit</b>	<b>53.1</b>	<b>44.5</b>	<b>19.3%</b>
<i>Operating profit margin</i>	<i>11.9%</i>	<i>10.4%</i>	<i>1.4pp</i>

DKK million (reported currencies)	9M 2016	9M 2015	Change
<b>Revenue</b>			
Novo Nordisk Group	615.5	619.0	-0.6%
Non-Novo Nordisk Group	692.6	630.7	9.8%
<b>Total</b>	<b>1,308.0</b>	<b>1,249.7</b>	<b>4.7%</b>
Costs	1,168.9	1,137.4	2.8%
<b>Operating profit</b>	<b>139.1</b>	<b>112.3</b>	<b>23.9%</b>
<i>Operating profit margin</i>	<i>10.6%</i>	<i>9.0%</i>	<i>1.7pp</i>

IT Operation Services revenue increased by 4.9% in Q3 2016 and 4.7% in 9M 2016 compared with the same periods last year. The increase was primarily driven by the large outsourcing customers outside the Novo Nordisk Group. Revenue from the Novo Nordisk Group decreased by 6.0% in Q3 2016 compared with Q3 2015 due to higher project activities in 2015 amongst others related to the IT separation of Novo Nordisk and NNIT.

Operating profit in Q3 2016 and 9M 2016 showed a strong growth of 19% and 24%, respectively, representing an operating profit of DKK 53.1m and DKK 139.1m, respectively. Operating profit margin in Q3 2016 was 11.9% corresponding to an increase of 1.4pp compared with Q3 2015 and 10.6% in 9M 2016 compared with 9.0% in 9M 2015. The increase was driven by a positive impact of the cost savings related to the efficiency measures introduced last year combined with stable operations partly countered by a reversal of revenue and a provision related to a dispute with a customer in the public customer group despite stable operational performance.

## IT Solution Services

DKK million (reported currencies)	Q3 2016	Q3 2015	Change
<b>Revenue</b>			
Novo Nordisk Group	95.3	103.8	-8.2%
Non-Novo Nordisk Group	132.1	102.9	28.4%
<b>Total</b>	<b>227.4</b>	<b>206.7</b>	<b>10.0%</b>
Costs	210.8	188.9	11.6%
<b>Operating profit</b>	<b>16.6</b>	<b>17.8</b>	<b>-6.8%</b>
<i>Operating profit margin</i>	<i>7.3%</i>	<i>8.6%</i>	<i>-1.3pp</i>

DKK million (reported currencies)	9M 2016	9M 2015	Change
<b>Revenue</b>			
Novo Nordisk Group	294.3	304.9	-3.5%
Non-Novo Nordisk Group	393.4	322.8	21.9%
<b>Total</b>	<b>687.7</b>	<b>627.7</b>	<b>9.6%</b>
Costs	630.7	563.3	12.0%
<b>Operating profit</b>	<b>57.0</b>	<b>64.3</b>	<b>-11.5%</b>
<i>Operating profit margin</i>	<i>8.3%</i>	<i>10.2%</i>	<i>-2pp</i>

IT Solution Services revenue increased by 10% in Q3 2016 and 9.6% in 9M 2016 compared with the same periods last year. The increase was driven by revenue from customers outside the Novo Nordisk Group increasing 28% in Q3 2016, whereas revenue from the Novo Nordisk Group in Q3 2016 decreased by 8.2% compared with 2015 amongst others due to higher project activities in 2015.

Despite the strong revenue growth operating profit in Q3 2016 decreased by 7% compared with Q3 2015 mainly due to a lower level of higher margin project activities. Operating profit in 9M 2016 decreased by 12% compared with 9M 2015 primarily due a provision for loss on a project in the public customer group and a severance payment in connection with the organizational change in group management as described in the financial report for the first six months of 2016. Operating profit margin in Q3 2016 was 7.3% corresponding to a decrease of 1.3pp compared with Q3 2015 and 8.3% in 9M 2016 compared with 10.2% in 9M 2015, a decrease of 2.0pp due to the above mentioned reasons.

### Events after balance sheet date

There have been no events after the balance sheet date with significant impact on the assessment of NNIT's financial position as of September 30, 2016.

## Outlook for 2016

The order backlog for 2016 at the beginning of Q4 2016 increased by DKK 179m to DKK 2,662m which is a growth of 7.2% compared with the order backlog for 2015 at the beginning of Q4 2015. Due to uncertainty regarding Q4 revenue growth guidance of 5-8% in constant currencies is maintained.

The guidance for operating margin is unchanged compared to the guidance given at Q2 2016.

The expectations are based on a number of important assumptions, including that relevant macroeconomic trends will not significantly change business conditions for NNIT during 2016, that business performance, customer and competitor actions will remain stable and that currency exchange rates, especially the Chinese yuan, Euro, Czech koruna, Philippine peso, US dollar and the Swiss franc, will remain at the current levels versus Danish kroner (as of October 19, 2016). To mitigate volatility in exchange rates NNIT has entered into hedge contracts as illustrated in the notes on page 23 which also shows the sensitivity in operating profit from changes in key currencies.

The current expectations summarized:

	Guidance for 2016	Guidance at Q2 2016	Long-term targets
<b>Revenue growth</b>			
In constant currencies*	<b>5-8%</b>	<b>5-8%</b>	-
as reported**	<b>Around 0.1pp lower</b>	<b>Around 0.1pp lower</b>	<b>≥ 5%</b>
<b>Operating profit margin</b>			
In constant currencies*	<b>10-11%</b>	<b>10-11%</b>	-
as reported**	<b>Around 0.5pp higher</b>	<b>Around 0.5pp higher</b>	<b>≥ 10%</b>
Investments / Revenue***	<b>Around 6%</b>	<b>6-7%</b>	

\*Constant currencies measured using average exchange rates for 2015

\*\*Based on exchange rates as of October 19, 2016 as illustrated under key currency assumptions on page 23

\*\*\* Investments including new customer and data center investments are in 2016 expected to be around 6% percent of total revenue. As NNIT has decided to build another data center to support growth NNIT expects total additional investments of around DKK 250m in 2016 to 2018

## 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 nine months ended September 30, 2016

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 nine months of 2016 with comparative figures for the first nine months of 2015. 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 nine months of 2016 have been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union and accounting policies set out in the annual report for 2015 of NNIT A/S. Furthermore, the interim consolidated financial statement for the first nine months of 2016 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 nine months of 2016 are adequate and give a true and fair view of the Group's assets, liabilities and financial position as at September 30, 2016 and of the results of the Group's operations and cash flow for the nine months ended September 30, 2016. 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 nine months of 2016, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the Annual Report for 2015 of NNIT A/S.

Søborg, October 26, 2016

#### Executive management

Per Kogut  
*CEO*

Carsten Krogsgaard Thomsen  
*CFO*

Jess Julin Ibsen  
*Executive Vice President,  
IT Operations Services*

#### Board of Directors

Jesper Brandgaard  
*Chairman*

Carsten Dilling  
*Deputy Chairman*

Anne Broeng

Eivind Kolding

John Beck

René Stockner

Anders Vidstrup

Alex Steninge Jacobsen



## Consolidated financial statements

### Income statement and Statement of comprehensive income

	Note	Q3 2016 DKK '000	Q3 2015 DKK '000	9M 2016 DKK '000	9M 2015 DKK '000	2015 DKK '000
<b>Income statement</b>						
	1					
Revenue	2	674,456	632,989	1,995,724	1,877,366	2,600,287
Cost of goods sold		543,780	505,796	1,616,633	1,518,428	2,083,027
<b>Gross profit</b>		<b>130,676</b>	<b>127,193</b>	<b>379,091</b>	<b>358,938</b>	<b>517,260</b>
Sales and marketing costs		31,582	32,288	98,106	94,425	129,604
Administrative expenses		29,350	32,551	84,930	87,920	118,551
<b>Operating profit</b>		<b>69,744</b>	<b>62,354</b>	<b>196,055</b>	<b>176,593</b>	<b>269,105</b>
Financial income		5,552	-398	6,631	21,951	28,756
Financial expenses		8,262	421	17,119	18,318	25,628
<b>Profit before income taxes</b>		<b>67,034</b>	<b>61,535</b>	<b>185,567</b>	<b>180,226</b>	<b>272,233</b>
Income taxes		16,110	11,048	42,117	35,964	59,792
<b>Net profit for the period</b>		<b>50,924</b>	<b>50,487</b>	<b>143,450</b>	<b>144,262</b>	<b>212,441</b>

### Earnings per share<sup>1</sup>

	DKK	DKK	DKK	DKK	DKK
Earnings per share	2.10	2.08	5.92	5.95	8.76
Diluted earnings per share	2.05	2.02	5.76	5.77	8.54

### Statement of comprehensive income

	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Net profit for the period</b>	50,924	50,487	143,450	144,262	212,441
Other comprehensive income:					
<i>Items that will not be reclassified subsequently to the Income statement:</i>					
Remeasurement related to pension obligations	-15	791	-1,275	2,373	-293
Tax on other comprehensive income	-913	2,013	-558	4,915	343
<i>Items that will be reclassified subsequently to the Income statement, when specific conditions are met:</i>					
Currency revaluation related to subsidiaries (net)	-346	-701	-2,242	-2,951	2,168
Recycled to financial items	9,040	600	5,114	2,997	3,754
Unrealized value adjustments	-6,782	-4,770	-1,184	-7,212	-7,655
Cash flow hedges	2,258	-4,170	3,930	-4,215	-3,901
Tax on other comprehensive income related to cash flow hedges	419	980	-7	991	916
<b>Other comprehensive income, net of tax</b>	<b>1,403</b>	<b>-1,087</b>	<b>-152</b>	<b>1,113</b>	<b>-767</b>
<b>Total comprehensive income</b>	<b>52,327</b>	<b>49,400</b>	<b>143,298</b>	<b>145,375</b>	<b>211,674</b>

## Balance sheet

### Assets

	Note	Sep 30, 2016 DKK '000	Sep 30, 2015 DKK '000	Dec, 31, 2015 DKK '000
Intangible assets		21,692	29,531	27,571
Tangible assets		409,552	406,920	402,186
Deferred tax		28,446	33,650	43,939
Other financial assets		28,692	28,207	28,313
<b>Total non-current assets</b>		<b>488,382</b>	<b>498,308</b>	<b>502,009</b>
Inventories		2,488	2,221	1,730
Trade receivables	3	432,501	405,524	489,465
Work in progress	3	130,798	164,236	84,443
Other receivables and pre-payments		101,304	82,130	76,771
Tax receivables		3,546	117	0
Shares		21,133	44,173	49,315
Derivative financial instruments		1,389	0	1,022
Cash and cash equivalents		103,827	67,406	131,026
<b>Total current assets</b>		<b>796,986</b>	<b>765,807</b>	<b>833,772</b>
<b>Total assets</b>		<b>1,285,368</b>	<b>1,264,115</b>	<b>1,335,781</b>

### Equity and liabilities

		Sep 30, 2016 DKK '000	Sep 30, 2015 DKK '000	Dec, 31, 2015 DKK '000
Share capital		250,000	250,000	250,000
Treasury shares		-7,500	-7,500	-7,500
Retained earnings		509,164	418,520	395,969
Other reserves		6,472	4,563	5,349
Proposed dividends		0	0	97,000
<b>Total equity</b>		<b>758,136</b>	<b>665,583</b>	<b>740,818</b>
Deferred tax		46	18	46
Employee benefit obligation		29,663	30,680	39,054
Provisions		9,959	7,818	8,339
<b>Total non-current liabilities</b>		<b>39,668</b>	<b>38,516</b>	<b>47,439</b>
Prepayments received	3	64,046	55,990	60,499
Trade payables		57,191	65,065	72,978
Employee cost payable		237,227	241,448	267,518
Bank debt		0	24,640	0
Tax payables		2,855	37,468	11,338
Other current liabilities	3	110,215	107,900	105,738
Derivative financial instruments		1,421	4,014	5,330
Employee benefit obligation		6,546	16,687	18,629
Provisions		8,063	6,804	5,494
<b>Total current liabilities</b>		<b>487,564</b>	<b>560,016</b>	<b>547,524</b>
<b>Total equity and liabilities</b>		<b>1,285,368</b>	<b>1,264,115</b>	<b>1,335,781</b>
Contingent liabilities and legal proceedings	4			
Currency hedging	5			

## Statement of cash flow

	Q3 2016	Q3 2015	9M 2016	9M 2015	2015
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Net profit for the period</b>	<b>50,924</b>	<b>50,487</b>	<b>143,450</b>	<b>144,262</b>	<b>212,441</b>
Reversal of non-cash items	63,111	56,286	176,090	160,062	235,180
Interest received	18	16	51	83	1,015
Interest paid	-815	171	-2,261	-512	-5,711
Income taxes paid	-6,589	-6,508	-36,578	-19,915	-75,767
<b>Cash flow before change in working capital</b>	<b>106,649</b>	<b>100,452</b>	<b>280,752</b>	<b>283,980</b>	<b>367,158</b>
Changes in working capital	-51,465	-7,402	-46,611	-45,188	-14,018
<b>Cash flow from operating activities</b>	<b>55,184</b>	<b>93,050</b>	<b>234,141</b>	<b>238,792</b>	<b>353,140</b>
Purchase of tangible assets	-42,399	-12,472	-112,292	-106,000	-136,041
Sale of tangible assets	0	0	2,236	0	0
Change in trade payables related to investments	6,958	776	-6,125	-4,943	-4,651
Dividends received	230	0	721	671	671
Sale/(purchase) of shares (net)	0	0	0	0	3,573
Payment of deposits	-289	101	-379	-5,939	-5,851
<b>Cash flow from investing activities</b>	<b>-35,500</b>	<b>-11,595</b>	<b>-115,839</b>	<b>-116,211</b>	<b>-142,299</b>
Dividends paid	-48,500	0	-145,500	-83,713	-83,713
Purchase of treasury shares	0	0	0	-93,750	-93,750
<b>Cash flow from financing activities</b>	<b>-48,500</b>	<b>0</b>	<b>-145,500</b>	<b>-177,463</b>	<b>-177,463</b>
<b>Net cash flow</b>	<b>-28,816</b>	<b>81,455</b>	<b>-27,198</b>	<b>-54,882</b>	<b>33,378</b>
Cash and cash equivalents at the beginning of the period	132,644	-38,689	131,026	97,648	97,648
<b>Cash and cash equivalents at the end of the period</b>	<b>103,828</b>	<b>42,766</b>	<b>103,828</b>	<b>42,766</b>	<b>131,026</b>
<b>Additional information<sup>1</sup>:</b>					
Cash and cash equivalents at the end of the period	103,828	42,766	103,828	42,766	131,026
Undrawn committed credit facilities	400,000	375,360	400,000	375,360	400,000
<b>Financial resources at the end of the period</b>	<b>503,828</b>	<b>418,126</b>	<b>503,828</b>	<b>418,126</b>	<b>531,026</b>
Cash flow from operating activities	55,184	93,050	234,141	238,792	353,140
Cash flow from investing activities	-35,500	-11,595	-115,839	-116,211	-142,299
<b>Free cash flow</b>	<b>19,684</b>	<b>81,455</b>	<b>118,302</b>	<b>122,581</b>	<b>210,841</b>

## Statement of changes in equity

DKK '000	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
<b>September 30, 2016</b>									
<b>Balance at the beginning of the period</b>	<b>250,000</b>	<b>-7,500</b>	<b>395,969</b>	<b>5,964</b>	<b>-3,901</b>	<b>3,286</b>	<b>5,349</b>	<b>97,000</b>	<b>740,818</b>
Net profit for the period	0	0	143,450	0	0	0	0	0	143,450
Other comprehensive income for the period	0	0	-1,275	-2,242	3,930	-565	1,123	0	-152
Total comprehensive income for the period	0	0	142,175	-2,242	3,930	-565	1,123	0	143,298
Transactions with owners:									
Purchase of treasury shares	0	0	0	0	0	0	0	0	0
Share-based payments	0	0	19,520	0	0	0	0	0	19,520
Deferred tax on share-based payments	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	-145,500	-145,500
Proposed dividend	0	0	-48,500	0	0	0	0	48,500	0
<b>Balance at the end of the period</b>	<b>250,000</b>	<b>-7,500</b>	<b>509,164</b>	<b>3,722</b>	<b>29</b>	<b>2,721</b>	<b>6,472</b>	<b>0</b>	<b>758,136</b>

DKK '000	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
<b>December 31, 2015</b>									
<b>Balance at the beginning of the period</b>	<b>250,000</b>	<b>0</b>	<b>344,716</b>	<b>3,796</b>	<b>0</b>	<b>2,027</b>	<b>5,823</b>	<b>83,713</b>	<b>684,252</b>
Net profit for the period	0	0	212,441	0	0	0	0	0	212,441
Other comprehensive income for the period	0	0	-293	2,168	-3,901	1,259	-474	0	-767
Total comprehensive income for the period	0	0	212,148	2,168	-3,901	1,259	-474	0	211,674
Transactions with owners:									
Purchase of treasury shares	0	-7,500	-86,250	0	0	0	0	0	-93,750
Share-based payments	0	0	20,290	0	0	0	0	0	20,290
Deferred tax on share-based payments	0	0	2,065	0	0	0	0	0	2,065
Dividends paid	0	0	0	0	0	0	0	-83,713	-83,713
Proposed dividend for 2015	0	0	-97,000	0	0	0	0	97,000	0
<b>Balance at the end of the period</b>	<b>250,000</b>	<b>-7,500</b>	<b>395,969</b>	<b>5,964</b>	<b>-3,901</b>	<b>3,286</b>	<b>5,349</b>	<b>97,000</b>	<b>740,818</b>

DKK '000	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
<b>September 30, 2015</b>									
<b>Balance at the beginning of the period</b>	<b>250,000</b>	<b>0</b>	<b>344,716</b>	<b>3,796</b>	<b>0</b>	<b>2,027</b>	<b>5,823</b>	<b>83,713</b>	<b>684,252</b>
Net profit for the period	0	0	144,262	0	0	0	0	0	144,262
Other comprehensive income for the period	0	0	2,373	-2,951	-4,215	5,906	-1,260	0	1,113
Total comprehensive income for the period	0	0	146,635	-2,951	-4,215	5,906	-1,260	0	145,375
Transactions with owners:									
Purchase of treasury shares	0	-7,500	-86,250	0	0	0	0	0	-93,750
Share-based payments	0	0	13,419	0	0	0	0	0	13,419
Deferred tax on share-based payments	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	-83,713	-83,713
<b>Balance at the end of the period</b>	<b>250,000</b>	<b>-7,500</b>	<b>418,520</b>	<b>845</b>	<b>-4,215</b>	<b>7,933</b>	<b>4,563</b>	<b>0</b>	<b>665,583</b>

## Notes

### Note 1

#### Accounting policies

The consolidated financial statements for the first nine months of 2016 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on the basis of the same accounting policies as were applied in the Annual Report 2015.

The financial reporting including the consolidated financial statements for the first nine months of 2016 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim report of listed companies. See pages 63 to 69 of the Annual Report 2015 for a comprehensive description of the accounting policies applied.

### Note 2

#### Quarterly numbers

DKK '000	2016			2015			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Revenue</b>	<b>674,456</b>	<b>658,647</b>	<b>662,621</b>	<b>722,909</b>	<b>632,988</b>	<b>629,056</b>	<b>615,334</b>
Cost of goods sold	543,780	540,713	532,140	564,588	505,796	518,107	494,536
<b>Gross profit</b>	<b>130,676</b>	<b>117,934</b>	<b>130,481</b>	<b>158,321</b>	<b>127,192</b>	<b>110,949</b>	<b>120,798</b>
Sales and marketing costs	31,582	33,592	32,932	35,178	32,288	32,239	29,899
Administrative expenses	29,350	27,847	27,733	30,630	32,550	27,814	27,556
<b>Operating profit</b>	<b>69,744</b>	<b>56,495</b>	<b>69,816</b>	<b>92,513</b>	<b>62,354</b>	<b>50,896</b>	<b>63,343</b>
Net financials	-2,710	-3,477	-4,301	-505	-819	-5,767	10,219
<b>Profit before income taxes</b>	<b>67,034</b>	<b>53,018</b>	<b>65,515</b>	<b>92,008</b>	<b>61,535</b>	<b>45,129</b>	<b>73,562</b>
Income taxes	16,110	11,763	14,244	23,828	11,048	9,468	15,448
<b>Net profit for the period</b>	<b>50,924</b>	<b>41,255</b>	<b>51,271</b>	<b>68,180</b>	<b>50,487</b>	<b>35,662</b>	<b>58,114</b>

## Segment disclosures

DKK '000	2016			2015			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Revenue by business area</b>							
Operations	447,079	422,336	438,626	490,704	426,268	415,852	407,580
<i>hereof Novo Nordisk Group</i>	203,005	199,843	212,635	270,895	215,950	206,402	196,630
<i>hereof non-Novo Nordisk Group</i>	244,074	222,493	225,991	219,809	210,318	209,450	210,950
Solutions	227,377	236,311	223,995	232,205	206,720	213,204	207,754
<i>hereof Novo Nordisk Group</i>	95,259	100,915	98,076	120,989	103,804	101,141	99,954
<i>hereof non-Novo Nordisk Group</i>	132,118	135,396	125,919	111,216	102,916	112,063	107,800
<b>Total revenue</b>	<b>674,456</b>	<b>658,647</b>	<b>662,621</b>	<b>722,909</b>	<b>632,988</b>	<b>629,056</b>	<b>615,334</b>
<b>Revenue by customer group</b>							
Life Sciences	386,848	386,459	392,550	479,402	400,071	392,108	378,159
<i>hereof Novo Nordisk Group</i>	298,264	300,758	310,711	391,884	319,754	307,543	296,584
Public	90,370	90,768	100,695	92,057	89,485	92,425	101,146
Enterprise	144,661	120,931	109,559	97,903	97,067	99,313	90,386
Finance	52,577	60,489	59,817	53,547	46,365	45,210	45,643
<b>Total revenue</b>	<b>674,456</b>	<b>658,647</b>	<b>662,621</b>	<b>722,909</b>	<b>632,988</b>	<b>629,056</b>	<b>615,334</b>
<b>Operating profit by business area</b>							
Operations	53,137	32,999	52,968	59,968	44,531	27,428	40,304
Solutions	16,607	23,496	16,848	32,545	17,823	23,468	23,038
<b>Total operating profit</b>	<b>69,744</b>	<b>56,495</b>	<b>69,816</b>	<b>92,513</b>	<b>62,354</b>	<b>50,896</b>	<b>63,342</b>
<b>Amortization, depreciation and impairment losses</b>							
Operations	34,689	34,374	34,758	36,413	34,611	34,122	33,737
Solutions	737	721	679	411	654	621	648
<b>Total amortization, depreciation and impairment losses</b>	<b>35,426</b>	<b>35,095</b>	<b>35,437</b>	<b>36,824</b>	<b>35,265</b>	<b>34,744</b>	<b>34,385</b>

The Danish operations generated 95.1% of NNIT's revenue in 9M 2016 and 95.2% in 9M 2015 based on the location of customer purchase orders. As a consequence of the predominantly Danish revenue, we will not disclose a geographical revenue split.

### Note 3

#### Related party transactions

DKK'000	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
<b>Assets</b>			
Receivables from related parties	173,136	178,286	241,814
Work in progress related parties	22,814	45,889	18,829
<b>Liabilities</b>			
Liabilities to related parties	3,174	1,263	8,535
Prepayments from related parties	17,048	5,667	20,514

### Note 4

#### Contingent liabilities and legal proceeding

##### Contingent liabilities

Despite stable operational performance NNIT has become involved in a dispute with a customer in the public customer group regarding IT Operation Services. NNIT has reversed revenue and made a provision in line with our best estimate of the outcome of the dispute. NNIT cannot at this early stage reliably predict the timeframe of the dispute.

##### Legal proceeding

NNIT is currently involved in a legal dispute with a customer in our public customer group regarding the delivery of a supply and logistics IT system. The parties disagree as to which party is responsible for the delay. In April 2014, the customer terminated the agreement, alleging material breach as a particular delivery milestone was delayed and

claiming that the solution was defective. NNIT disagrees with the basis for the customer's termination of the contract and believes they were not entitled to do so under the terms of the contract. In June 2014, the customer initiated arbitration proceedings in Copenhagen, Denmark. The arbitration dispute in question is still in its preparatory stages and therefore NNIT cannot reliably predict the potential outcome of the arbitration dispute and/or the time frame for the resolution of the arbitration dispute.

NNIT estimates that in the event that the arbitration award is granted entirely in favor of the counterparty, it would reduce NNIT's operating profit by approximately DKK 87m (a cash outflow of DKK 74m) plus costs of arbitration incurred and/or interest.

In the event that the arbitration award is granted entirely in NNIT's favor based on the revised pleadings, NNIT estimates that this would increase the operating profit by approximately DKK 54.9m (a cash inflow of DKK 68m), excluding any costs of arbitration incurred and/or interest awarded to NNIT. NNIT currently expects a final ruling by the arbitration tribunal earliest in the first half of 2017.

## **Note 5**

### *Currency hedging*

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

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

At present, NNIT's revenue in these countries is not sufficiently large to balance these currency risks. To manage the foreign exchange rate risks, NNIT has entered into derivative financial instruments with a number of external banks to hedge up to 90% of the major foreign currency net exposure in Chinese yuan (CNY hedged via CNH) and Czech Koruna for the coming 14 months. From April 2016 the proxy hedging of PHP via USD was terminated since the PHP and the USD exposure together is limited. NNIT uses forward exchange contracts to hedge forecasted cash outflows. None of the derivative financial instruments are held for trading. NNIT does not hedge assets and liabilities in foreign currencies as the risk is considered to be limited.

Cumulative profit on derivative financial instruments regarding future cash flow per September 30, 2016 is recognized in Equity (Other comprehensive income) with an amount of DKK 0.03m before tax (DKK 0.02m after tax).



## Note 6

### Currency sensitivity and development

#### Currency sensitivities

	Estimated annual impact on NNIT's operating profit of a 10% increase in the outlined currencies against DKK*	Hedging period (months)
CNY	DKK -17 million	14
EUR	DKK 18 million	-
CZK	DKK -7 million	14
PHP	DKK -3 million	-
CHF	DKK -2 million	-
USD	DKK -2 million	-

Hedging gains and losses do not impact operating profit as they are recognized under net financials. For further details on hedging, please see note 5 on page 22.

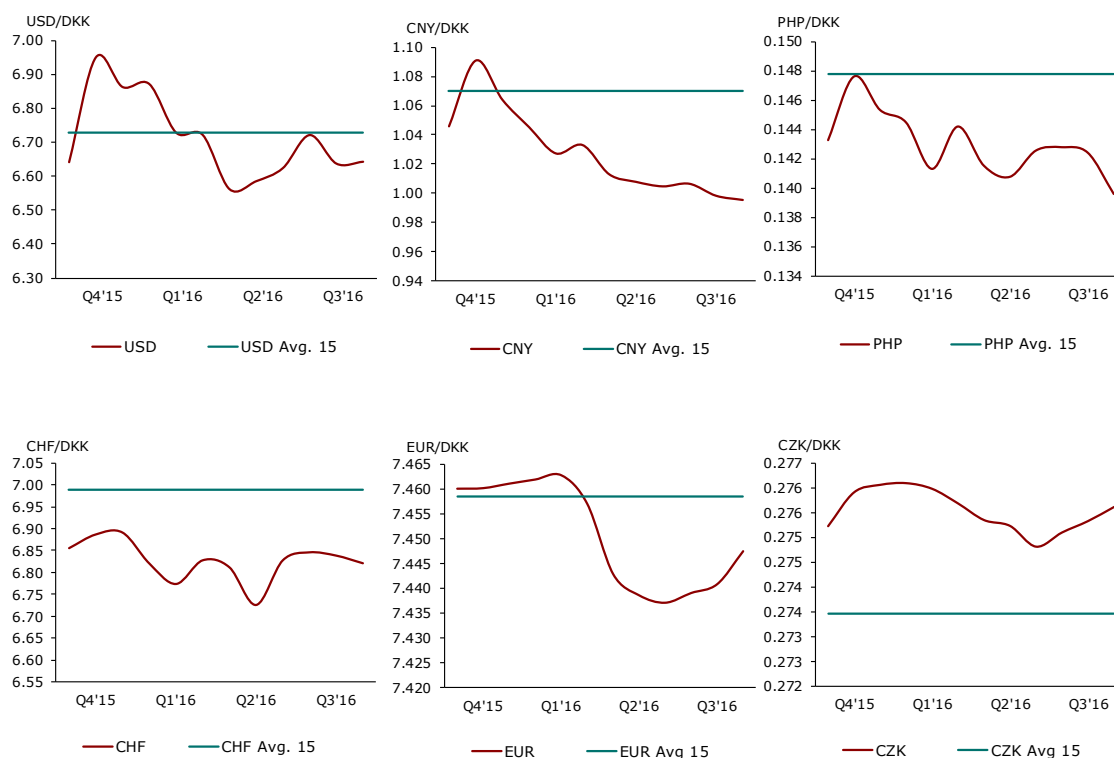
\* The above sensitivities address hypothetical situations and are provided for illustrative purposes only. The sensitivities assume our business develops consistent with our current 2016 business plan.

#### Key currency assumptions

DKK per 100	2014 average exchange rates	2015 average exchange rates	YTD 2016 average exchange rates at October 19, 2016	Current exchange rates at October 19, 2016
CNY	91.24	107.04	101.32	100.60
EUR	745.47	745.86	744.70	744.09
CZK	27.07	27.35	27.55	27.54
PHP	12.65	14.77	14.19	14.12
CHF	613.78	698.88	681.17	685.54
USD	561.90	672.69	667.84	677.74

#### Currency development

NNIT has a net cost exposure in the Chinese yuan, the Philippine peso and the Swiss franc and therefore the depreciating of these currencies versus Danish kroner in 2016 had a positive impact on reported operating profit.



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

## Note 7

Performance in constant and reported currencies

### Performance overview

DKK million (reported currencies)	Q3 2016	Q3 2016 (constant*)	Q3 2015	Change (reported)	Change (constant)
<b>Revenue</b>	674.5	675.3	633.0	6.6%	6.7%
Cost of goods sold	543.8	548.2	505.8	7.5%	8.4%
<b>Gross profit</b>	<b>130.7</b>	<b>127.1</b>	<b>127.2</b>	<b>2.7%</b>	<b>-0.1%</b>
<i>Gross profit margin</i>	<i>19.4%</i>	<i>18.8%</i>	<i>20.1%</i>	<i>-0.7pp</i>	<i>-1.3pp</i>
Sales and marketing costs	31.6	31.8	32.3	-2.2%	-1.6%
Administrative expenses	29.4	29.6	32.6	-9.8%	-9.1%
<b>Operating profit</b>	<b>69.7</b>	<b>65.7</b>	<b>62.4</b>	<b>11.9%</b>	<b>5.4%</b>
<i>Operating profit margin</i>	<i>10.3%</i>	<i>9.7%</i>	<i>9.9%</i>	<i>0.5pp</i>	<i>-0.1pp</i>
Net financials	-2.7	n.a.	-0.8	230.7%	n.a.
<b>Profit before tax</b>	<b>67.0</b>	<b>n.a.</b>	<b>61.5</b>	<b>8.9%</b>	<b>n.a.</b>
Tax	16.1	n.a.	11.0	45.8%	n.a.
<i>Effective tax rate</i>	<i>24.0%</i>	<i>n.a.</i>	<i>18.0%</i>	<i>6.1pp</i>	<i>n.a.</i>
<b>Net profit</b>	<b>50.9</b>	<b>n.a.</b>	<b>50.5</b>	<b>0.9%</b>	<b>n.a.</b>

DKK million (reported currencies)	9M 2016	9M 2016 (constant*)	9M 2015	Change (reported)	Change (constant)
<b>Revenue</b>	1,995.7	1,998.0	1,877.4	6.3%	6.4%
Cost of goods sold	1,616.6	1,627.2	1,518.4	6.5%	7.2%
<b>Gross profit</b>	<b>379.1</b>	<b>370.8</b>	<b>358.9</b>	<b>5.6%</b>	<b>3.3%</b>
<i>Gross profit margin</i>	<i>19.0%</i>	<i>18.6%</i>	<i>19.1%</i>	<i>-0.1pp</i>	<i>-0.6pp</i>
Sales and marketing costs	98.1	98.6	94.4	3.9%	4.4%
Administrative expenses	84.9	85.6	87.9	-3.4%	-2.6%
<b>Operating profit</b>	<b>196.1</b>	<b>186.6</b>	<b>176.6</b>	<b>11.0%</b>	<b>5.7%</b>
<i>Operating profit margin</i>	<i>9.8%</i>	<i>9.3%</i>	<i>9.4%</i>	<i>0.4pp</i>	<i>-0.1pp</i>
Net financials	-10.5	n.a.	3.6	-388.7%	n.a.
<b>Profit before tax</b>	<b>185.6</b>	<b>n.a.</b>	<b>180.2</b>	<b>3.0%</b>	<b>n.a.</b>
Tax	42.1	n.a.	36.0	17.1%	n.a.
<i>Effective tax rate</i>	<i>22.7%</i>	<i>n.a.</i>	<i>20.0%</i>	<i>2.7pp</i>	<i>n.a.</i>
<b>Net profit</b>	<b>143.5</b>	<b>n.a.</b>	<b>144.3</b>	<b>-0.6%</b>	<b>n.a.</b>

\* Constant currencies measured using average exchange rates for 9M 2015.

**Revenue distribution**

DKKm (reported currencies)	Q3 2016	Q3 2016 (constant*)	Q3 2015	Pct Change (reported)	Pct Change (constant)
Life Sciences	386.8	387.5	400.1	-3.3%	-3.1%
<i>Hereof Novo Nordisk Group</i>	298.3	298.6	319.8	-6.7%	-6.6%
<i>Hereof other Life Sciences</i>	88.6	88.9	80.3	10.3%	10.7%
Enterprise	144.7	144.8	97.1	49.0%	49.2%
Public	90.4	90.4	89.5	1.0%	1.0%
Finance	52.6	52.6	46.4	13.4%	13.4%
<b>Total</b>	<b>674.5</b>	<b>675.3</b>	<b>633.0</b>	<b>6.6%</b>	<b>6.7%</b>

DKKm (reported currencies)	9M 2016	9M 2016 (constant*)	9M 2015	Pct Change (reported)	Pct Change (constant)
Life Sciences	1,165.9	1,167.7	1,170.3	-0.4%	-0.2%
<i>Hereof Novo Nordisk Group</i>	909.7	910.7	923.9	-1.5%	-1.4%
<i>Hereof other Life Sciences</i>	256.1	257.1	246.5	3.9%	4.3%
Enterprise	375.2	375.5	286.8	30.8%	31.0%
Public	281.8	281.8	283.1	-0.4%	-0.4%
Finance	172.9	172.9	137.2	26.0%	26.0%
<b>Total</b>	<b>1,995.7</b>	<b>1,998.0</b>	<b>1,877.4</b>	<b>6.3%</b>	<b>6.4%</b>

\*Constant currencies measured using average exchange rates for 9M 2015.