

An aerial view of a city skyline at dusk. The sky is a mix of purple, blue, and orange. On the left, a large, ornate dome with a cross on top is visible. The city below is filled with buildings, many with red-tiled roofs. A tall, modern building is prominent in the middle ground. The overall scene is a panoramic view of a city at twilight.

AGM 2020

NETCOMPANY AGM 2020

netcompany

Welcome to Netcompany's Annual General Meeting

Welcome

2019 has been an exciting year and the first full year as a listed company.



Share price increased by **44.1%** during 2019



At 31 December 2019, Netcompany had more than **4,300** registered shareholders



Approximately **35%** of the share capital was held or managed by the 5 largest shareholders



Approximately **58%** of the registered share capital was held by shareholders outside Denmark



Investor Relations

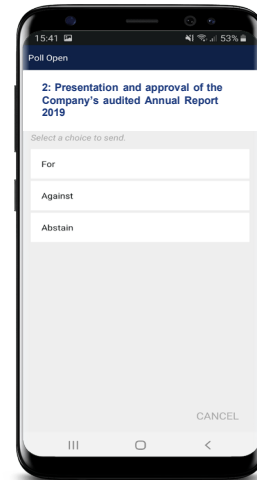
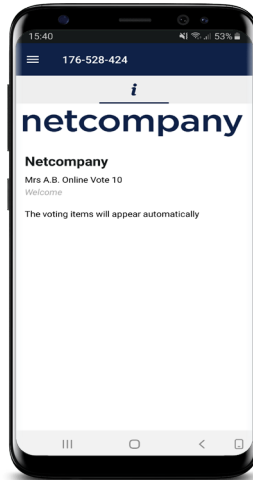
Netcompany seeks full transparency and open dialogue with all investors and analysts

Ensuring equal, timely and adequate information for all investors

Mobile voting

Instructions

1. Open browser, visit <https://get.lumiagm.com> and select your preference.
2. Enter the 9-digit meeting ID.
3. Enter your username and password.
4. When voting starts, the available choices will appear automatically.



Agenda of today

- 1 The Board of Directors' report on the Company's activities in the past financial year.
- 2 Presentation and approval of the Company's audited Annual Report 2019.
- 3 A resolution on the distribution of profit in accordance with the adopted Annual Report.
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LOCATIONS AND EMPLOYEES

Netcompany is the fastest growing and most successful IT services company in the Nordics, aiming to become a Northern European market leader.

We are committed to lead the way showing how digital transformation can create strong, sustainable societies, successful companies and better lives for all of us.

Netcompany was founded in 2000.

2.45 bn **~20%**

Revenue (DKK) in 2019

Average revenue growth for +10 years

6

Countries of operation

~2500

No. of employees end 2019



Financial highlights



~2,500

Employees at year-end



19.5%
Revenue
Growth



25.2%

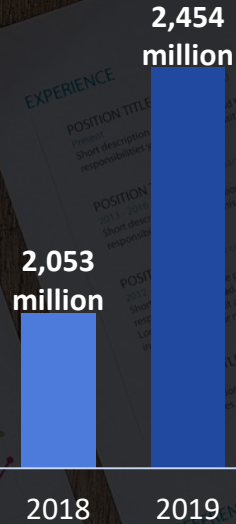
Adjusted
EBITA margin



93.2%

Cash
Conversion

Revenue in DKK



“
We help our
customers
become future
digital winners

Cases: New contracts - public



Description

Digital Post is a new platform that will deliver public mails to citizens and businesses in Denmark digitally

A case handling system for social vulnerable citizens in the municipality of Copenhagen

A welfare system that helps the municipalities in Denmark secure and grant supplements to the citizens pensions

A case handling system for handling work accidents, work injuries and compensations

A new platform to support the Danish Police for local and national operational dispatches

Cases: New contracts - private



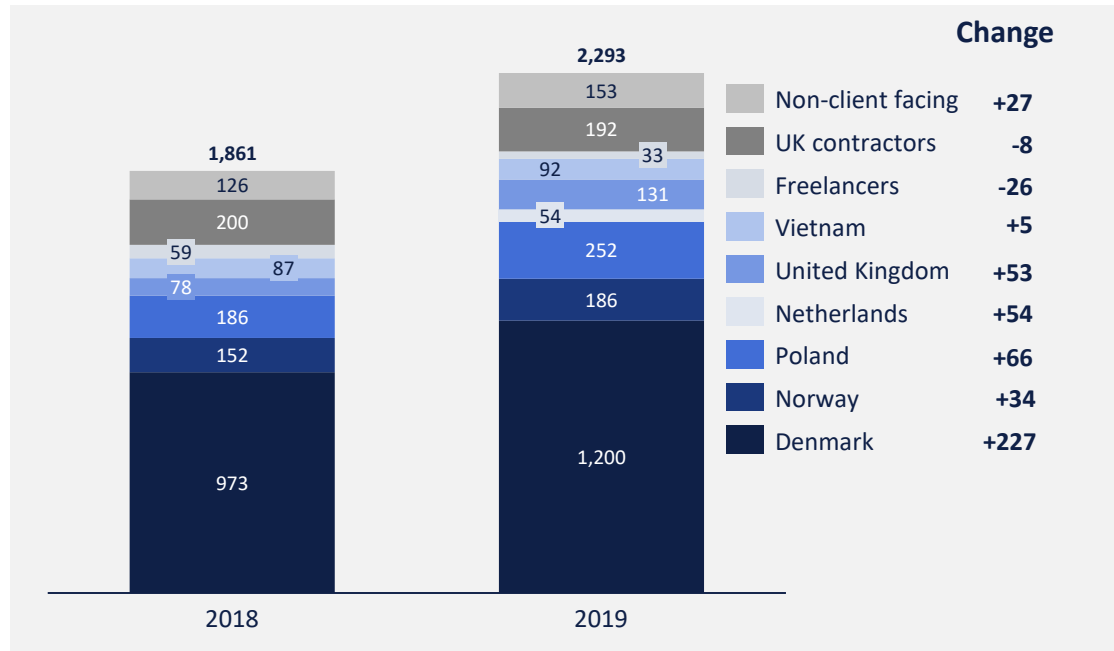
Description

A platform to support the UK's Gas and Electricity Regulator – Ofgem's switching programme, which aims to allow end users to switch provider more smoothly via implementation of a fully digital platform

New customer engagement and core insurance platform that will enable TopDanmark to continue as an efficient growth business

Employee development

#FTEs increased to 2,293



Average employee age mid 30



Average number of FTEs in Q4 2019 was 2,468



Non-client facing proportion at level with 2019 around 6.5%



Netcompany holds a leading position in job satisfaction within the IT industry

Status on acquisitions

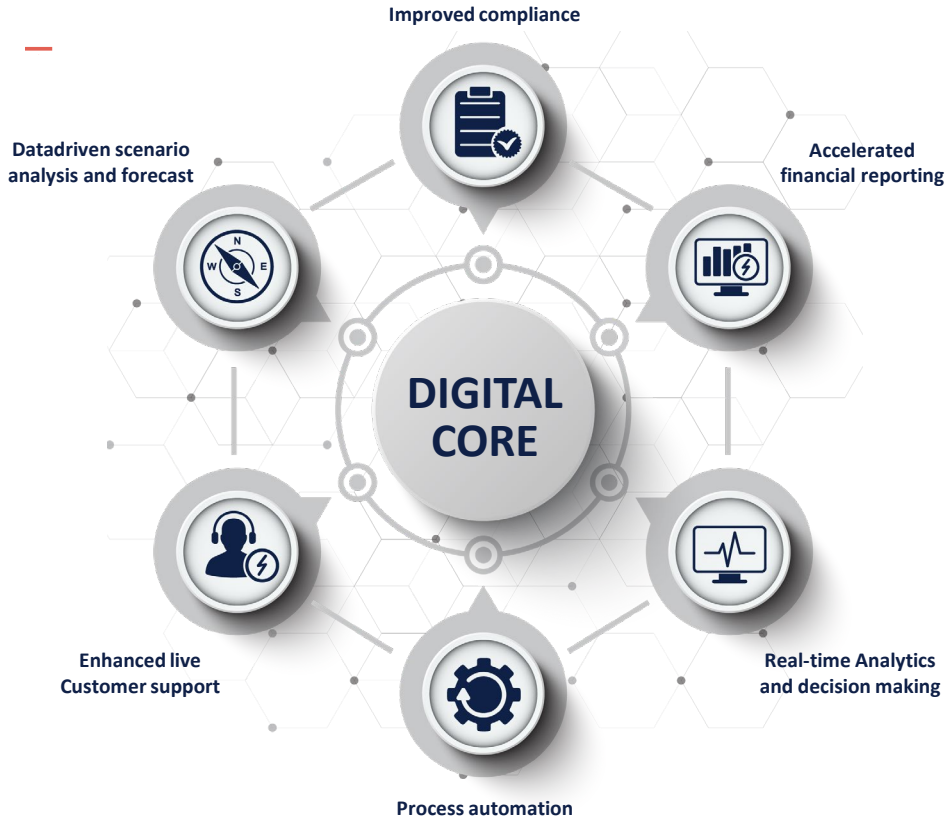
Norway	UK	Netherlands
Revenue growth >18%*	Revenue growth >16%*	Integration plan ahead of track
EBITA DKK 32.1m*	EBITA DKK 47.2m*	Hiring out of the university in Delft
Strong pipeline	Focus on converting independent contractors to perms	Focus on delivering current large-scale projects
Senior competencies added to the partner group	Expecting increasing margins in 2020	Expecting increasing margins in 2020
Expecting increasing margins in 2020	Still 3 years to go in the integration plan	Interesting pipeline

* Constant currencies (2018 rate)

TECHNOLOGY IS CHANGING THE GAME

Businesses and industries are searching for growth and differentiation by using **digitalisation as a key driver.**

” *Digital transformation is fundamentally changing societies, businesses and the way we live our lives. As a trusted strategic partner, we help businesses and societies succeed in this transformation and ensure that we build the framework for a sustainable future and success in a digital world.*

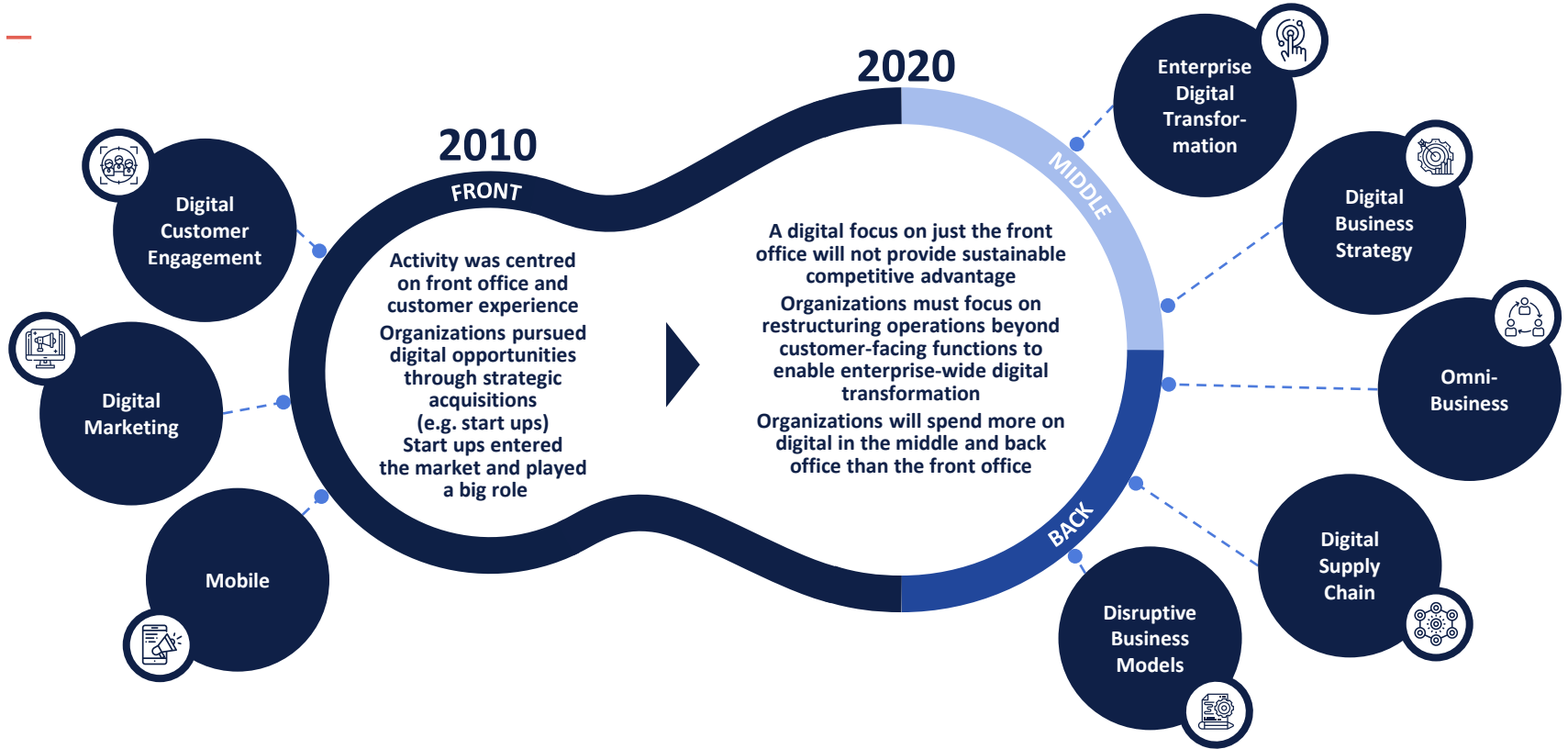


DIGITALISING THE CORE OF BUSINESS

Unleashing the digital potential in the heart of the business operations

1st Transformation Wave

2nd Transformation Wave





REINVENTING IT DELIVERY

Netcompany leads the way in the next generation of IT consulting, with focus on **Customer Value, Speed and Guaranteed Delivery**.

We build IT solutions through **agile** delivery methods with **speed to market**.

Our solutions are based on **modern legacy free technology** and industry standards.

We build **scalable, robust** solutions that will **adapt** to changing business needs and are **fully anchored** in the organisation.



THE RIGHT PEOPLE BUILD THE RIGHT SOLUTIONS

Only the right talented people can apply the opportunities technology gives us.

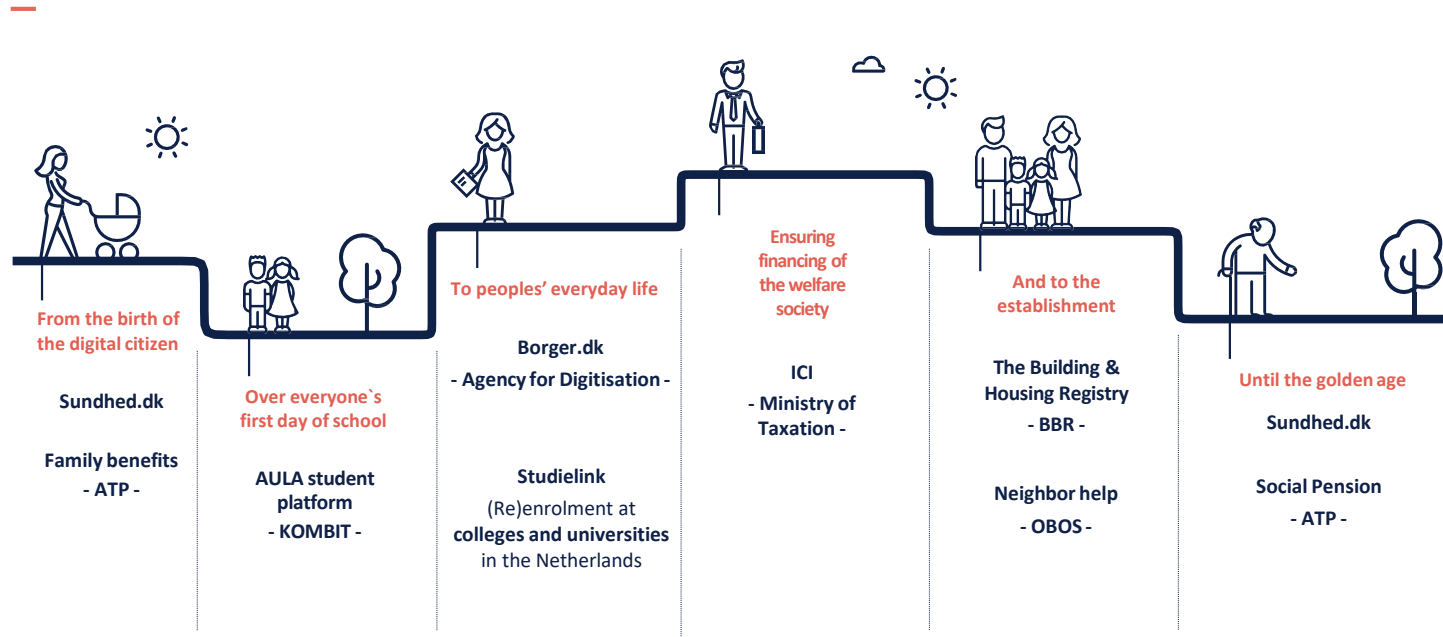
Netcompany invests in talent like no one else. Our success is driven by unique talent.

With our true desire to explore the means of technology we build IT solutions that are user-friendly and centered around user needs.

At Netcompany we have passion, ambition and focus on deliveries that meet our clients' needs.

We provide the best team and will always remain fully dedicated to our delivery responsibilities - on time, within scope and top quality.

OUR SOLUTIONS HELP CITIZENS THROUGHOUT THEIR LIFE JOURNEY








ONGOING SUSTAINABLE GROWTH AND INTERNATIONALISATION

Well positioned to continue our growth in Northern Europe, **we aim to be the leading digital challenger in Northern Europe.** The ongoing integration and transformation of our acquisitions in Norway, the Netherlands and in the UK, make us believe, that **we have every opportunity to achieve our goal.**



Performance against guidance for 2019

		Original guidance	Guidance Q2	Guidance Q3	Actual performance
	Reported revenue growth	N/A	20.75-23.25%	~20%	✓ 19.5%
	• Of which organic revenue growth	20-25%	20-22%	~18.25%	✓ 17.7%
	• Of which impact from non-organic revenue growth	N/A	0.75-1.25%	~1.75%	✓ 1.82%
	Adjusted EBITA margin – from organic revenue	~26%	~26%	~26%	✓ 25.9%
	Adjusted EBITA margin	N/A	~25.7%	~25.4%	✓ 25.2%

Income statement

DKK million	2019	2018	% change
Income statement			
Revenue	2,453.9	2,053.2	19.5%
Cost of services	-1,458.1	-1,236.7	17.9%
Gross profit	995.8	816.5	22.0%
Sales and marketing costs	-11.7	-11.9	-1.1%
Administrative costs	-366.7	-290.4	26.2%
Special items	-4.4	-34.5	-87.2%
EBITA	613.0	479.7	27.8%
Amortisation	-101.7	-115.4	-11.9%
Operating profit (EBIT)	511.3	364.3	40.3%
Financial income	39.9	22.3	79.5%
Financial expenses	-54.0	-130.9	-58.8%
Profit before tax	497.3	255.7	94.5%
Tax on the profit for the period	-108.8	-74.5	46.1%
Net profit for the period	388.5	181.2	114.4%

Comments



Revenue growth of 19.5% of which 1.8pp from non-organic from the Netherlands

Excluding impact for the Dutch operation admin costs grew by 21%

Adjusted EBITA margin 25.2% - dilutive impact from the Netherlands of 0.7pp

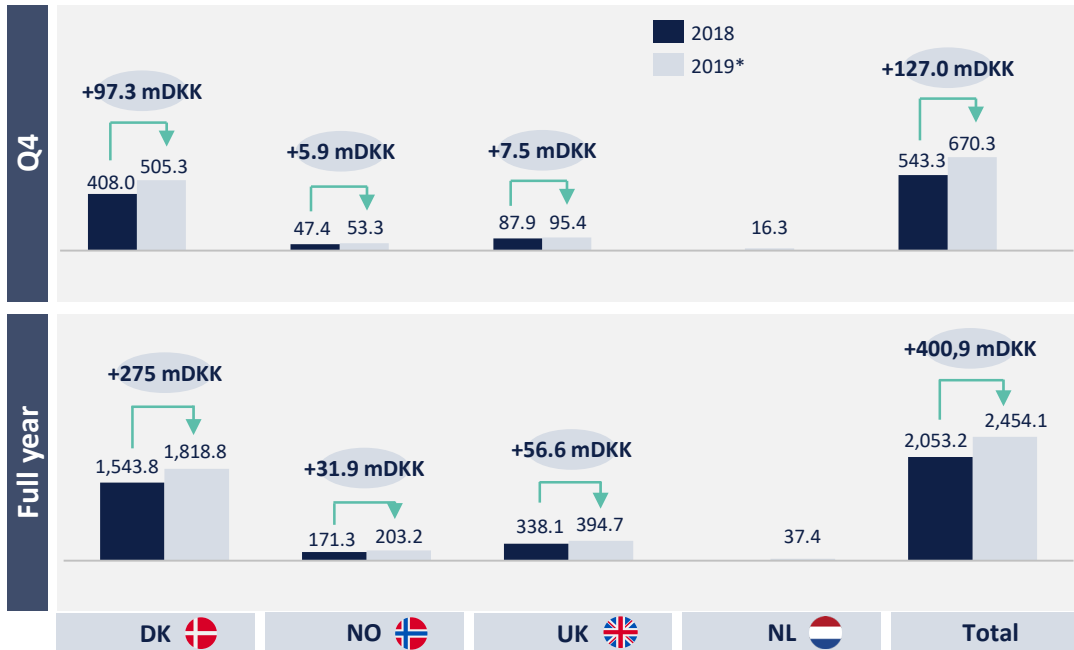
Decreased amortisation as some of the intangible assets in relation to FSN Capital acquiring Netcompany now being fully amortised

Interest rates significantly reduced and positive FX impact on loan taking in British pounds, which increased financial income and decreased other comprehensive income

Effective tax rate reduced in 2019

Revenue

Revenue in contract markets, DKK million



Comments



Activity in the Danish operation picked up in Q4 - realising a revenue growth of more than 23% compared to the same period last year

UK revenue growth up by 8.5% in Q4 2019 despite the deliberate choice to decrease in the FTE base by 20 FTEs (contactors) compared to the same period last year

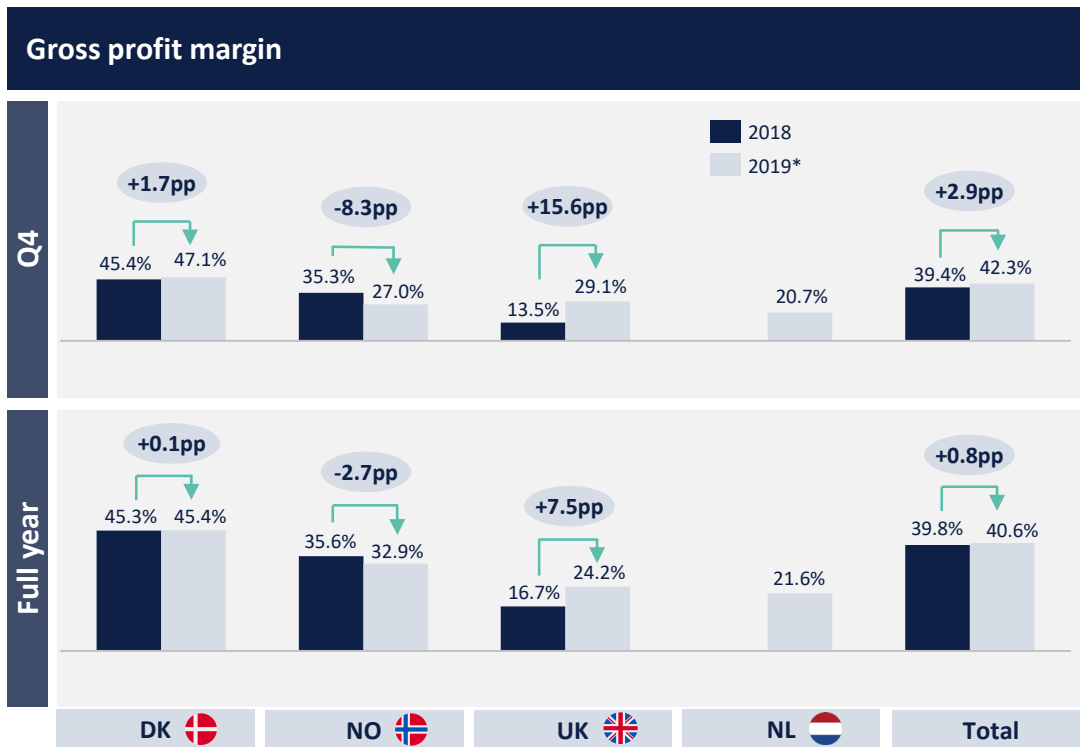
UK revenue growth up by more than 16.5% on an FTE base that only increased ~3%

Norway shows a strong pipeline for 2020 – increased FTEs by more than 26% compared to the same period last year

Full year growth of around 20% - strong pipeline for 2020

* Constant currencies (2018 rate)

Gross profit margin



Comments



Gross margin at 42.3% against 39.4% in Q4 2018 – DK and UK having a positive impact on margins

Significant margin pick up in the UK – driven by terminating independent contractors as well as having more large-scale output-based projects

Strong performance in DK – lower margin in NO explained by high increase in FTE's which lowered utilisation

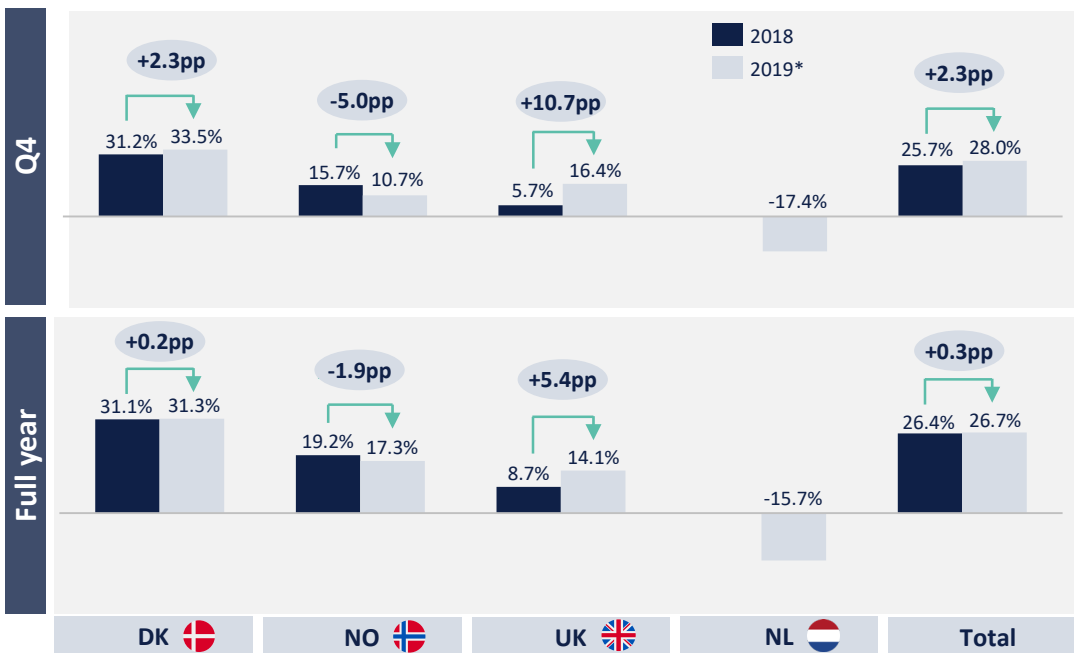
Full year Gross margin dilution related to the inclusion of the Netherlands

Gross margin up by 1.1pp in 2019 – when adjusting the non-organic business operation

* Constant currencies (2018 rate)

Adjusted EBITA

Adjusted EBITA margin (before allocated cost from HQ)



* Constant currencies (2018 rate)

Comments



Higher margin in DK driven by more projects in maintenance

Margin pick up in UK – driven by more output-based projects and terminating independent contractors

Margin in NO impacted by high intake of new employees – leading to lower utilisation

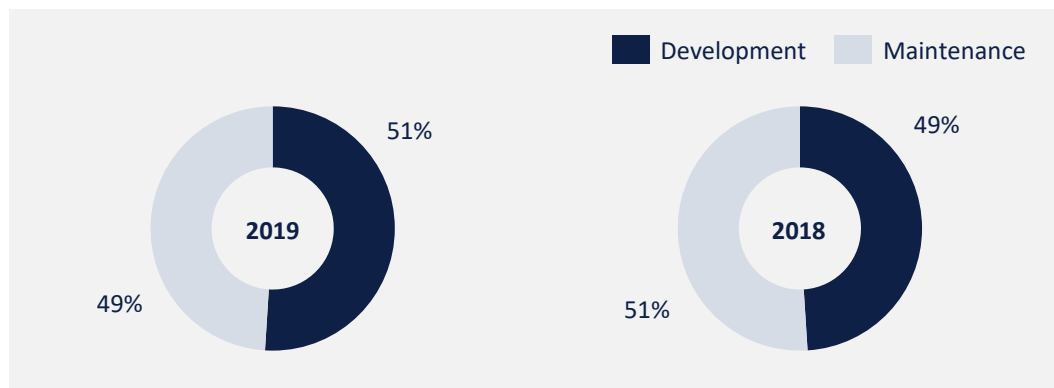
Margin increased by 0.3pp despite the negative impact from NL

Margin on the organic part of the business increased by 1.0pp

Revenue types

Revenue, DKK million	Public	Private	Total	Growth	Non-organic growth contribution (NL)
Development	737.8	520.0	1,257.7	25.1%	29.5
Maintenance	717.8	478.4	1,196.1	14.2%	7.9

Revenue Split



Comments



Relatively stable split between development and maintenance

Margins slightly lower – all other things equal – in development

Target split remains around 50/50 – will fluctuate between quarters

Cashflow

DKK million	Q4 2019	Q4 2018	2019	2018
Operating profit (EBIT)	154.4	101.8	511.3	364.3
Depreciation and amortisation	41.4	38.1	158.0	155.7
Non-cash	7.2	-2.4	19.2	0.2
Working capital changes	-26.6	22.1	-86.7	-132.6
Free cash flow	116.8	22.8	435.8	163.6
Cash flow from operating activities	126.0	31.6	460.3	186.4
Cash flow from investment activities	-9.7	-9.0	-64.8	-27.2
Cash flow from financing activities	-161.0	-128.2	-363.4	-244.6
Net increase in cash and cash equivalents	-44.7	-105.6	32.1	-85.3
Cash and cash equivalents at the beginning	176.6	215.9	107.6	194.5
Cash and cash equivalents balances acquired	0.0	0.0	-8.5	0.0
Effect of exchange rate changes on the balance cash held in foreign currencies	0.4	-2.6	1.1	-1.5
Cash and cash equivalents at the end	132.4	107.7	132.4	107.7

Comments



Free cash flow improved from DKK 163.6m to DKK 435.8m in 2019

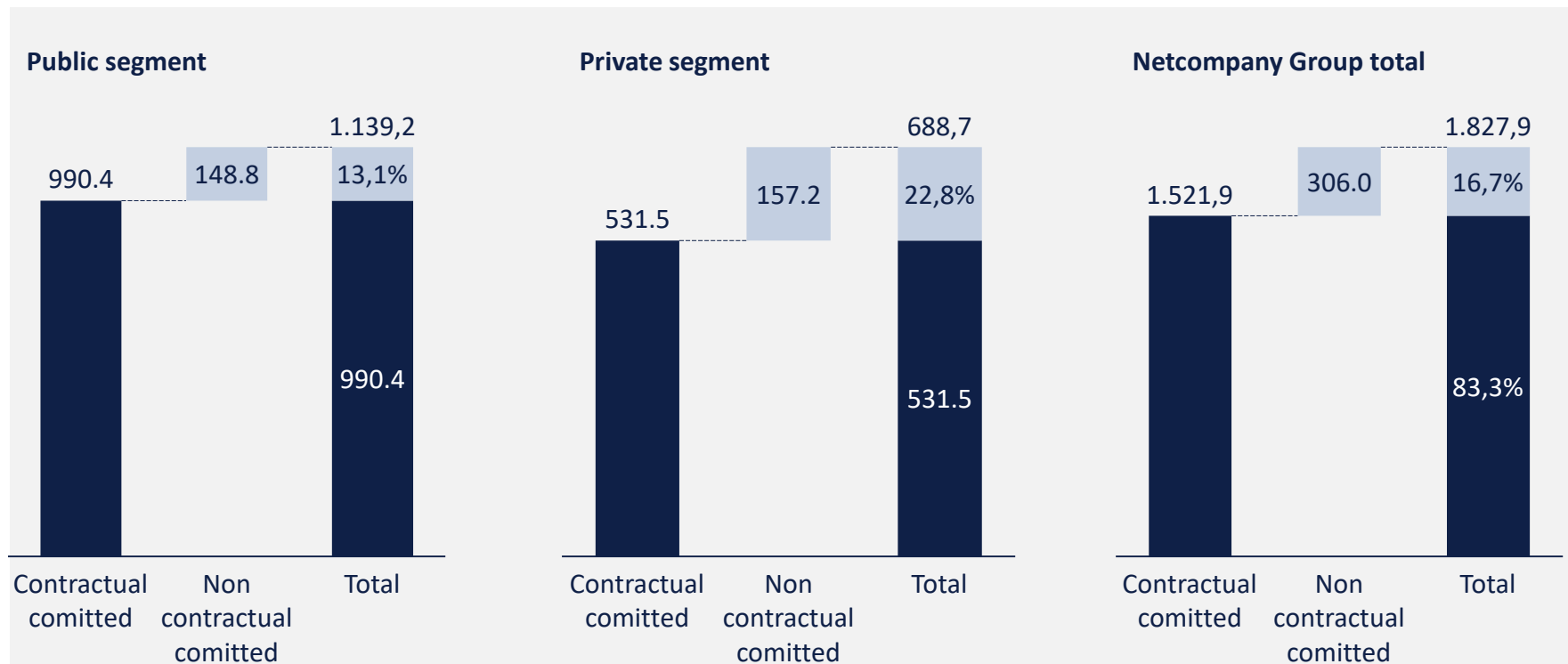
DKK 128.4m was invoiced from the WIP in Q4 2019

DSO improved from 81 days in 2018 to 79 days in 2019 due to the continued focus on debt collection

Cash conversion ratio improved to 93.2% in 2019 compared to 60.3% in 2018

Surplus cash – all other things equal – to be used to repay more debt and pay out dividend from 2021

Revenue visibility, DKK million



Guidance for 2020



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

Corporate Governance



Transparency and constructive stakeholder dialogue is key to Netcompany



Corporate governance is important as it sets out the guidelines for the management.



Netcompany observes the Recommendations on Corporate Governance and fully complies with all recommendations



The Board will continue to evaluate corporate governance in the light of the Corporate Governance Recommendations

Annual Board evaluation



Annual evaluation of Board performance conducted in 2019.

The evaluation was conducted as an internal evaluation as the 2018 evaluation was conducted together with external consultants.



The Board evaluation included among others:

- Effectiveness
- Performance
- Work in the Committees
- Composition of the Board including competencies
- Quality of the material
- Cooperation with Executive Management



The conclusion of the evaluation showed that overall it is an effective Board with the right competencies. The quality of the material is high.

The cooperation between the Board and the Executive Management is good.



Diversity to further increase



Diversity is an important factor and Netcompany recognizes the value of diversity.



In our management levels, the number of females has increased from 8.8% in 2017 to 12% in 2019.






A new target of at least 2 woman in the Board was set in 2019. The target has not been met in 2019.



A search for two new Board members is ongoing and the preferred candidates are woman.

ESG Key points

Environment 	Social 	Governance 
We ensure a safe and healthy working environment for all	We ensure equal opportunities for men and women	Trust is a crucial factor in all business dealings
We collaborate for a stronger society towards digital skills	We promote and offer a strong learning platform for all	We act in transparency and a morally founded company
We build resilient infrastructures and help support sustainable industrialisation	We provide more focus on the lack of women in the tech industry	Netcompany has not received any reports in 2019 or previously, concerning corruption or bribery
We secure sustainable waste management and reduction of resource consumption	We encourage young people to get involved in the digital world and seek employment within the industry	
We encourages all employees to minimize transportation that leads to GHG emissions	We have a transparent tax disclosure policy	



The Board of Directors' proposals

The board of directors proposes that:



The Annual General Meeting takes note of the Board of Director's report on the Company's activities in 2019.



The Company's Annual Report 2019 be approved.



The net profit for the financial year ended 31 December 2019 be allocated to retained earnings and that no dividend be distributed.



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Remuneration



Remuneration packages were put in place in connection with the IPO.



In line with Danish and international corporate governance guidelines.



Key points of policy:

- Fixed remuneration
- Market-based salary level
- Clear link to creation and maximization of shareholder value



Remuneration elements

	Remuneration	BOD	EM	Comments
	Fixed fee / Fixed base salary	●	●	
	Fee for committee work	●		Fee for Audit Committee, Remuneration Committee and nomination committee work
	Short term based incentive		●	Up to 60% of fixed base salary against defined objectives and targets
	Long term share-based incentive		●	Up to 80% of fixed base salary measured at the time of grant
	Travel allowances and other expenses	●		
	Benefits		●	Company car, phone, etc. comprising up to 10% of fixed base salary
	Severance payment		●	12 months fixed base salary

Remuneration of Executive Management

2019

André Rogaczewski,
CEO



Claus Jørgensen,
COO



Thomas Johansen,
CFO



Fixed base salary	DKK 4,500,000	DKK 4,500,000	DKK 2,500,000
Short Term Incentive Programme (STIP)	DKK 2,160,000	DKK 2,160,000	DKK 1,200,000
Other Bonus	DKK 0	DKK 0	DKK 0
Benefits	DKK 7,000	DKK 7,000	DKK 7,000
Long Term Incentive Programme (LTIP)	DKK 3,600,000	DKK 3,600,000	DKK 2,000,000
Total	DKK 10,267,000	DKK 10,267,000	DKK 5,707,000

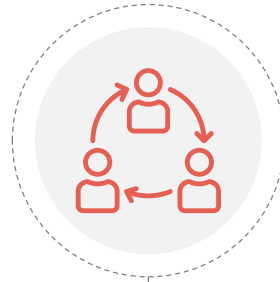
Remuneration of members of the Board of Directors

Board of Directors fee determined in connection with the IPO on June 7 2018



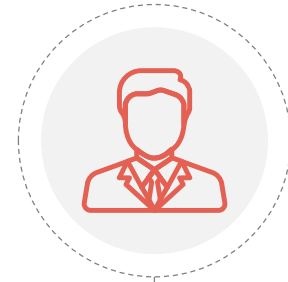
Members of the Board of Directors shall receive a base fee of:

- **DKK 350,000**
(the “Base Fee”)



The Chairman of the Board of Directors shall receive:

- **DKK 1,050,000**
(corresponding to three times the Base Fee for the extended duties)



The Deputy Chairman of the Board of Directors shall receive:

- **DKK 700,000**
(corresponding to two times the Base Fee for the extended duties)

Committee work

Board of Directors fee determined in connection with the IPO on June 7 2018



Members of the Audit Committee shall receive an annual committee member fee of:

- **DKK 87,500**

Chairman of the Audit Committee shall receive an annual committee member fee of:

- **DKK 175,000**

Members, including the chairman of the Remuneration Committee shall receive an annual committee member fee of:

- **DKK 87,500**

Members, including the chairman of the Nomination Committee shall receive an annual committee member fee of:

- **DKK 87,500**

The Board of Directors' proposal

The Board of Directors proposes the described remuneration level to the Board of Directors for 2020 to be approved by the General Meeting.



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Proposal to re-elect following members to the Board of Directors



Bo Rygaard



Juha Christensen



Scanes Bentley



Robbert Kuppens

The Board of Directors' proposal

The Board of Directors proposes re-election of Bo Rygaard, Juha Christensen, Scanes Bentley and Robbert Kuppens.



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Proposal to re-elect Deloitte as Company Auditor

The Board of Directors
proposes re-election of:
**Deloitte Statsautoriseret
Revisionspartnerselskab**
CVR no. 33 96 35 56



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No proposal has been submitted by the Board of Directors regarding treasury shares.



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Any proposals submitted by the Board of Directors or by shareholders

The Board of Directors proposes to update the Remuneration Policy as a consequence of the implementation of the Shareholders Rights Directive.



Continues the main terms of the existing Remuneration Policy.



More in-depth explanation of the KPI's.



More in-depth explanation of the types of remuneration components.



Ensure that the Remuneration Policy is clear, understandable, and contribute to the Company's business strategy, long-term interests and sustainability.

Any proposals submitted by the Board of Directors or by shareholders

The Board of Directors proposes to update the Articles of Association due to the implementation of the Shareholders Rights Directive where the Annual General Meeting once a year shall vote on the Remuneration Report.



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WE ARE
COMMITTED

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