

netcompany

Q4 | 22

Company Announcement
12 months ended 31 December 2022

With strong performance in Q4 2022, Net-company realised revenue growth of 52.7% and adjusted EBITDA margin above 20% for the full year - in line with guidance

Summary

In Q4 2022, Netcompany grew revenue to DKK 1,519.3m – equal to 31.9% growth compared to Q4 2021 (constant 32.5%) of which 13 percentage points was non-organic and related to Netcompany-Intrasoft. Organic revenue growth was 18.9% (constant 19.5%).

Adjusted EBITDA was DKK 348.9m in Q4 2022 compared to DKK 238.2m in Q4 2021. Adjusted EBITDA margin was 23% in Q4 2022 (constant 23%) compared to 20.7% in Q4 2021.

Free cash flow continued to be strong and increased by 140% and was DKK 323.4m in Q4 2022 compared to DKK 134.7m in Q4 2021. Debt leverage was reduced from 2.7x in Q4 2021 to 1.6x in Q4 2022.

Average number of full-time employees grew by 1,936 from 5,417 in Q4 2021 to 7,353 in Q4 2022 and churn rates continued to decline during Q4 2022 – measured on both 3 and 12 month rolling basis.

For the full year, Netcompany realised total revenue in line with guidance of DKK 5,544.6m – equal to 52.7% growth compared to 2021 (constant

52.5%) of which 37.8 percentage points was non-organic and related to Netcompany-Intrasoft. Organic revenue growth was 14.9% (constant 14.7%)

For 2022, Adjusted EBITDA was DKK 1,106.2m compared to DKK 880.9m for 2021. Adjusted EBITDA margin was 20% for 2022 (constant 20%) – in line with guidance too - compared to 24.3% in 2021.

Free cash flow for the full year was DKK 602.7m, which was an improvement of 47.7% compared to 2021 where free cash flow was DKK 408m.

Revenue visibility improved by 9.3% from DKK 3,824.8m for 2022 to DKK 4,179.9m for 2023.

For 2023, Netcompany expects revenue growth in constant currencies of between 8% and 12% - all organic.

Adjusted EBITDA margin measured in constant currencies is expected to be between 15% and 18%.

“We ended the year strong and in line with our expectations driven by continued strong performance throughout the Group, particularly in Netcompany-Intrasoft and the UK.

Despite unprecedented high uncertainty observed in 2022, we realised close to 53% revenue growth and a margin above 20% - as outlined in the beginning of 2022, which makes me really proud.

Results like these are not easily achieved, and they are a true testimony to the outstanding talent that our more than 7,500 employees possess. Together with our customers they define the digitalisation agenda in Europe and in close collaboration they realise benefits associated hereto.

From a macroeconomic perspective, 2023 looks to be even more challenging than the last two years, which is reflected in our expectations for the financial performance. Despite the gloomy outlook we still expect to grow between 8% and 12%.

We also will continue to make investments into future proofing our offerings and solutions and hence expect our margins to be between 15% and 18% next year.

It is my firm belief that the future will be driven by digitalisation, and I am confident that courage to invest into long term objectives, will bring Netcompany closer to realise our aspiration of being a European IT market leader.”

André Rogaczewski

NETCOMPANY CEO AND CO-FOUNDER

Performance highlights Q4

Financial overview

DKK million	Q4 2022 (reported)	Q4 2022 (constant)*	Q4 2021	% change (reported)	Netcompany Intrasoft non-organic impact	% change (constant)*
Revenue	1,519.3	1,526.5	1,152.1	31.9%	13.0pp	32.5%
Gross profit	520.0	522.9	385.8	34.8%	6.8pp	35.5%
Adjusted EBITDA	348.9	350.9	238.2	46.4%	8.9pp	47.3%
<i>Adjusted EBITDA margin</i>	23.0%	23.0%	20.7%	2.3pp	-1.0pp	2.3pp
Adjusted EBITA	309.1	311.1	210.3	47.0%	4.2pp	47.9%
<i>Adjusted EBITA margin</i>	20.3%	20.4%	18.3%	2.1pp	-1.6pp	2.1pp
EBITA	315.4	317.4	202.4	55.9%	6.8pp	56.9%
<i>EBITA margin</i>	20.8%	20.8%	17.6%	3.2pp	-1.3pp	3.2pp
Operating profit	281.6	283.6	178.1	58.1%	6.2pp	59.2%
<i>Operating profit margin</i>	18.5%	18.6%	15.5%	3.1pp	-1.2pp	3.1pp
Net profit / loss	215.4	217.3	153.8	40.1%	3.8pp	41.3%
Free cash flow	323.4	N/A	134.7	140.0%	N/A	N/A
Free cash flow (tax normalised)	361.4	N/A	160.9	124.6%	N/A	N/A
Cash conversion ratio (tax normalised)	149.5%	N/A	93.2%	56.3pp	N/A	N/A

*Constant currencies measured using average exchange rates for Q4 2021

- Revenue increased by 31.9% to DKK 1,519.3m in reported currencies and by 32.5% in constant currencies.
- Organic revenue grew by 18.9% (19.5% constant).
- Gross profit margin was 34.2% against 33.5% in Q4 2021.
- Adjusted EBITDA increased 46.4% and yielded a margin of 23%.
- Free cash flow was DKK 323.4m.
- Free cash flow normalised for tax payments improved by 124.6% to DKK 361.4m.
- Fair value adjustment of the investment in the Netherlands reflected an increase of the final purchase price and impacted net profit negatively by DKK 7.9m.
- Cash conversion rate normalised for tax payment was 149.5% compared to 93.2%.
- Debt leverage to 12 months rolling adjusted EBITA was 1.6x.

Performance highlights 2022

Financial overview

DKK million	YTD 2022 (reported)	YTD 2022 (constant)*	YTD 2021	% change (reported)	Netcompany Intrasoft non-organic impact	% change (constant)*
Revenue	5,544.6	5,538.9	3,632.0	52.7%	37.8pp	52.5%
Gross profit	1,772.5	1,774.0	1,333.3	32.9%	19.5pp	33.1%
Adjusted EBITDA	1,106.2	1,109.7	880.9	25.6%	16.3pp	26.0%
<i>Adjusted EBITDA margin</i>	20.0%	20.0%	24.3%	-4.3pp	-3.1pp	-4.2pp
Adjusted EBITA	967.6	971.8	793.2	22.0%	13.6pp	22.5%
<i>Adjusted EBITA margin</i>	17.5%	17.5%	21.8%	-4.4pp	-3.2pp	-4.3pp
EBITA	973.5	977.7	755.3	28.9%	14.8pp	29.5%
<i>EBITA margin</i>	17.6%	17.7%	20.8%	-3.2pp	-3.1pp	-3.1pp
Operating profit	839.4	843.7	703.8	19.3%	12.7pp	19.9%
<i>Operating profit margin</i>	15.1%	15.2%	19.4%	-4.2pp	-2.8pp	-4.1pp
Net profit / loss	602.8	607.2	574.3	5.0%	8.5pp	5.7%
Free cash flow	602.7	N/A	408.0	47.7%	N/A	N/A
Free cash flow (tax normalised)	642.6	N/A	422.4	52.1%	N/A	N/A
Cash conversion ratio (tax normalised)	90.9%	N/A	68.8%	22.1pp	N/A	N/A

*Constant currencies measured using average exchange rates for 2021

- Revenue increased by 52.7% to DKK 5,544.6m in reported currencies and by 52.5% in constant currencies.
- Organic revenue grew by 14.9% (14.7% constant).
- Gross profit margin was 32% against 36.7% for the same period in 2021.
- Adjusted EBITDA increased 25.6% and yielded a margin of 20%.
- Free cash flow was DKK 602.7m in 2022 compared to DKK 408m in 2021.
- Fair value adjustment of the investment in the Netherlands reflected an increase of the final purchase price and impacted net profit negatively by DKK 7.9m.
- Cash conversion rate normalised for tax payment was 90.9%.
- Debt leverage to 12 months rolling adjusted EBITA was 1.6x.

Conference call details

In connection with the publication of the results for Q4 2022, Netcompany will host a conference call on 25 January 2023 at 11.00 CET.

The conference call will be held in English and can be followed live via the company's website; www.netcompany.com

Dial-in details for investors and analysts

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Webcast Player URL

<https://streams.eventcdn.net/netcompany/annual-report-2022/>

Additional information

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Performance overview Q4

DKK million	Q4 2022 (reported)	Q4 2022 (constant)*	Q4 2021	% change (reported)	Netcompany Intrasoft non-organic impact	% change (constant)*
Revenue	1,519.3	1,526.5	1,152.1	31.9%	13.0pp	32.5%
Cost of services	-999.3	-1,003.6	-766.3	30.4%	16.1pp	31.0%
Gross profit	520.0	522.9	385.8	34.8%	6.8pp	35.5%
<i>Gross profit margin</i>	<i>34.2%</i>	<i>34.3%</i>	<i>33.5%</i>	<i>0.7pp</i>	<i>-1.8pp</i>	<i>0.8pp</i>
Sales and marketing costs	-12.1	-12.2	-18.8	-35.7%	2.9pp	-35.2%
Administrative costs	-198.8	-199.6	-156.8	26.8%	8.2pp	27.3%
Adjusted EBITA	309.1	311.1	210.3	47.0%	4.2pp	47.9%
<i>Adjusted EBITA margin</i>	<i>20.3%</i>	<i>20.4%</i>	<i>18.3%</i>	<i>2.1pp</i>	<i>-1.6pp</i>	<i>2.1pp</i>
Special items	0.0	0.0	-7.7	-100.0%	0.0pp	-100.0%
Other operating income / expense	6.3	6.3	-0.2	-35.298	-2728.930	-35.298
EBITA	315.4	317.4	202.4	55.9%	6.8pp	56.9%
<i>EBITA margin</i>	<i>20.8%</i>	<i>20.8%</i>	<i>17.6%</i>	<i>3.2pp</i>	<i>-1.3pp</i>	<i>3.2pp</i>
Amortisation	-33.8	-33.8	-24.3	39.4%	11.5pp	39.4%
Operating profit (EBIT)	281.6	283.6	178.1	58.1%	6.2pp	59.2%
<i>Operating profit margin</i>	<i>18.5%</i>	<i>18.6%</i>	<i>15.5%</i>	<i>3.1pp</i>	<i>-1.2pp</i>	<i>3.1pp</i>
Net financials	-22.6	-22.6	-13.9	62.9%	21.0pp	63.2%
Fair value adj. of contingent consideration	-7.9	-7.9	29.4	-126.8%	0.0pp	-126.8%
Income / loss, investment in joint venture	4.5	4.5	-4.9	-191.6%	0.0pp	-191.6%
Income / loss, investment in associates	0.7	0.7	0.0	N/A	0.0pp	N/A
Profit / loss before tax	256.4	258.3	188.7	35.9%	4.3pp	36.9%
Tax	-41.0	-41.0	-34.9	17.2%	6.4pp	17.3%
<i>Effective tax rate</i>	<i>16.0%</i>	<i>15.9%</i>	<i>18.5%</i>	<i>-2.5pp</i>	<i>0.4pp</i>	<i>-2.6pp</i>
Net profit / loss	215.4	217.3	153.8	40.1%	3.8pp	41.3%

*Constant currencies measured using average exchange rates for Q4 2021

Reported revenue grew 31.9% (constant 32.5%) in Q4 2022 to DKK 1,519.3m of which 18.9 percentage points was organic. Client facing FTEs increased by 35.4% due to the inclusion of Netcompany-Intrasoft, which only impacted part of Q4 2021. Normalised for this, client facing FTEs increased by 15%. End of Q4, total FTEs amounted to more than 7,300.

Gross profit margin was 34.2%, which was slightly better than the same period in 2021 where gross profit margin was 33.5%, despite the dilutive impact of 1.8 percentage point to gross profit margin from Netcompany-Intrasoft. Lower variable remuneration reduced costs of services and was contributing to the improved gross profit margin.

Sales and marketing costs were 35.7% lower than the same period in 2021 at DKK 12.1m, which was more a result of large one-off costs realised in Q4 2021 than a sustainable lower level of spend for sales and marketing costs. Sequentially from Q3 to Q4 sales and marketing costs increased by 14% and reflect the continued investment into enhancing the brand position of Netcompany outside of Denmark.

CONTINUED PERFORMANCE OVERVIEW Q4

Administrative costs increased by 26.8% of which Netcompany-Intrasoft accounted for 8.2 percentage points. Lower variable remuneration reduced administrative costs, which led to the lower than otherwise anticipated growth in administrative costs.

Adjusted EBITA increased 47% to DKK 309.1m yielding an adjusted EBITA margin of 20.3% compared to 18.3% in Q4 2021. Netcompany-Intrasoft impacted adjusted EBITA margin negatively by 1.6 percentage points. The overall improved adjusted EBITA margin was driven by better performance in both Netcompany Core and Netcompany-Intrasoft in Q4 2022 compared to the same period last year.

Amortisation was DKK 33.8m compared to DKK 24.3m for the same period last year. The increase of 39.4% compared to last year is a consequence of Netcompany-Intrasoft only being included by 2 months in 2021. Sequentially from Q3 to Q4 amortisation were DKK 1.1m lower in Q4 2022.

Operating profit (EBIT) increased by 58.1% in Q4 2022 to DKK 281.6m compared to DKK 178.1m in Q4 2021. EBITA margin was 20.8% compared to 17.6% in Q4 2021. Margins were better in both Netcompany Core and Netcompany-Intrasoft compared to Q4 2021.

Net financials were negative DKK 22.6m compared to negative DKK 13.9m for the same period last year. The main reason for the increased financial costs was full interest costs related to the loan obtained to finance the acquisition of Intrasoft International A.S, which only partially impacted Q4 2021 as the transaction was executed 31 October 2021.

A fair value adjustment of DKK 7.9m impacted the result negatively in Q4 2022. The adjustment reflected an increase in the final contingent consideration of the purchase price of QDelft (Netcompany Netherlands) acquired in 2019 and was based on the actual performance for the period 2020 to 2022. There are no more potential adjustments outstanding.

Income from investment in joint venture of DKK 4.5m was a result of underlying business activity in Smarter Airports – the joint venture that Netcompany has with Copenhagen Airport.

Income taxes in Q4 2022 was DKK 41m, which was 17.2% higher than Q4 2021. The underlying taxable income did not increase with the same absolute value as income before tax due to various timing differences when completing the calculation of taxable income for the Group. Consequently, effective income tax rate was slightly lower at 16% in Q4 2022 compared to 18.5% in Q4 2021.

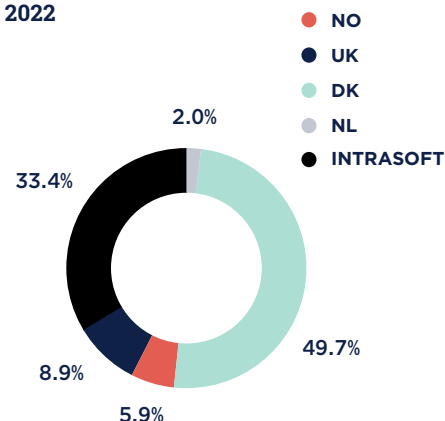
Business Segments Q4

DKK million

Constant (2021 rate)

	Q4 2022					
	Group	Denmark	Norway	UK	Netherlands	Intrasoft
Revenue from external customers	1,526.5	759.3	90.4	135.8	30.6	510.4
Gross profit	529.2	341.2	21.4	43.0	7.2	116.5
<i>Gross profit margin</i>	<i>34.7%</i>	<i>44.9%</i>	<i>23.7%</i>	<i>31.6%</i>	<i>23.5%</i>	<i>22.8%</i>
Local admin costs	-179.0	-101.1	-15.4	-16.7	-7.9	-37.9
Adjusted EBITDA before allocated cost from HQ	350.2	240.1	6.0	26.3	-0.7	78.6
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	<i>22.9%</i>	<i>31.6%</i>	<i>6.6%</i>	<i>19.3%</i>	<i>-2.2%</i>	<i>15.4%</i>
Allocated costs from HQ	0.7	0.5	0.1	0.1	0.1	0.0
Special Items, allocated	0.0	-0.0	-0.0	0.0	-0.0	0.0
Depreciation	-39.8	-22.7	-1.9	-3.6	-1.5	-10.2
Amortisation	-33.8	-18.8	-2.0	-3.2	-1.0	-8.7
Other operating income / expense	6.3	0.0	0.0	0.0	0.0	6.3
EBIT	283.6	199.0	2.1	19.5	-3.1	66.1
Client facing FTEs	6,871	2,843	336	528	141	3,024

Revenue, %
Q4 2022

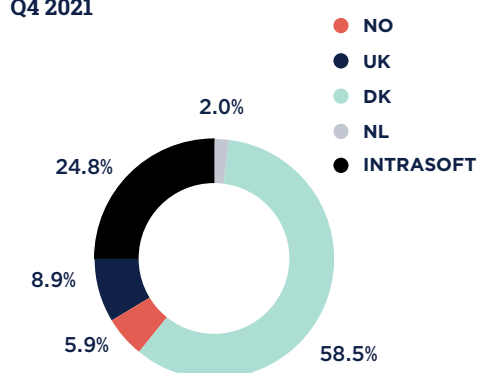


DKK million

Reported

	Q4 2021					
	Group	Denmark	Norway	UK	Netherlands	Intrasoft
Revenue from external customers	1,152.1	673.8	67.9	102.1	22.7	285.6
Gross profit	397.0	294.9	13.8	30.6	2.4	55.3
<i>Gross profit margin</i>	<i>34.5%</i>	<i>43.8%</i>	<i>20.3%</i>	<i>30.0%</i>	<i>10.6%</i>	<i>19.4%</i>
Local admin costs	-148.0	-84.0	-13.8	-14.8	-7.8	-27.6
Adjusted EBITDA before allocated cost from HQ	249.0	211.0	-0.0	15.8	-5.4	27.6
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	<i>21.6%</i>	<i>31.3%</i>	<i>-0.1%</i>	<i>15.5%</i>	<i>-23.7%</i>	<i>9.7%</i>
Allocated costs from HQ	-10.6	-7.9	-1.0	-1.3	-0.4	0.0
Special Items, allocated	-7.7	-5.8	-0.7	-0.9	-0.3	0.0
Depreciation	-28.2	-16.5	-1.9	-2.2	-1.3	-6.3
Amortisation	-24.3	-17.7	-2.2	-2.9	-1.0	-0.5
Other operating income / expense	-0.2	0.0	0.0	0.0	0.0	-0.2
EBIT	178.1	163.2	-5.8	8.6	-8.4	20.6
Client facing FTEs	5,074	2,419	281	426	151	1,797

Revenue, %
Q4 2021



CONTINUED BUSINESS SEGMENTS Q4

Netcompany Denmark

Revenue growth in the Danish business unit was 12.7% driven by strong growth in the private segment that grew 13.9% and continued growth in the public segment that grew 11.9%. As the rest of society, Netcompany also experienced elevated levels of sickness during Q4, particularly in the month of December.

The level of uncertainty among existing and prospective customers has increased during the last quarter of the year, however still with no significant reduction in backlog and pipeline as of yet.

Adjusted EBITDA margin was 31.6% compared to 31.3% in Q4 2021. Lower variable remuneration impacted cost of services and administrative costs positively and offset the impact from lower utilisation in the quarter.

Netcompany Norway

Revenue growth in Netcompany Norway was 33.2% in Q4 2022 compared to the same period last year. As in previous quarters growth was driven by the private segment in Norway that grew more than

200% - albeit from a very low level. Revenue in the public segment declined 3.7% in Q4 2022. Elevated levels of sickness during Q4, was also observed in Norway, particularly in the month of December.

During Q4 the majority of the 70 new starters as highlighted in the Q3 earnings report were utilised on projects driving the overall utilisation up. There are still improvements to be achieved, as all new starters are expected to be fully utilised during the first quarter of 2023.

Adjusted EBITDA margin was 6.6% compared to negative 0.1% in Q4 2021 as utilisation improved.

Netcompany UK

In the UK, the strong growth momentum observed during the year, continued during Q4 and revenue grew 32.9% compared to the same period last year. Where growth was mainly driven by the public segment thus far in the UK, the private segment grew 50.9% in Q4 as a number of large private enterprises were onboarded. Growth in the public segment continued at a strong pace and grew 26.4%.

Adjusted EBITDA margin continued to improve and was positively impacted by a few projects being completed ahead of estimated time, impacting margin positively. In addition, the level of work conducted from home or at client sites continued to be high, reducing the need for additional office space despite client facing FTEs growing close to 24%.

Utilisation remained high and consequently adjusted EBITDA margin for Q4 2022 was 19.3% compared to 15.5% in the same period last year.

Netcompany Netherlands

Revenue in the Dutch business unit grew 34.5% in Q4 2022. Growth was - in line with previous quarters - generated in the public segment that grew by 51.2%. The private segment was further reduced and accounts for only DKK 0.6m in Q4 2022.

As the large fixed price projects that have been problematic were completed, utilisation and average rates improved, which led to an improvement in the underlying financial performance of the Dutch operating in Q4 - and going forward.

Consequently, adjusted EBITDA margin was substantially improved from negative 23.7% to negative 2.2% in Q4 2022.

Netcompany-Intrasoft

Revenue in Netcompany-Intrasoft grew by 78.7% to DKK 510.4m in Q4 2022, however Q4 2021 only included the months of November and December. On a proforma basis revenue grew from DKK 409.8m to DKK 510.4m - or 24.5%. Organic revenue growth for the months of November and December was 26.3%.

The growth in Q4 was driven by strong performance in the private and public segment while the EU segment grew at normal pace. In addition, revenue growth was accelerated as revenue from license sales was recognised in the quarter and technical equipment as part of one specific project was "passed through" as revenue in Q4 also.

Adjusted EBITDA margin was 15.4% in Q4 2022 compared to 9.7% in the same period last year. The recognition of licenses in the income statement in Q4 were a material driver of the increase in margin.

Performance overview 12 months

DKK million	YTD 2022 (reported)	YTD 2022 (constant)*	YTD 2021	% change (reported)	Netcompany Intrasoft non-organic impact	% change (constant)*
Revenue	5,544.6	5,538.9	3,632.0	52.7%	37.8pp	52.5%
Cost of services	-3,772.2	-3,764.9	-2,298.7	64.1%	48.4pp	63.8%
Gross profit	1,772.5	1,774.0	1,333.3	32.9%	19.5pp	33.1%
<i>Gross profit margin</i>	32.0%	32.0%	36.7%	-4.7pp	-4.3pp	-4.7pp
Sales and marketing costs	-41.0	-41.0	-36.7	11.7%	13.4pp	11.7%
Administrative costs	-763.9	-761.2	-503.4	51.7%	28.6pp	51.2%
Adjusted EBITA	967.6	971.8	793.2	22.0%	13.6pp	22.5%
<i>Adjusted EBITA margin</i>	17.5%	17.5%	21.8%	-4.4pp	-3.2pp	-4.3pp
Special items	0.0	0.0	-37.7	-100.0%	0.0pp	-100.0%
Other operating income / expense	5.9	5.9	-0.2	-33.0pp	-33.0pp	-2498.8pp
EBITA	973.5	977.7	755.3	28.9%	14.8pp	29.5%
<i>EBITA margin</i>	17.6%	17.7%	20.8%	-3.2pp	-3.1pp	-3.1pp
Amortisation	-134.1	-134.1	-51.4	160.7%	44.0pp	160.7%
Operating profit (EBIT)	839.4	843.7	703.8	19.3%	12.7pp	19.9%
<i>Operating profit margin</i>	15.1%	15.2%	19.4%	-4.2pp	-2.8pp	-4.1pp
Net financials	-69.9	-69.9	-33.4	109.4%	48.9pp	109.2%
Fair value adj. of contingent consideration	-7.9	-7.9	78.9	-110.0%	0.0pp	-110.0%
Income / loss, investment in joint venture	-5.9	-5.9	-21.7	-73.0%	0.0pp	-73.0%
Income / loss, investment in associates	0.8	0.8	0.0	N/A	0.0pp	N/A
Profit / loss before tax	756.5	760.8	727.6	4.0%	10.1pp	4.6%
Tax	-153.8	-153.7	-153.3	0.3%	16.0pp	0.2%
<i>Effective tax rate</i>	20.3%	20.2%	21.1%	-0.7pp	1.4pp	-0.9pp
Net profit / loss	602.8	607.2	574.3	5.0%	8.5pp	5.7%

*Constant currencies measured using average exchange rates for 2021

Revenue grew 52.7% in 2022 (constant 52.5%) to DKK 5,544.6m. Organic revenue growth was 14.9% and non-organic revenue growth was 37.8%. High level of activity in Netcompany UK and Netcompany-Intrasoft were the main growth drivers.

Gross profit margin was 32% compared to 36.7% for the same period last year. The inclusion of Netcompany-Intrasoft was the main reason for the lower margin and accounted for 4.3 percentage points of the total decline of 4.7%. Lower utilisation in Netcompany Core was somewhat offset by lower variable remuneration.

Adjusted EBITA was 22% higher in 2022 than in 2021 at DKK 967.6m yielding a margin of 17.5% compared to 21.8% in 2021. Netcompany-Intrasoft had a dilutive impact on adjusted EBITA margin of 3.2 percentage points. The remaining decline was driven by lower margins in Denmark and Norway, which to some extent was offset by better margins in the UK and in the Netherlands.

Despite a dilutive margin impact from including Netcompany-Intrasoft, margin in Netcompany-Intrasoft still improved in 2022 compared to last year.

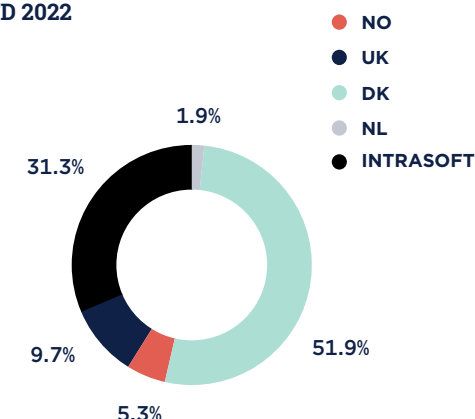
Business Segments 12 months

DKK million

Constant (2021 rate)

	YTD 2022					
	Group	Denmark	Norway	UK	Netherlands	Intrasoft
Revenue from external customers	5,538.9	2,877.2	291.0	535.4	102.7	1,732.7
Gross profit	1,798.2	1,231.4	41.8	156.9	16.7	351.3
<i>Gross profit margin</i>	<i>32.5%</i>	<i>42.8%</i>	<i>14.4%</i>	<i>29.3%</i>	<i>16.3%</i>	<i>20.3%</i>
Local admin costs	-651.3	-362.5	-54.1	-60.8	-28.4	-145.3
Adjusted EBITDA before allocated cost from HQ	1,147.0	868.9	-12.3	96.2	-11.6	206.0
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	<i>20.7%</i>	<i>30.2%</i>	<i>-4.2%</i>	<i>18.0%</i>	<i>-11.3%</i>	<i>11.9%</i>
Allocated costs from HQ	-37.3	-27.0	-3.0	-5.8	-1.4	0.0
Special Items, allocated	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	-137.8	-75.4	-7.3	-10.8	-5.5	-38.9
Amortisation	-134.1	-77.4	-8.5	-15.6	-4.0	-28.6
Other operating income / expense	5.9	0.0	0.0	0.0	0.0	5.9
EBIT	843.7	689.0	-31.2	63.9	-22.6	144.4
Client facing FTEs	6,453	2,659	297	505	137	2,856

Revenue, %
YTD 2022

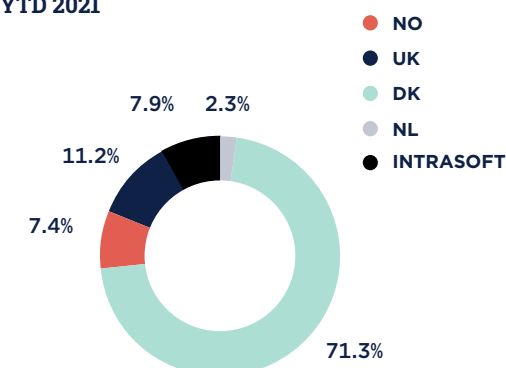


DKK million

Reported

	YTD 2021					
	Group	Denmark	Norway	UK	Netherlands	Intrasoft
Revenue from external customers	3,632.0	2,590.4	267.3	406.7	82.1	285.6
Gross profit	1,362.5	1,126.2	65.3	105.9	9.9	55.3
<i>Gross profit margin</i>	<i>37.5%</i>	<i>43.5%</i>	<i>24.4%</i>	<i>26.0%</i>	<i>12.0%</i>	<i>19.4%</i>
Local admin costs	-443.3	-297.3	-40.2	-54.2	-23.9	-27.6
Adjusted EBITDA before allocated cost from HQ	919.2	828.8	25.1	51.7	-14.0	27.6
<i>Adjusted EBITDA margin before allocated cost from HQ</i>	<i>25.3%</i>	<i>32.0%</i>	<i>9.4%</i>	<i>12.7%</i>	<i>-17.1%</i>	<i>9.7%</i>
Allocated costs from HQ	-38.3	-28.2	-3.4	-5.2	-1.5	0.0
Special Items, allocated	-37.7	-28.3	-3.5	-4.5	-1.5	0.0
Depreciation	-87.8	-61.6	-6.0	-8.7	-5.2	-6.3
Amortisation	-51.4	-37.5	-4.6	-6.7	-2.1	-0.5
Other operating income / expense	-0.2	0.0	0.0	0.0	0.0	-0.2
EBIT	703.8	673.3	7.7	26.6	-24.4	20.6
Client facing FTEs	3,553	2,289	266	408	142	449

Revenue, %
YTD 2021



CONTINUED BUSINESS SEGMENTS 12 MONTHS

Netcompany Denmark

Revenue growth in the Danish business unit was 11.1%, driven by the private segment that grew 13% compared to 2021. The public segment grew 9.7%. Despite an improvement in the level of sickness in the second part of 2022 the absence level was higher in 2022 than in 2021 impacting revenue growth negatively.

Adjusted EBITDA margin was 30.2% compared to 32% in 2021. Lower variable remuneration had a positive impact on margin whereas the higher level of absence had a negative impact on utilisation and hence margin.

Netcompany Norway

In Norway, revenue growth was 8.9%, which was lower than in previous years and lower than expected. The lower growth was mainly a result of project clean ups made in Q2 2022 on three fixed price projects. In addition, a higher absence level in 2022 than in 2021 had a dilutive impact on utilisation and revenue growth.

Adjusted EBITDA margin was negative 4.2% compared to 9.4% in 2021. The project clean ups were the main driver of lower margin. Lower of variable remuneration partially offset the negative impact.

Netcompany UK

Revenue growth in the UK was 31.7% based on strong growth in the public segment that grew by 60.9%. In the private segment revenue declined by 6.5%. Despite declining revenue in the UK private segment, the private market remains highly interesting, which led to growth in Q4 in isolation.

Adjusted EBITDA margin improved by more than 5 percentage points from 12.7% in 2021 to 18% in 2022. High utilisation, better pricing, and strong project execution were driving the improvement in margin.

Netcompany Netherlands

In the Netherlands revenue grew 25.1% in 2022 compared to 2021, albeit from a low

comparable level. Growth was solely driven by the public segment as there currently is no private segment business in the Dutch operation.

Adjusted EBITDA margin improved from negative 17.1% in 2021 to negative 11.3% in 2022. The completion of fixed price projects with low margins during the year had a positive impact on utilisation and average rates and thereby a positive impact on margin.

Netcompany-Intrasoft

Revenue growth in Netcompany-Intrasoft was 12.4% based on 2021 pro-forma basis. The growth was driven by strong performance in the EU and in the private segment whereas the public segment grew slower due to delays in projects in Greece under the RRF program.

Growth accelerated in Q4 driven by software license sales and passthrough of technical equipment for one specific project.

Adjusted EBITDA margin was improved from 9.7% in 2021 to 11.9% in 2022 mainly due to the positive impact on margin that the software sales had in Q4 2022.

Revenue visibility

Netcompany measures revenue visibility on a 12-month rolling basis, based on two main input parameters, defined as total value of committed engagements, which comprise of fixed price engagements and service agreements, and on-going time and material engagements with a high likelihood of conversion and/or prolongation, defined as total value of planned continued engagements.

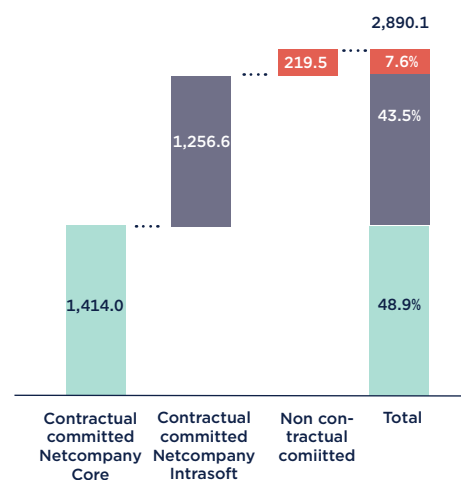
Revenue visibility for 2023 amounts to DKK 4,179.9m, of which contractual committed revenue amounts to DKK 3,753.1m and non-contractual committed engagements amounts to DKK 426.8m.

Revenue visibility improved by 9.3% from DKK 3,824.8m for 2022 to DKK 4,179.9m for 2023.

Revenue visibility for 2023 in the public segment amounts to DKK 2,890.1m, of which contractual committed revenue amounts to DKK 2,670.6m and non-contractual committed engagements amounts to DKK 219.5m.

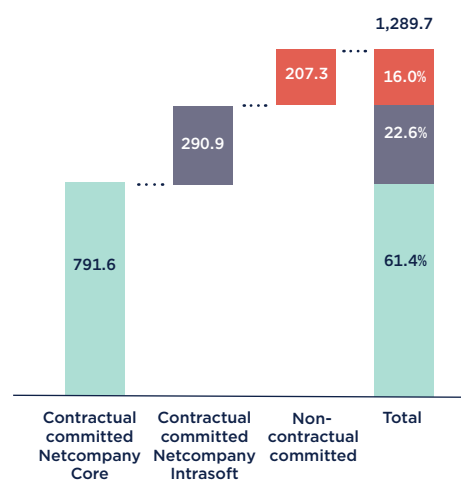
DKK million

Public segment



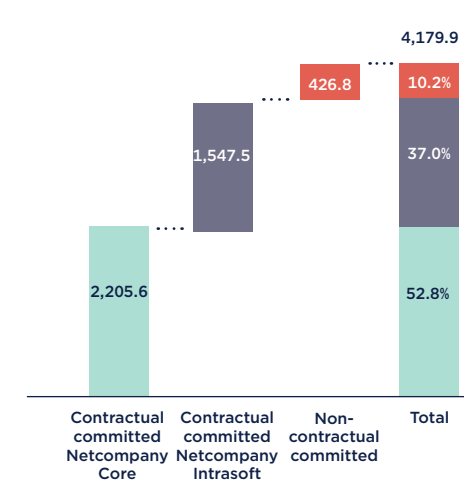
Revenue visibility for 2023 in the private segment amounts to DKK 1,289.7m, of which contractual committed revenue amounts to DKK 1,082.5m and non-contractual committed engagements amounts to DKK 207.3m.

Private segment



In 2023, DKK 1,547.5m is expected to be released from the Netcompany-Intrasoft order backlog, mainly within EU institutions. Of the total order backlog for Netcompany-Intrasoft DKK 6,123.7m is expected to be released in the period from 2024 to 2029.

Total segment



Employees

Netcompany employed an average of 7,353 FTEs in Q4 2022, which was an increase of 1,936 FTEs compared to Q4 2021 (5,417). The increase in FTE's was mainly driven by the acquisition of Netcompany-Intrasoft in October 2021 accounting for more than 3,200 FTEs.

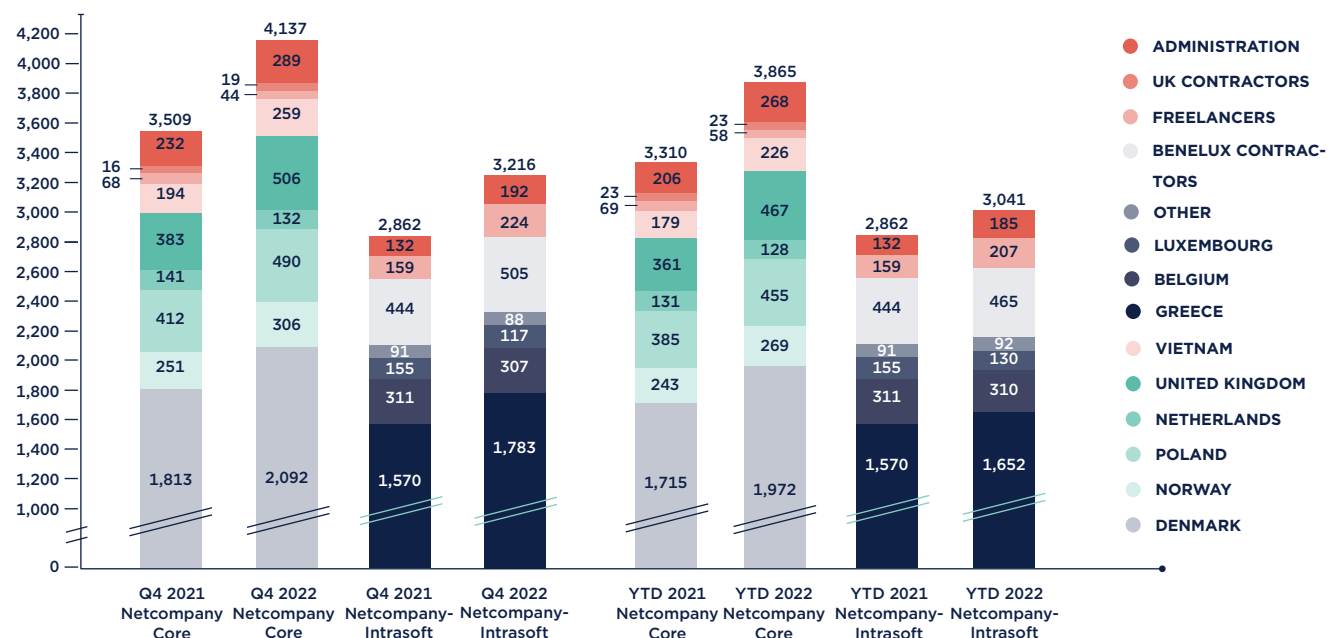
Out of the more than 3,200 employees in Netcompany-Intrasoft, around 725 were either freelancers or Benelux contractors. The number of client facing employees for the Group was 6,871, which was an increase of 1,797 compared to Q4 2021 5,074, mainly driven by the acquisition of Netcompany-Intrasoft. The level of non-client facing employees were 6.5% in Q4 2022, compared to 6.3% in Q4 2021. On a sequentially basis, the level of non-client facing employees decreased from Q3 2022, where the level was 6.6%.

12 months rolling churn for Netcompany Core was 22.8% compared to 22.9% in 2021. In Netcompany-Intrasoft churn was unchanged compared to 2021 at 19%.

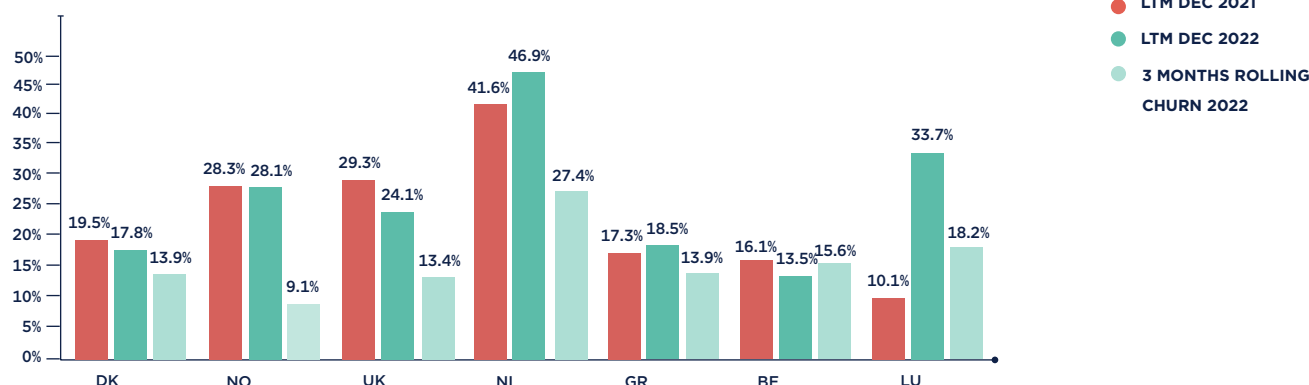
As expected, the attrition rate continued to decline in Q4. The three months rolling churn for Netcompany Core and Netcompany-Intrasoft was 14.2% and 14.1%, respectively.

Avg. FTEs increased to 7,353 during Q4 2022

Avg. FTEs increased to 6,906 during 2022



Attrition rate



Cash flow and other significant financial positions

Free cash flow and cash conversion rate¹

The Group generated a free cash flow of DKK 323.4m in Q4 2022, which was an increase of 140% compared to DKK 134.7m in Q4 2021. Adjusted for taxes paid on account, the Group generated a free cash flow of DKK 361.4m in Q4 2022 compared to DKK 160.9m in Q4 2021, corresponding to a increase in free cash flow of 124.6%. The increase was driven by a higher operating result and an improvement in working capital changes compared to the same period last year. Changes in working capital were mainly driven by the development in net contract work in progress, which decreased from DKK 842.7 million end of Q3 2022 to DKK 681 million end of Q4 2022. In addition, faster collection of receivables also improved working capital changes.

Cash conversion rate improved from 78% in Q4 2021 to 133.7% in Q4 2022. Adjusted for the taxes paid on account and the fair value adjustments of the purchase price of the acquired Netcompany Netherlands

(QDelft B.V.) recognised in both 2021 and 2022, cash conversion rate increased from 112.3% in Q4 2021 to 144.7% in Q4 2022.

For the full year, Netcompany generated a free cash flow of DKK 602.7m corresponding to an increase of DKK 194.7m compared to 2021 driven by improved earnings and improved working capital management.

Cash conversion ratio increased from 66.4% in 2021 to 85.2% in 2022. Adjusting for the fair value adjustments of the contingent consideration, cash conversion ratio for 2021 and 2022 would have been 94.3% compared to 89.8%, respectively.

Trade receivables

At 31 December 2022, Group trade receivables increased 7.8% from DKK 1,031.9m to DKK 1,112m. In the same period revenue increased by 31.9%, and 18.9% organically.

The lower increase in trade receivable compared to revenue was a result faster

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Provi- sion	Total
Trade receivables, 31 Dec 2022	746.5	224.0	61.4	33.4	63.2	-16.6	1,112.0

DKK million	Not overdue	0-30 days	30-60 days	60-90 days	>90 days	Provi- sion	Total
Trade receivables, 31 Dec 2021	675.3	217.3	73.9	28.0	54.4	-16.9	1,031.9

collection of receivables which also impacted days sales outstanding positively.

Days sales outstanding decreased from 81.7 days in Q4 2021 to 66.8 days in Q4 2022.

The overdue part of trade receivables excluding expected credit losses decreased from 35.6% by the end of Q4 2021 to 33.9% by the end of Q4 2022.

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

CONTINUED CASH FLOW AND OTHER SIGNIFICANT FINANCIAL POSITIONS

Work in progress

At 31 December 2022, Netcompany's work in progress amounted to DKK 681m, represented by contract work in progress of DKK 1,114.5m and prepayments received from customers of DKK 433.5m.

Work in progress increased by 1.8% from DKK 669.1m in Q4 2021 to DKK 681m in Q4 2022. In the same period revenue increased by 31.9% from DKK 1,152.1m in Q4 2021 to DKK 1,519.3m in Q4 2022,

while revenue for the last twelve months increased by 52.7%. Organically, revenue increased by 18.9% in Q4 2022 compared to Q4 2021, while organic revenue on a twelve month basis increased by 14.9%.

As a percentage of revenue, the combined work in progress, prebilled invoices and trade receivables decreased from 46.8% in 2021 to 32.3% in 2022, which was on same level as Netcompany Core in 2021.

Funding and liquidity

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

The combined committed facilities constitutes DKK 2,847.3m and an additional facility of DKK 2,000m, available only for new acquisitions. At 31 December 2022, DKK 1,927.3m of the committed lines were utilised on borrowings and DKK 148.9m on guarantees, leaving a total of DKK 2,771.1m available in unutilised funding of which DKK 771.1m can be utilised for normal operations if needed with no additional costs or covenants.

In addition, Netcompany-Intrasoft had utilised DKK 342.2m on local guarantees, having no impact on the Group facilities except for leverage.

Including net cash balance as of 31 December 2022 of DKK 336m available Group funding was DKK 1,107.1m.

In October 2022, Netcompany acquired technology from Smarter Airport A/S of DKK 20 million.

Risk management

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

Capital structure

Debt ratio decreased during 2022 from 2.7x at the end of 2021 to 1.6x end of 2022, which is fully compliant with current covenants.

To maintain a satisfactory debt level ratio Netcompany proposes not to pay out dividends or initiate additional share buyback programmes for the year 2022.

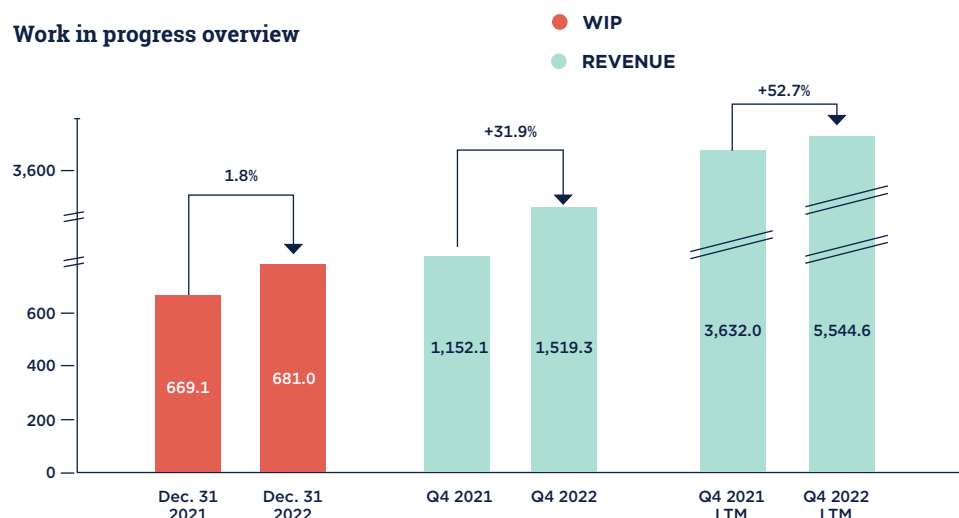
Events after the balance sheet date

At the time of publication, Netcompany Group A/S awaits the outcome of the discussions with the Danish Business Authority.

No events have occurred after the balance sheet date, which would influence the evaluation of this Annual Report.

DKK million

Work in progress overview



2022 Financial performance and guidance 2023

Financial metrics in constant currencies	Target 2023	Actual performance 2022	Updated target Q3 2022	Original Target 2022
Organic revenue growth in Netcompany Core		13.7%	14-16%	14-19%
Group organic revenue growth		14.7%	14-16%	13-18%
Non-organic revenue growth		37.8%	37-39%	35-38%
Group revenue growth	8-12%	52.5%	50-52%	48-56%
Adjusted EBITA margin from Netcompany Core		21.1%	21-23%	>23%
Adjusted EBITDA margin in Netcompany Core		23.7%	23-25%	>25%
Adjusted EBITDA margin in Netcompany-Intrasoft		11.9%	9-11%	>9%
Group adjusted EBITDA margin	15-18%	20.0%	>20%	>20%

Financial performance 2022

With the acquisition of Intrasoft International S.A in November 2021 a range of detailed performance metrics were introduced for 2022, with the ambition to create full transparency of the performance of Netcompany-Intrasoft as a standalone business. During the year, more business than anticipated was done as joint projects shifting revenue and margins from Netcompany Core to Netcompany-Intrasoft, making it less relevant

to view performance against individual targets but rather focus on targets for the Group all together.

Group revenue grew by 52.5% in constant currencies in 2022 – well within the guided range of 48% and 56% as set out in the beginning of the year, and slightly above the narrowed guidance range between 50% and 52% as communicated in connection with the Q3 2022 report.

Group adjusted EBITDA margin in constant currencies was slightly above 20% – also in line with the original guided target of above 20% as set out in the beginning of the year and reiterated in connection with the Q3 2022 report.

Guidance 2023

The financial guidance for the Group for 2023 is based on an assumption that Europe will be in a recession for part of the year. While it is expected that the de-

mand for continued digitalisation of both societies and enterprises will continue to be present it is inherently difficult to predict timing of new projects in a recession scenario, which is reflected in our expectations for 2023.

It is also anticipated that the recession will lead to more “wait and see” situations related to decisions on when to initiate new projects with our customers, which potentially will have negative impact on

CONTINUED 2022 FINANCIAL PERFORMANCE AND GUIDANCE 2023

revenue growth and margin. It is further anticipated that price adjustments will be lower than underlying CPIs as a recessionary market makes large 1:1 CPI-based price increases difficult.

The Group does not expect any non-organic contribution to revenue growth or margin for 2023.

Fewer working days in Denmark, Norway and UK will have a negative impact on margin of around 0.5 percentage point.

Salary costs are expected to increase more than normal as a combination of regular salary increases and increase of variable remuneration. This will impact margin by around 1.5 percentage points.

The move to a new corporate headquarter in Copenhagen is expected to have a dilutive impact on margin of around 0.5 percentage point.

The introduction of the new “Go-To-Market” approach requires investments in 2023 and is expected to impact margin

negatively by around 0.5 percentage point.

Investments into new office facilities for Netcompany-Intrasoft and investment into a common administrative IT infrastructure for Netcompany-Intrasoft is expected to impact margins negatively by around 0.5 percentage point.

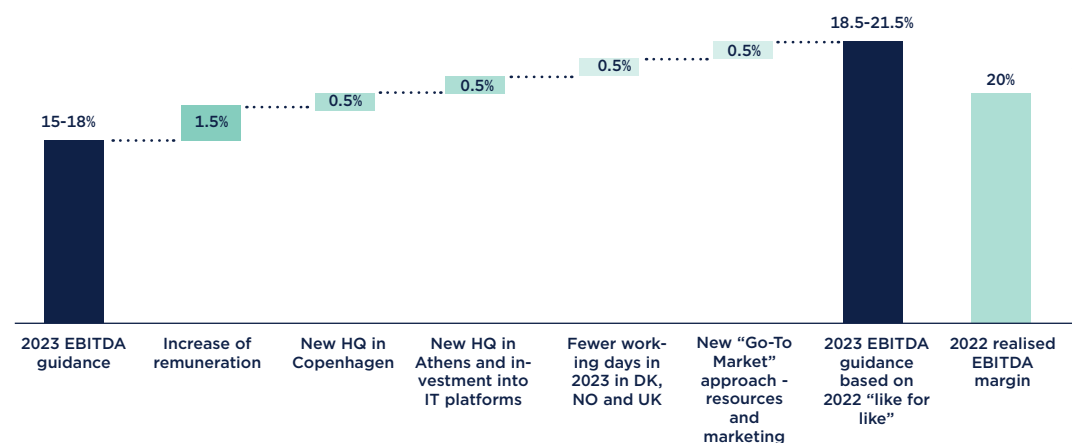
Expected discontinuation of Netcompany-Intrasoft in Africa and the Middle East is of minor impact and is included in the guidance.

For 2023, Netcompany expects to grow revenue in constant currencies by between 8% and 12% and expect adjusted EBITDA margin to be between 15% and 18%.

Free cash flow from operations is expected to increase in absolute terms from the level of 2022. Free cash flow will for all material matters be used to deleverage significantly from the level of 1.6 at the end of 2022.

The Group does not expect to initiate any share buyback programmes or to pay out dividends during 2023. Netcompany's expectations for 2023 reflects an unprecedented uncertainty in Europe, not only related to macroeconomic factors but also to continued high uncertainty regarding the geopolitical environment in Europe as well as globally, which might have even further negative spillover effects on Europe.

Expected margin for 2023 compared to realised 2022 margin



Shareholder information

Capital

Netcompany's share capital is DKK 50m divided into 50m shares. Netcompany holds 901,359 treasury shares equivalent to 1.8% of the share capital. The shares will be used to honour the Group's commitments under its Long Term Incentive Plan.

Share-based incentive schemes/restricted stock units

In total, 211,754 RSUs in relation to the share-based incentive schemes were issued at 31 December 2022, of which 54,313 were granted to Executive Management and 157,441 were granted to Other Key Management Personnel and Other employees. The fair value of the RSUs at grant was DKK 98.3m. The cost related hereto is expensed over the vesting period.

A total amount of DKK 0.1m was recognised as personnel costs in the income statement in Q4 2022 and DKK 24.9m in 2022. Following the release of Q4 2022 report, 69,744 treasury shares recognised at DKK 24.5m on equity, will be transferred from reserves to Executive Management,

Other Key Management Personnel and Other Employees part of the RSU programme.

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

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

As part of the acquisition of Intrasoft International S.A, an agreement was made for a senior executive to convert the received cash element of the purchase price into Netcompany shares with a four year timely lock up period not related to employment entailing certain possibilities to sell shares in predefined tranches from 2022 to 2025 at the prevailing share price of the time of the transaction. This option was exercised in relation to the first tranche and executed on 1 November 2022. Netcompany has in that capacity acquired 44,539 treasury shares directly from the senior executive.

Contingent purchase price / restricted stock units

In connection with the acquisition of 100% of the shares of QDelft B.V. (now Netcompany Netherlands) in 2019, a total of 305,068 RSUs have been granted, which will vest in February 2023. Further 194,352 RSUs will be granted and vest in February 2023 as a result of the performance in the period 2020-2022.

Dividends and share buyback

To maintain a satisfactory debt level ratio no dividends are currently proposed for the year 2022. In 2023, Netcompany expects to utilise free cashflow to deleverage and hence have no plans for proposing dividends or initiate additional share buyback programmes.

Financial Calendar

18 January 2023

Deadline for shareholders to submit proposals for the agenda of the Annual General Meeting 2023.

25 January 2023

Annual Report for the financial year 2022.

2 March 2023

Annual General Meeting 2023

4 May 2023

Interim report for the first 3 months of 2022

16 August 2023

Interim report for the first 6 months of 2023.

2 November 2023

Interim report for the first 9 months of 2023.

Statement of the Board of Directors and Executive Management

Today, the Board of Directors and Executive Management considered and approved the interim consolidated financial statements for Netcompany Group A/S (“Netcompany” or “the company” and together with all its subsidiaries “the Group”) for the period 1 January 2022 to 31 December 2022. The Q4 2022 report has not been audited or reviewed by the company’s independent auditors.

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

In our opinion, the accounting policies used are appropriate, and the overall presentation of the interim consolidated financial statements gives a true and fair view

of the Group’s assets, liabilities and financial position on 31 December 2022 and of the results of the Group’s operations and cash flows for the period 1 January 2022 to 31 December 2022.

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

COPENHAGEN, 25 JANUARY 2023

Executive Management

André Rogaczewski
CEO

Claus Jørgensen
COO

Thomas Johansen
CFO

Board of Directors

Bo Rygaard
Chairman of the Board

Juha Christensen
Vice Chairman of the Board

Scanes Bentley

Hege Skryseth

Åsa Riisberg

Susan Helen Cooklin

CONSOLIDATED INTERIM FINANCIAL STATEMENTS



Income statement and Statement of comprehensive income

DKK thousands	Note	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Income statement					
Revenue	1	1,519,318	1,152,131	5,544,646	3,631,971
Cost of services	2	-999,307	-766,288	-3,772,174	-2,298,687
Gross profit		520,012	385,843	1,772,472	1,333,284
Sales and marketing costs		-12,083	-18,803	-41,008	-36,715
Administrative costs	3	-198,826	-156,766	-763,881	-503,399
Special items	4	0	-7,729	5	-37,729
Other operating income / expense		6,328	-184	5,903	-184
EBITA		315,431	202,360	973,491	755,256
Amortisation		-33,838	-24,267	-134,073	-51,424
Operating profit (EBIT)		281,592	178,093	839,417	703,833
Financial income		11,527	3,612	30,341	10,259
Financial expenses		-34,103	-17,474	-100,261	-43,648
Fair value adj. of contingent consideration		-7,874	29,421	-7,874	78,906
Income / loss, investment in joint venture		4,514	-4,929	-5,873	-21,732
Income / loss, investment in associates		727	0	790	0
Profit / loss before tax		256,382	188,723	756,541	727,618
Tax on the profit for the period		-40,952	-34,931	-153,790	-153,316
Net profit / loss for the period		215,430	153,792	602,752	574,302
<i>Of which</i>					
Non-controlling interest		-151	-1,840	-617	-1,840
Netcompany Group A/S' share		215,581	155,632	603,369	576,142

CONTINUED **INCOME STATEMENT AND STATEMENT
OF COMPREHENSIVE INCOME**

DKK thousands	Note	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Earnings per share					
Earnings per share (DKK)		4.39	3.17	12.27	11.73
Diluted Earnings per share (DKK)		4.34	3.13	12.15	11.59
Statement of comprehensive income					
Net profit / loss for the period		215,430	153,792	602,752	574,302
Other comprehensive income items that may be reclassified subsequently to profit or loss:					
Exchange rate adjustments on translating foreign subsidiaries		-3,733	4,406	-8,011	10,792
Income / loss from financial assets recognised at fair value		0	0	0	0
Other comprehensive income items that may not be reclassified to profit or loss:					
Actuarial profit / loss on defined benefit plans		447	0	410	0
Other comprehensive income, net of tax		-3,286	4,406	-7,602	10,792
Of which					
Non-controlling interest		-517	415	208	415
Netcompany Group A/S' share		-2,768	3,991	-7,810	10,378
Total comprehensive income		212,145	158,198	595,150	585,095
Of which					
Non-controlling interest		-668	-1,425	-409	-1,425
Netcompany Group A/S' share		212,812	159,623	595,559	586,520

Statement of financial position

DKK thousands	Note	31 December 2022	31 December 2021
Assets			
Intangible assets		3,879,863	3,896,198
Tangible assets		332,158	316,895
Investment in joint venture		97,360	103,233
Investment in associates		8,001	7,211
Other securities and investments		1,324	2,102
Other receivables		54,932	26,225
Deferred tax assets		32,742	17,391
Total non-current assets		4,406,380	4,369,255
Trade receivables	7	1,111,954	1,031,880
Receivables from joint venture		9,984	7,311
Receivables from associates		16,369	16,369
Contract work in progress	8	1,114,527	1,019,974
Other receivables		38,276	39,557
Prepayments		124,410	74,900
Tax receivables		35,964	0
Total receivables		2,451,483	2,189,992
Cash		336,048	458,779
Total current assets		2,787,531	2,648,771
Assets held for sale		0	3,123
Total assets		7,193,911	7,021,150

DKK thousands	Note	31 December 2022	31 December 2021
Equity and liabilities			
Share capital		50,000	50,000
Treasury shares		-313,287	-241,409
Retained earnings		3,783,511	3,222,530
Other reserves		410	0
Equity attributable to Netcompany Group A/S		3,520,691	3,031,121
Non-controlling interest		6,180	6,796
Total equity		3,526,870	3,037,918
Borrowings		1,872,372	2,275,788
Pension obligations		13,772	18,198
Leasing liabilities		180,514	147,979
Other payables		0	94,498
Deferred tax liability		110,992	134,255
Total non-current liabilities		2,177,650	2,670,719
Borrowings		47,314	74,497
Leasing liabilities		85,420	98,645
Prebilled invoices	8	433,498	350,880
Trade payables		265,196	328,496
Pension obligations		5,829	0
Other payables		640,582	446,006
Provisions		11,550	8,839
Total current liabilities		1,489,390	1,312,514
Liabilities held for sale		0	0
Total liabilities		3,667,040	3,983,233
Total equity and liabilities		7,193,911	7,021,150

Cash flow statement

DKK thousands	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Operating profit (EBIT)	281,592	178,093	839,417	703,833
Depreciation and amortisation	73,618	52,419	272,653	139,201
Non-cash items	5,798	10,996	14,382	43,685
Working capital changes	165,891	9,841	-59,320	-189,249
Total	526,899	251,350	1,067,133	697,470
Income taxes paid	-96,516	-78,208	-234,084	-197,489
Financial income received	1,817	964	7,285	2,914
Financial expenses paid	-34,240	-12,189	-67,328	-37,298
Cash flow from operating activities	397,959	161,918	773,005	465,597
Net cash outflow on acquisition of subsidiaries	-50,011	-1,181,533	-50,011	-1,270,938
Cash and cash equivalents acquired	0	132,415	0	132,415
Other investments	224	-30,000	4,432	-55,000
Capitalisation of intangible assets	-23,820	-11,304	-98,046	-11,304
Acquisition of intangible assets	-20,000	0	-20,000	0
Acquisition of fixed assets	-30,766	-15,899	-52,211	-46,246
Disposals of fixed assets	477	2,321	477	2,321
Other receivables (deposits)	-6,257	-1,739	-28,927	-5,731
Cash flow from investment activities	-130,153	-1,105,740	-244,286	-1,254,484
Dividends paid	0	0	0	-49,100
Payment of treasury shares	-30,535	-49,994	-131,487	-99,993
Proceeds from borrowings	0	1,350,000	2,182,836	1,350,000
Repayment of borrowings	-105,425	-76,349	-2,610,033	-261,531
Repayment of right of use assets	-20,076	-18,407	-87,332	-56,988
Cash flow from financing activities	-156,036	1,205,250	-646,017	882,388
Net increase in cash and cash equivalents	111,770	261,427	-117,298	93,501
Cash and cash equivalents at the beginning	223,639	195,117	458,779	358,997
Effect of exchange rate changes on the balance cash held in foreign currencies	639	2,234	-5,433	6,281
Cash and cash equivalents at the end	336,048	458,779	336,048	458,779

Statement of changes in Equity

DKK thousands	Share capital	Treasury shares	Share-based remuneration	Foreign currency translation subsidiaries	Retained earnings	Other Reserves	Total equity, Netcompany Group A/S	Non-controlling interest	Total equity
Equity at 1 October 2022	50,000	-302,896	54,344	1,581	3,535,214	-38	3,338,205	6,848	3,345,053
Profit for the period	0	0	0	0	215,581	0	215,581	-151	215,430
Other comprehensive income	0	0	0	-3,216	0	447	-2,768	-517	-3,286
Total comprehensive income	0	0	0	-3,216	215,581	447	212,812	-668	212,145
Treasury Shares for the period	0	-10,494	0	0	-20,016	0	-30,510	0	-30,510
Share-based remuneration for the period	0	103	-118	0	141	0	127	0	127
Total transactions with owners	0	-10,391	-118	0	-19,874	0	-30,383	0	-30,383
Equity at 31 December 2022	50,000	-313,287	54,226	-1,635	3,730,920	410	3,520,691	6,180	3,526,870

Equity at 1 January 2022	50,000	-241,409	70,177	6,584	3,145,768	0	3,031,121	6,796	3,037,918
Profit for the period	0	0	0	0	603,369	0	603,369	-617	602,752
Other comprehensive income	0	0	0	-8,219	0	410	-7,810	208	-7,602
Total comprehensive income	0	0	0	-8,219	603,369	410	595,559	-409	595,150
Treasury Shares for the period	0	-111,301	0	0	-19,628	0	-130,929	0	-130,929
Share-based remuneration for the period	0	39,423	-15,952	0	1,411	0	24,882	0	24,882
Movement of non-controlling interest	0	0	0	0	0	0	0	-207	-207
Total transactions with owners	0	-71,878	-15,952	0	-18,217	0	-106,046	-207	-106,254
Equity at 31 December 2022	50,000	-313,287	54,226	-1,635	3,730,920	410	3,520,691	6,180	3,526,870

CONTINUED STATEMENT OF CHANGES IN EQUITY

DKK thousands	Share capital	Treasury shares	Share-based remuneration	Foreign currency translation subsidiaries	Retained earnings	Other Reserves	Total equity, Netcompany Group A/S	Non-controlling interest	Total equity
Equity at 1 October 2021	50,000	-220,506	63,387	2,593	2,886,346	0	2,781,820	0	2,781,820
Profit for the period	0	0	0	0	155,632	0	155,632	-1,840	153,792
Other comprehensive income	0	0	0	3,991	0	0	3,991	415	4,406
Total comprehensive income	0	0	0	3,991	155,632	0	159,623	-1,425	158,198
Treasury Shares for the period	0	-20,903	0	0	103,791	0	82,888	0	82,888
Share-based remuneration for the period	0	0	6,790	0	0	0	6,790	0	6,790
Movement of non-controlling interest	0	0	0	0	0	0	0	8,221	8,221
Total transactions with owners	0	-20,903	6,790	0	103,791	0	89,678	8,221	97,900
Equity at 31 December 2021	50,000	-241,409	70,177	6,584	3,145,768	0	3,031,121	6,796	3,037,918

Equity at 1 January 2021	50,000	-175,000	42,478	-3,793	2,514,936	0	2,428,621	0	2,428,621
Profit for the period	0	0	0	0	576,142	0	576,142	-1,840	574,302
Other comprehensive income	0	0	0	10,378	0	0	10,378	415	10,792
Total comprehensive income	0	0	0	10,378	576,142	0	586,520	-1,425	585,095
Treasury Shares for the period	0	-70,902	0	0	103,791	0	32,889	0	32,889
Share-based remuneration for the period	0	4,493	27,699	0	0	0	32,192	0	32,192
Dividend paid	0	0	0	0	-49,100	0	-49,100	0	-49,100
Movement of non-controlling interest	0	0	0	0	0	0	0	8,221	8,221
Total transactions with owners	0	-66,409	27,699	0	54,691	0	15,981	8,221	24,202
Equity at 31 December 2021	50,000	-241,409	70,177	6,584	3,145,768	0	3,031,121	6,796	3,037,918

NOTE 1

Segment information

Public Q4

DKK million	Group			Denmark		Norway		UK		Netherlands		Intrasoft	
	Q4 2022	Q4 2021	% change	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021
Revenue	998.1	758.5	31.6%	451.2	403.2	51.7	56.0	92.1	74.7	29.9	19.8	373.2	204.8
Cost of service	-679.3	-529.3	28.3%	-262.0	-241.5	-38.7	-46.6	-66.8	-50.8	-23.1	-17.5	-288.7	-172.8
Gross profit	318.8	229.2	39.1%	189.2	161.8	13.0	9.3	25.3	23.9	6.8	2.3	84.5	31.9
<i>Gross profit margin</i>	<i>31.9%</i>	<i>30.2%</i>	<i>1.7pp</i>	<i>41.9%</i>	<i>40.1%</i>	<i>25.2%</i>	<i>16.7%</i>	<i>27.5%</i>	<i>32.0%</i>	<i>22.9%</i>	<i>11.4%</i>	<i>22.6%</i>	<i>15.6%</i>
Allocated costs	-141.8	-109.9	29.0%	-72.2	-57.3	-9.8	-13.6	-14.3	-11.9	-9.3	-7.9	-36.2	-19.2
Adjusted EBITA before HQ costs	177.0	119.3	48.3%	117.0	104.4	3.2	-4.3	10.9	12.1	-2.4	-5.7	48.3	12.7
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>17.7%</i>	<i>15.7%</i>	<i>2.0pp</i>	<i>25.9%</i>	<i>25.9%</i>	<i>6.2%</i>	<i>-7.6%</i>	<i>11.9%</i>	<i>16.1%</i>	<i>-8.1%</i>	<i>-28.6%</i>	<i>12.9%</i>	<i>6.2%</i>
Allocated costs from HQ	0.5	-7.0	-107.3%	0.3	-4.8	0.0	-0.9	0.1	-0.9	0.1	-0.4	0.0	0.0
EBITA	177.5	106.9	66.0%	117.4	96.1	3.2	-5.9	11.0	10.2	-2.4	-6.2	48.3	12.7
EBITA margin	17.8%	14.1%	3.7pp	26.0%	23.8%	6.2%	-10.6%	12.0%	13.7%	-8.0%	-31.5%	12.9%	6.2%
Amortisation	-21.9	-15.4	42.4%	-10.7	-10.6	-1.2	-1.7	-2.3	-1.8	-1.0	-0.9	-6.7	-0.4
Operating profit	155.6	91.6	70.0%	106.7	85.5	2.0	-7.6	8.7	8.4	-3.4	-7.1	41.5	12.4
<i>Operating profit margin</i>	<i>15.6%</i>	<i>12.1%</i>	<i>3.5pp</i>	<i>23.6%</i>	<i>21.2%</i>	<i>3.9%</i>	<i>-13.5%</i>	<i>9.5%</i>	<i>11.2%</i>	<i>-11.3%</i>	<i>-36.0%</i>	<i>11.1%</i>	<i>6.0%</i>

CONTINUED Segment information

Private Q4

DKK million	Group			Denmark		Norway		UK		Netherlands		Intrasoft	
	Q4 2022	Q4 2021	% change	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021
Revenue	521.3	393.6	32.4%	308.1	270.6	34.9	11.9	40.3	27.4	0.6	2.9	137.3	80.8
Cost of service	-320.0	-237.0	35.0%	-162.4	-143.6	-27.9	-7.4	-24.2	-20.7	-0.3	-2.8	-105.3	-62.5
Gross profit	201.2	156.6	28.5%	145.7	127.0	7.0	4.4	16.2	6.7	0.3	0.1	31.9	18.3
<i>Gross profit margin</i>	38.6%	39.8%	-1.2pp	47.3%	46.9%	20.1%	37.3%	40.1%	24.4%	54.1%	4.6%	23.3%	22.7%
Allocated costs	-69.9	-55.1	26.8%	-45.4	-37.0	-6.8	-2.1	-5.7	-5.1	-0.1	-1.2	-11.7	-9.8
Adjusted EBITA before HQ costs	131.4	101.5	29.4%	100.3	90.1	0.2	2.3	10.4	1.6	0.2	-1.0	20.2	8.6
<i>Adjusted EBITA margin before allocated cost from HQ</i>	25.2%	25.8%	-0.6pp	32.6%	33.3%	0.5%	19.6%	25.9%	5.8%	38.9%	-35.3%	14.7%	10.6%
Allocated costs from HQ	0.2	-3.6	-106.6%	0.2	-3.1	0.0	-0.1	0.0	-0.4	0.0	-0.1	0.0	0.0
Special items	-0.0	-2.3	N/A	-0.0	-2.2	-0.0	0.0	-0.0	0.0	-0.0	-0.1	0.0	0.0
Other operating income / expense	6.3	-0.2	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.3	-0.2
EBITA	137.9	95.4	44.5%	100.5	84.8	0.2	2.3	10.5	1.2	0.2	-1.2	26.5	8.4
<i>EBITA margin</i>	26.5%	24.2%	2.2pp	32.6%	31.3%	0.6%	19.3%	25.9%	4.4%	38.9%	-41.4%	19.3%	10.4%
Amortisation	-11.9	-8.9	34.3%	-8.2	-7.1	-0.8	-0.5	-0.9	-1.0	-0.0	-0.1	-2.0	-0.1
Operating profit	126.0	86.5	45.6%	92.3	77.7	-0.6	1.8	9.5	0.2	0.2	-1.3	24.5	8.2
<i>Operating profit margin</i>	24.2%	22.0%	2.2pp	30.0%	28.7%	-1.8%	14.9%	23.7%	0.7%	37.3%	-45.3%	17.9%	10.2%

CONTINUED Segment information

Public 12 months

DKK million	Group			Denmark		Norway		UK		Netherlands		Intrasoft	
	YTD 2022	YTD 2021	% change	YTD 2022	YTD 2021	YTD 2022	YTD 2021	YTD 2022	YTD 2021	YTD 2022	YTD 2021	YTD 2022	YTD 2021
Revenue	3,594.9	2,210.4	62.6%	1,674.5	1,526.3	175.1	171.5	373.5	230.4	100.7	77.4	1,271.1	204.8
Cost of service	-2,561.0	-1,477.6	73.3%	-1,035.8	-936.6	-149.1	-136.2	-275.7	-163.7	-84.4	-68.3	-1,015.9	-172.8
Gross profit	1,033.9	732.7	41.1%	638.7	589.8	26.0	35.3	97.8	66.7	16.3	9.1	255.2	31.9
<i>Gross profit margin</i>	<i>28.8%</i>	<i>33.1%</i>	<i>-4.4pp</i>	<i>38.1%</i>	<i>38.6%</i>	<i>14.8%</i>	<i>20.6%</i>	<i>26.2%</i>	<i>28.9%</i>	<i>16.2%</i>	<i>11.7%</i>	<i>20.1%</i>	<i>15.6%</i>
Allocated costs	-513.3	-317.8	61.5%	-250.3	-206.1	-38.3	-31.7	-53.7	-33.4	-33.4	-27.5	-137.6	-19.2
Adjusted EBITA before HQ costs	520.6	414.9	25.5%	388.4	383.7	-12.3	3.6	44.2	33.3	-17.1	-18.4	117.5	12.7
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>14.5%</i>	<i>18.8%</i>	<i>-4.3pp</i>	<i>23.2%</i>	<i>25.1%</i>	<i>-7.0%</i>	<i>2.1%</i>	<i>11.8%</i>	<i>14.5%</i>	<i>-17.0%</i>	<i>-23.8%</i>	<i>9.2%</i>	<i>6.2%</i>
Allocated costs from HQ	-23.7	-23.9	-0.8%	-16.2	-17.4	-2.0	-2.3	-4.2	-2.8	-1.4	-1.5	0.0	0.0
Special items	0.0	-23.5	N/A	0.0	-17.3	0.0	-2.5	0.0	-2.4	0.0	-1.3	0.0	0.0
Other operating income / expense	0.0	0.0	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	496.9	367.5	35.2%	372.2	349.0	-14.3	-1.2	39.9	28.1	-18.5	-21.2	117.5	12.7
<i>EBITA margin</i>	<i>13.8%</i>	<i>16.6%</i>	<i>-2.8pp</i>	<i>22.2%</i>	<i>22.9%</i>	<i>-8.1%</i>	<i>-0.7%</i>	<i>10.7%</i>	<i>12.2%</i>	<i>-18.4%</i>	<i>-27.4%</i>	<i>9.2%</i>	<i>6.2%</i>
Amortisation	-87.0	-32.0	171.8%	-45.1	-22.9	-5.3	-3.1	-11.2	-3.7	-4.0	-2.0	-21.3	-0.4
Operating profit	409.9	335.5	22.2%	327.1	326.1	-19.6	-4.2	28.7	24.4	-22.5	-23.2	96.2	12.4
<i>Operating profit margin</i>	<i>11.4%</i>	<i>15.2%</i>	<i>-3.8pp</i>	<i>19.5%</i>	<i>21.4%</i>	<i>-11.2%</i>	<i>-2.5%</i>	<i>7.7%</i>	<i>10.6%</i>	<i>-22.3%</i>	<i>-29.9%</i>	<i>7.6%</i>	<i>6.0%</i>

CONTINUED Segment information

Private 12 months

DKK million	Group			Denmark		Norway		UK		Netherlands		Intrasoft	
	YTD 2022	YTD 2021	% change	YTD 2022	YTD 2021	YTD 2022	YTD 2021	YTD 2022	YTD 2021	YTD 2022	YTD 2021	YTD 2022	YTD 2021
Revenue	1,949.7	1,421.6	37.2%	1,202.7	1,064.0	117.0	95.8	166.5	176.3	2.0	4.6	461.6	80.8
Cost of service	-1,211.2	-821.0	47.5%	-633.5	-551.8	-101.4	-65.8	-108.7	-137.0	-1.5	-3.9	-366.0	-62.5
Gross profit	738.5	600.5	23.0%	569.2	512.2	15.6	30.0	57.8	39.3	0.5	0.8	95.5	18.3
<i>Gross profit margin</i>	<i>37.9%</i>	<i>42.2%</i>	<i>-4.4pp</i>	<i>47.3%</i>	<i>48.1%</i>	<i>13.3%</i>	<i>31.3%</i>	<i>34.7%</i>	<i>22.3%</i>	<i>24.0%</i>	<i>16.7%</i>	<i>20.7%</i>	<i>22.7%</i>
Allocated costs	-254.2	-184.0	38.2%	-164.1	-128.6	-23.2	-14.5	-20.5	-29.6	-0.5	-1.6	-45.9	-9.8
Adjusted EBITA before HQ costs	484.3	416.5	16.3%	405.0	383.5	-7.7	15.5	37.3	9.7	0.0	-0.8	49.6	8.6
<i>Adjusted EBITA margin before allocated cost from HQ</i>	<i>24.8%</i>	<i>29.3%</i>	<i>-4.5pp</i>	<i>33.7%</i>	<i>36.0%</i>	<i>-6.5%</i>	<i>16.2%</i>	<i>22.4%</i>	<i>5.5%</i>	<i>0.3%</i>	<i>-17.1%</i>	<i>10.7%</i>	<i>10.6%</i>
Allocated costs from HQ	-13.6	-14.4	-5.5%	-10.9	-10.8	-1.1	-1.1	-1.6	-2.4	-0.0	-0.1	0.0	0.0
Special items	0.0	-14.2	N/A	0.0	-10.9	0.0	-1.0	0.0	-2.1	0.0	-0.1	0.0	0.0
Other operating income / expense	5.9	-0.2	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.9	-0.2
EBITA	476.6	387.8	22.9%	394.2	361.8	-8.8	13.4	35.7	5.2	-0.0	-1.0	55.5	8.4
<i>EBITA margin</i>	<i>24.4%</i>	<i>27.3%</i>	<i>-2.8pp</i>	<i>32.8%</i>	<i>34.0%</i>	<i>-7.5%</i>	<i>14.0%</i>	<i>21.4%</i>	<i>2.9%</i>	<i>-0.9%</i>	<i>-22.0%</i>	<i>12.0%</i>	<i>10.4%</i>
Amortisation	-47.1	-19.4	142.5%	-32.2	-14.7	-3.2	-1.5	-4.3	-3.0	-0.1	-0.1	-7.3	-0.1
Operating profit	429.5	368.3	16.6%	361.9	347.1	-11.9	11.9	31.3	2.2	-0.1	-1.2	48.2	8.2
<i>Operating profit margin</i>	<i>22.0%</i>	<i>25.9%</i>	<i>-3.9pp</i>	<i>30.1%</i>	<i>32.6%</i>	<i>-10.2%</i>	<i>12.5%</i>	<i>18.8%</i>	<i>1.2%</i>	<i>-3.8%</i>	<i>-24.9%</i>	<i>10.4%</i>	<i>10.2%</i>

CONTINUED Segment information

Geographical

Segment information related to geographical areas

DKK thousands	Q4 2022								
	Denmark	Norway	UK	Netherlands	Belgium	Luxembourg	Greece	Other	Total
Revenue from external customers	775,838	86,980	135,703	33,951	112,306	84,627	191,829	98,084	1,519,318

DKK thousands	Q4 2021								
	Denmark	Norway	UK	Netherlands	Belgium	Luxembourg	Greece	Other	Total
Revenue from external customers	675,413	68,319	105,049	23,087	109,944	7,039	118,032	45,248	1,152,131

Geographical Full year

Segment information related to geographical areas

DKK thousands	YTD 2022								
	Denmark	Norway	UK	Netherlands	Belgium	Luxembourg	Greece	Other	Total
Revenue from external customers	2,915,238	295,161	555,171	109,019	672,028	155,876	584,014	258,139	5,544,646

DKK thousands	YTD 2021								
	Denmark	Norway	UK	Netherlands	Belgium	Luxembourg	Greece	Other	Total
Revenue from external customers	2,591,948	267,740	409,572	82,447	109,944	7,039	118,032	45,248	3,631,971

NOTE 2

Cost of services

DKK thousands	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Cost of services	-293,446	-197,624	-983,198	-380,909
Salaries	-699,615	-557,540	-2,764,862	-1,888,564
Depreciation	-6,245	-11,124	-24,113	-29,214
Cost of services total	-999,307	-766,288	-3,772,174	-2,298,687

NOTE 3

Administrative costs

DKK thousands	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Administrative costs	-102,069	-78,005	-369,410	-237,845
Salaries	-63,223	-61,732	-280,005	-206,990
Depreciation	-33,535	-17,029	-114,466	-58,564
Administrative costs total	-198,826	-156,766	-763,881	-503,399

NOTE 4

Special items

DKK thousands	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Costs related to M&A	0	-7,729	5	-37,729
Total special items	0	-7,729	5	-37,729

NOTE 5

Financial income and expenses

DKK thousands	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Financial Income				
Exchange rate adjustments	10,741	3,472	27,322	10,039
Other financial income	786	140	3,020	220
Financial income total	11,527	3,612	30,341	10,259
Financial expenses				
Interest expense, bank loan	-18,509	-6,996	-41,804	-14,510
Interest expense, leasing	-2,608	-1,394	-7,140	-4,103
Exchange rate adjustments	-10,604	-4,316	-34,715	-12,906
Other financial expenses	-2,381	-4,768	-16,602	-12,130
Financial expenses total	-34,103	-17,474	-100,261	-43,648

NOTE 6

Earnings per share

DKK thousands	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Earnings per share - EPS (DKK)	4.39	3.17	12.27	11.73
Diluted earnings per share - EPS-D (DKK)	4.34	3.13	12.15	11.59
Profit	215,581	155,632	603,369	576,142
Average number of shares	50,000	50,000	50,000	50,000
Average number of treasury shares	887	843	806	906
Average number of shares in circulation	49,113	49,157	49,194	49,094
Average number of outstanding restricted stock units	514	610	478	592
Average number of diluted shares in circulation	49,627	49,767	49,672	49,686

The earnings per share was affected by the fair value adjustments of the contingent consideration and would have been 4.55 in Q4 2022 and 2.57 in Q4 2021 equal to 12.43 for 2022 and 10.13 in 2021, if normalised for fair value adjustments.

NOTE 7

Trade receivables

DKK thousands	31 December 2022	31 December 2021
Not overdue	746,480	675,255
0-30 days overdue	223,963	217,253
31-60 days overdue	61,401	73,940
61-90 days overdue	33,440	27,954
Over 90 days overdue	63,237	54,398
Total trade receivables excl. expected credit loss	1,128,521	1,048,800
Expected credit loss	-16,567	-16,920
Total trade receivables	1,111,954	1,031,880

The Group is continuously conducting individual assessments of bad debt. If this leads to an assessment that the Group will not be able to collect the amount accounted for an allowance for bad debt is made. At 31 December 2022, the Group recognised a provision for expected credit losses of DKK 16.6m (DKK 16.9m). In 2022, the Group realised a credit loss of DKK 0.7m (DKK 5.8m)

The credit quality of trade receivables at 31 December 2022 is considered satisfactory.

NOTE 8

Contract work in progress

DKK thousands	31 December 2022	31 December 2021
Selling price of work performed on fixed price projects	3,811,941	2,594,288
Invoiced amount on fixed price projects	-3,130,912	-1,925,194
Total contract work in progress	681,029	669,094

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

Contract work in progress	1,114,527	1,019,974
Prebilled invoices	-433,498	-350,880
Total contract work in progress	681,029	669,094

NOTE 9

Income Statement classified by function

DKK thousands	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Income statement				
Revenue	1,519,318	1,152,131	5,544,646	3,631,971
Cost of services, incl. depreciation and amortisation	-999,307	-766,288	-3,772,174	-2,298,687
Gross profit	520,012	385,843	1,772,472	1,333,284
Sales and marketing costs, incl. depreciation and amortisation	-12,083	-18,803	-41,008	-36,715
Administrative costs, incl. depreciation and amortisation	-232,664	-188,762	-897,950	-592,552
Other operating income / expense	6,328	-184	5,903	-184
Operating profit (EBIT)	281,592	178,093	839,417	703,833
Financial income	11,527	3,612	30,341	10,259
Financial expenses	-34,103	-17,474	-100,261	-43,648
Fair value adjustment of contingent consideration	-7,874	29,421	-7,874	78,906
Income / loss from investment in joint venture	4,514	-4,929	-5,873	-21,732
Income / loss from investment in associates	727	0	790	0
Profit / loss before tax	256,382	188,723	756,541	727,618
Tax on the profit for the period	-40,952	-34,931	-153,790	-153,316
Net profit / loss for the period	215,430	153,792	602,752	574,302

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

Cost of services	-6,245	-11,124	-24,113	-29,214
Administrative costs	-67,373	-41,295	-248,540	-109,987
Depreciation and amortisation	-73,618	-52,419	-272,653	-139,201

NOTE 10

Collateral provided and contingent liabilities

As part of its contract commitments with customers, the Group has through its banks provided performance guarantees of DKK 491m (DKK 512.2m).

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

The Group is in 2022 as well as in 2021 part of some legal claims. The outcome of these disputes is not considered likely to impact the Groups financial position significantly, besides what is already recognised in the balance sheet.

NOTE 11

Related party transactions

In Q4 2022, Netcompany recognised revenue from Smarter Airports A/S of DKK 12.7m.

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

NOTE 12

Accounting policies

The annual consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The interim consolidated financial statements included in this Q4 2022 financial report has been prepared in accordance with IAS 34 "Interim Finan-

cial Reporting" as adopted by the European Union. The accounting policies applied are consistent with those applied in the consolidated Annual Report for the year ended 31 December 2022 for Netcompany Group A/S.

NOTE 13 Financial figures and highlights Comparative

DKK million	Q4 2022	Q4 2021	% change Q4	YTD 2022	YTD 2021	% change YTD
Income statement						
Public revenue	998.1	758.5	31.6%	3,594.9	2,210.4	62.6%
Private revenue	521.3	393.6	32.4%	1,949.7	1,421.6	37.2%
Revenue by segments, total	1,519.3	1,152.1	31.9%	5,544.6	3,632.0	52.7%
Development revenue	723.7	783.3	-7.6%	2,640.2	2,302.4	14.7%
Maintenance revenue	779.7	367.3	112.3%	2,876.1	1,328.0	116.6%
License revenue	15.9	1.5	924.2%	28.3	1.5	1728.9%
Revenue by types, total	1,519.3	1,152.1	31.9%	5,544.6	3,632.0	52.7%
Organic revenue	1,369.7	866.5	18.9%	4,172.8	3,346.4	14.9%
Non-organic revenue	149.6	285.6	-47.6%	1,371.9	285.6	380.4%
Revenue by growth, total	1,519.3	1,152.1	31.9%	5,544.6	3,632.0	52.7%
Special items	0.0	-7.7	-100.0%	0.0	-37.7	-100.0%
Adjusted EBITDA	348.9	238.2	46.4%	1,106.2	880.9	25.6%
EBITDA	355.2	230.5	54.1%	1,112.1	843.0	31.9%
Adjusted EBITA	309.1	210.3	47.0%	967.6	793.2	22.0%
EBITA	315.4	202.4	55.9%	973.5	755.3	28.9%
Operating profit (EBIT)	281.6	178.1	58.1%	839.4	703.8	19.3%
Net financials	-22.6	-13.9	62.9%	-69.9	-33.4	109.4%
Net profit / loss	215.4	153.8	40.1%	602.8	574.3	5.0%
Financial position						
Capex	-74.6	-27.2	174.2%	-170.3	-57.6	195.8%
Total assets	7,193.9	7,021.1	2.5%	7,193.9	7,021.1	2.5%
Equity	3,526.9	3,037.9	16.1%	3,526.9	3,037.9	16.1%
Dividends Paid	0.0	0.0	N/A	0.0	49.1	-100.0%
Net increase in cash and cash equivalents	111.8	261.4	-57.2%	-117.3	93.5	-225.5%
Free cash flow	323.4	134.7	140.0%	602.7	408.0	47.7%
Free cash flow (tax normalised)	361.4	160.9	124.6%	642.6	422.4	52.1%

CONTINUED FINANCIAL HIGHLIGHTS AND KEY FIGURES **COMPARATIVE**

DKK million	Q4 2022	Q4 2021	% change Q4	YTD 2022	YTD 2021	% change YTD
Earnings per share						
Earnings per share (DKK)	4.39	3.17	38.6%	12.27	11.73	4.6%
Diluted earnings per share (DKK)	4.34	3.13	38.9%	12.15	11.59	4.8%
Employees						
Average number of full-time employees	7,353	5,417	35.7%	6,906	3,787	82.4%
Financial ratios						
Revenue growth	31.9%	49.1%	-17.2pp	52.7%	27.9%	24.7pp
Gross profit margin	34.2%	33.5%	0.7pp	32.0%	36.7%	-4.7pp
Adjusted EBITDA margin	23.0%	20.7%	2.3pp	20.0%	24.3%	-4.3pp
EBITDA margin	23.4%	20.0%	3.4pp	20.1%	23.2%	-3.2pp
Adjusted EBITA margin	20.3%	18.3%	2.1pp	17.5%	21.8%	-4.4pp
EBITA margin	20.8%	17.6%	3.2pp	17.6%	20.8%	-3.2pp
Operating profit margin	18.5%	15.5%	3.1pp	15.1%	19.4%	-4.2pp
Effective tax rate	16.0%	18.5%	-2.5pp	20.3%	21.1%	-0.7pp
Return on equity	6.6%	5.6%	0.9pp	18.4%	21.0%	-2.6pp
Solvency ratio	49.0%	43.3%	5.8pp	49.0%	43.3%	5.8pp
ROIC	4.3%	4.0%	0.3pp	12.0%	14.8%	-2.8pp
ROIC (Adjusted for Goodwill)	13.1%	14.5%	-1.4pp	36.6%	54.1%	-17.5pp
Cash conversion ratio	133.7%	78.0%	55.7pp	85.2%	66.4%	18.8pp
Cash conversion ratio (tax normalised)	149.5%	93.2%	56.3pp	90.9%	68.8%	22.1pp

NOTE 17

Financial figures and highlights Qs

DKK million	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Income statement								
Public revenue	998.1	885.4	836.9	874.6	758.5	461.6	488.0	502.3
Private revenue	521.3	462.8	468.9	496.8	393.6	336.4	338.7	352.8
Revenue by segments, total	1,519.3	1,348.1	1,305.8	1,371.5	1,152.1	798.0	826.7	855.1
Development revenue	723.7	657.5	604.2	654.8	783.3	488.4	513.2	517.5
Maintenance revenue	779.7	683.5	698.9	713.9	367.3	309.6	313.5	337.7
License revenue	15.9	7.1	2.6	2.7	1.5	0.0	0.0	0.0
Revenue by types, total	1,519.3	1,348.1	1,305.8	1,371.5	1,152.1	798.0	826.7	855.1
Organic revenue	1,369.7	943.5	886.7	972.9	866.5	798.0	826.7	855.1
Non-organic revenue	149.6	404.6	419.1	398.5	285.6	0.0	0.0	0.0
Revenue by growth, total	1,519.3	1,348.1	1,305.8	1,371.5	1,152.1	798.0	826.7	855.1
Special items	0.0	0.0	0.0	-0.0	-7.7	-30.0	0.0	0.0
Adjusted EBITDA	348.9	308.9	188.8	259.6	238.4	221.1	186.6	234.8
EBITDA	355.2	308.4	188.7	259.8	230.5	191.1	186.6	234.8
Adjusted EBITA	309.1	275.5	156.0	227.0	210.3	199.9	166.7	216.3
EBITA	315.4	275.0	155.8	227.2	202.4	169.9	166.7	216.3
Operating profit (EBIT)	281.6	240.1	123.2	194.6	178.1	160.9	157.7	207.2
Net financials	-22.6	-16.2	-18.8	-12.4	-13.9	-6.2	-6.7	-6.6
Net profit / loss	215.4	169.7	85.0	132.7	153.8	108.6	112.4	199.5
Financial position								
Capex	-74.6	-45.0	-31.6	-19.1	-27.2	-7.1	-5.0	-18.2
Total assets	7,193.9	7,013.4	7,052.9	7,032.8	7,021.1	4,127.7	4,090.0	4,074.5
Equity	3,526.9	3,345.1	3,169.7	3,130.0	3,037.9	2,781.8	2,666.4	2,595.9
Net increase in cash and cash equivalents	111.8	-24.0	-68.0	-137.1	261.4	16.3	-134.6	-49.6
Free cash flow	323.4	221.5	7.3	50.5	134.7	182.9	-10.2	100.6
Free cash flow (tax normalised)	361.4	168.2	-20.5	126.8	160.9	136.9	-49.2	173.8

CONTINUED NOTE 17 FINANCIAL FIGURES AND HIGHLIGHTS Q5

DKK million	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Earnings per share								
Earnings per share (DKK)	4.39	3.45	1.72	2.71	3.17	2.21	2.29	4.06
Diluted Earnings per share (DKK)	4.34	3.42	1.70	2.68	3.13	2.19	2.26	4.02
Employees								
Average number of full-time employees	7,353	7,039	6,719	6,513	5,417	3,385	3,238	3,109
Financial ratios								
Revenue growth	31.9%	68.9%	58.0%	60.4%	49.1%	14.9%	22.4%	22.9%
Gross profit margin	34.2%	34.9%	27.9%	30.4%	33.5%	41.2%	35.5%	38.1%
Adjusted EBITDA margin	23.0%	22.9%	14.5%	18.9%	20.7%	27.7%	22.6%	27.5%
EBITDA margin	23.4%	22.9%	14.4%	18.9%	20.0%	23.9%	22.6%	27.5%
Adjusted EBITA margin	20.3%	20.4%	11.9%	16.6%	18.3%	25.1%	20.2%	25.3%
EBITA margin	20.8%	20.4%	11.9%	16.6%	17.6%	21.3%	20.2%	25.3%
Operating profit margin	18.5%	17.8%	9.4%	14.2%	15.5%	20.2%	19.1%	24.2%
Effective tax rate	16.0%	23.4%	15.5%	25.5%	18.5%	27.2%	22.9%	18.2%
Return on equity	6.6%	5.5%	2.9%	4.6%	5.6%	4.2%	4.5%	8.4%
Solvency ratio	49.0%	47.7%	44.9%	44.5%	43.3%	67.4%	65.2%	63.7%
ROIC	4.3%	4.1%	2.0%	3.3%	4.0%	3.6%	3.7%	6.7%
ROIC (adjusted for Goodwill)	13.1%	12.7%	6.2%	10.8%	14.5%	13.8%	13.8%	27.8%
Cash conversion ratio	133.7%	112.5%	6.6%	32.0%	78.0%	158.3%	-8.5%	48.7%
Cash conversion rate (tax normalised)	149.5%	85.4%	-18.5%	80.2%	93.2%	118.5%	-41.2%	84.1%

Formulas

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

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

¹ Key figures defined according to IFRS.

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

Disclaimer

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

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

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

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

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

keting practices, unexpected growth in costs and expenses, failure to recruit and retain the right employees, and failure to maintain a culture of compliance.

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

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

About Netcompany

Netcompany delivers business critical IT solutions and consultancy that help our customers to achieve significant business benefits in a digitised world. Netcompany also helps our customers to manage and operate IT solutions both on location and in the cloud.