

Company announcement 9/2017 Søborg/Copenhagen, October 26, 2017

Financial report for the first nine months of 2017

NNIT delivers organic revenue growth of 2.1% and an operating profit margin of 7.9% in the first nine months of 2017.

Performance highlights for the first nine months of 2017

- Revenue increased by 4.2% in reported currencies being impacted by a one-off revenue reversal of DKK 33m regarding a settlement with a customer in the public customer group, see company announcement 8/2017
- Excluding this one-off reversal, revenue increased by 5.9%, hereof 3.7% organic, to DKK 2,113m. Revenue increased by 13% from customers outside the Novo Nordisk Group while revenue from the Novo Nordisk Group decreased by 3.0%
- Operating profit margin was 7.9% in reported currencies compared to 9.8% in 9M 2016. Excluding the one-off revenue reversal operating profit margin was 9.3%
- Net profit decreased by 9.3% to DKK 130m due to the one-off revenue reversal. Excluding the revenue reversal net profit increased by 8.6% to DKK 156m
- Underlying free cash flow for 9M 2017 improved by DKK 37m to DKK 155m compared to 9M 2016. Including the acquisition of SCALES and investment in a new data center the free cash flow was DKK -78m in 9M 2017. The one-off revenue reversal did not impact the free cash flow in 9M 2017
- Order backlog for 2017 at the beginning of Q4 2017 was DKK 2,750m, an increase of 3.3% compared to the same time last year. The negative impact of the one-off revenue reversal was 1.2pp
- Outlook for 2017 is maintained compared to company announcement 8/2017:
 - Revenue growth of 4-6% in constant currencies with expected organic revenue growth of 1-3%. The settlement has a one-off negative impact of around 1.2pp
 - Expected operating profit margin of around 9% in constant currencies. The settlement has a one-off negative impact of around 1.0pp
 - The expected level of investments in 2017 is maintained at 15-17% with an expected organic investment level of 12-14% of total revenue as the majority of investments related to an additional data center will impact 2017
- NNIT believes the long-term target of growing revenue by at least 5% is still achievable. However, continued low visibility in terms of sales of services to Novo Nordisk for 2018 makes it uncertain at this point of time whether NNIT will be able to meet this long-term target in 2018

Per Kogut, CEO at NNIT says about the financial statement: *"Generating 2% organic growth and an operating profit margin of 7.9% in the first nine months of the year due to a DKK 33m revenue reversal in a settlement of a three-year old arbitration with a client is not satisfactory. The settlement has a one-off impact and we can now continue our strategic journey. It is thus comforting to see several recent contract wins and promising growth within the international life sciences customer group, however we have hard work in front of us."*

Financial Overview

DKK million	Q3 2017 (reported)	Q3 2017 (constant)*	Q3 2016*	Pct./pp Change (reported)	Settlement impact	SCALES impact	Pct./pp Change (constant)
Revenue	676	678	674	0.2%	-4.9pp	4.6pp	0.5%
Gross margin	13.8%	13.3%	19.4%	-5.6pp	-4pp	-0.2pp	-6pp
Operating profit	31	27	70	-56.2%	-47.3pp	4.7pp	-60.7%
Operating profit margin	4.5%	4.0%	10.3%	-5.8pp	-4.4pp	0.3pp	-6.3pp
Net profit	27	n.a.	51	-47.6%	-50.5pp	4.5pp	n.a.
Investments	95	n.a.	42	124.0%	n.a.	n.a.	n.a.
Free cash flow	-55	n.a.	20	n.a.	n.a.	n.a.	n.a.

*Constant currencies measured using average exchange rates for 9M 2016

DKK million	9M 2017 (reported)	9M 2017 (constant)*	9M 2016*	Pct./pp Change (reported)	Settlement impact	SCALES impact	Pct./pp Change (constant)
Revenue	2,080	2,081	1,996	4.2%	-1.7pp	2.2pp	4.3%
Gross margin	16.8%	16.5%	19.0%	-2.2pp	-1.2pp	-0.2pp	-2.5pp
Operating profit	164	159	196	-16.6%	-16.8pp	2pp	-19.1%
Operating profit margin	7.9%	7.6%	9.8%	-2pp	-1.4pp	0pp	-2.2pp
Net profit	130	n.a.	143	-9.3%	-17.9pp	1.9pp	n.a.
Investments	328	n.a.	112	192.2%	n.a.	n.a.	n.a.
Free cash flow	-78	n.a.	118	n.a.	n.a.	n.a.	n.a.

*Constant currencies measured using average exchange rates for 9M 2016

Guidance 2017

The order backlog for 2017 at the beginning of Q4 2017 increased by DKK 87m, equal to 3.3%, to DKK 2,750m compared to the order backlog for 2016 at the beginning of Q4 2016. The acquisition of SCALES contributes to a growth in the order backlog of 1.9pp and the one-off revenue reversal of DKK 33m impacted the order backlog growth negatively by 1.2pp, thus the underlying organic growth in the order backlog was 2.6%. Order backlog from the Novo Nordisk Group was 2.8% lower while the order backlog from other customers was 8.3% higher.

The revenue guidance for 2017 is 4-6% in constant currencies with expected organic growth of 1-3%. Due to lower expected revenue from the Novo Nordisk Group and the one-off revenue reversal of DKK 33m regarding a customer in the public customer group (see company announcement 8/2017), the guidance for 2017 organic growth is below the long-term target for revenue growth of at least 5%. As a consequence of the expected lower level in revenue from higher margin projects in the Novo Nordisk Group, the revenue reversal and price reductions on existing customer contracts, the operating profit margin in constant currencies is under increasing pressure and is expected to be around 9%. Excluding the revenue reversal operating profit is expected to be around 10.0% in line with guidance in the Q2 2017 report.

NNIT believes the long-term target of growing revenue by at least 5% is still achievable. However, continued low visibility in terms of sales of services to Novo Nordisk for 2018 makes it uncertain at this point in time whether NNIT will be able to meet this long-term target in 2018. The long-term operating profit margin target of at least 10% is maintained as a positive impact from the operational excellence program in IT Operation Services and other implemented efficiency measures will impact 2018 and onwards.

	Guidance for 2017	Guidance at Q2 2017	Long-term targets
Revenue growth			
In constant currencies*	4-6%	4-8%	
Organic in constant currencies*	1-3%	1-5%	-
as reported**	Around 0.2pp lower	Around 0.2pp lower	≥ 5%
Operating profit margin			
In constant currencies*	Around 9%	Around 10%	-
as reported**	Around 0.3pp higher	Around 0.3pp higher	≥ 10%
Investments / Revenue	15-17%	15-17%	
Organic Investments / Revenue***	12-14%	12-14%	

The impact of the one-off revenue reversal of DKK 33m is 1.2pp on revenue growth and 1.0pp on operating profit margin.

*Constant currencies measured using average exchange rates for 2016

**Based on exchange rates as of October 19, 2017 as illustrated under key currency assumptions on page 23

*** Investments including new customer, data center investments and the acquisition of SCALES are in 2017 expected to be between 15-17 percent of total revenue. Around 7pp relates to the data center investment of around DKK 200m in 2017 and around 3pp relates to the acquisition of SCALES. The total data center investment is expected to be around DKK 250m in the period 2016 to 2018.

About NNIT

NNIT A/S is one of Denmark's leading IT service providers and consultancies. NNIT A/S offers a wide range of IT services and solutions to its customers, primarily in the life sciences sector in Denmark and internationally and to customers in the public, enterprise and finance sectors in Denmark. As of September 30, 2017 NNIT A/S had 2,999 employees.

For more information please visit www.nnit.com.

Conference call details

NNIT will host a teleconference October 26, 2017 at 10:30 CET about the financial report for Q3 2017. Please visit the NNIT webpage at www.nnit.com to access the teleconference, which can be found under 'Investors – Events & presentations'. Presentation material will be available on the website approximately one hour prior to the start of the presentation.

Conference call details

Webcast link: <https://nnit.eventcdn.net/20171026/>

Participant telephone numbers:

Denmark:	+45 3544 5583
United Kingdom:	+44 20 3194 0544
Sweden:	+46 8 5664 2661
United States:	+1 855 269 2604

Financial Calendar 2018

January 24, 2018	Deadline for NNIT shareholders to submit resolutions to be considered by the Annual General Meeting
January 25, 2018	Full year report for 2017
March 8, 2018	Annual General Meeting
May 16, 2018	Interim report for the first three months of 2018
August 17, 2018	Interim report for the first six months of 2018
October 25, 2018	Interim report for the first nine months of 2018

Forward-looking statements

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

Please also refer to the overview of risk factors in the 'risk management' section on page 29-31 in the Annual Report 2016.

Contacts for further information

Investor relations:

Jesper Vesterbæk Wagener
Head of Investor Relations
Tel: +45 3075 5392
jywa@nnit.com

Media relations:

Helga Heyn
NNIT Communications
Tel: +45 3077 8141
hhey@nnit.com

Financial figures and highlights

DKK million, reported currencies	Q3 2017	Q3 2016	9M 2017	9M 2016	Change 9M	Total 2016
Financial performance						
Revenue						
Life Sciences	386.5	386.8	1,165.5	1,165.9	0.0%	1,597.0
Hereof Novo Nordisk Group	291.3	298.3	882.2	909.7	-3.0%	1,238.4
Hereof other Life Sciences	95.2	88.6	283.3	256.1	10.6%	358.6
Enterprise	182.0	144.7	496.2	375.2	32.3%	545.6
Public	54.7	90.4	231.3	281.8	-17.9%	385.3
Finance	52.5	52.6	186.7	172.9	8.0%	236.7
Revenue by customer group	675.6	674.5	2,079.7	1,995.7	4.2%	2,764.6
IT Operation Services	451.1	447.1	1,353.7	1,308.0	3.5%	1,823.7
IT Solution Services	224.5	227.4	725.9	687.7	5.6%	940.9
Revenue by business area	675.6	674.5	2,079.7	1,995.7	4.2%	2,764.6
EBITDA	67.9	105.2	279.4	302.0	-7.5%	437.3
Depreciations and amortizations	37.4	35.4	115.9	106.0	9.3%	144.4
Operating profit (EBIT)	30.6	69.7	163.6	196.1	-16.6%	292.9
Net financials	3.6	-2.7	0.8	-10.5	n.a.	-12.6
Net profit	26.7	50.9	130.1	143.5	-9.3%	215.7
Investments in tangible and intangible assets	95.0	42.4	328.1	112.3	192.2%	167.7
Total assets	1,707.9	1,285.4	1,707.9	1,285.4	32.9%	1,590.5
Equity	907.6	758.1	907.6	758.1	19.7%	846.5
Dividends paid ¹	48.7	48.5	102.0	145.5	-29.9%	145.5
Free cash flow	-55.1	19.7	-78.1	118.3	n.a.	188.4
Earnings per share						
Earnings per share (DKK)	1.10	2.10	5.34	5.92	-9.8%	8.89
Diluted earnings per share (DKK)	1.07	2.05	5.23	5.76	-9.2%	8.67
Employees						
Average number of full-time employees	2,982	2,728	2,913	2,632	10.7%	2,677
Financial ratios						
Gross profit margin	13.8%	19.4%	16.8%	19.0%	-2,2pp	19.6%
EBITDA margin	10.1%	15.6%	13.4%	15.1%	-1,7pp	15.8%
Operating profit margin	4.5%	10.3%	7.9%	9.8%	-2pp	10.6%
Effective tax rate	21.9%	24.0%	20.9%	22.7%	-1.8pp	23.0%
Investments/Revenue	14.1%	6.3%	15.8%	5.6%	10.2pp	
Return on equity ²	24.3%	29.7%	24.3%	29.7%	-5.4pp	27.2%
Solvency ratio	53.1%	59.0%	53.1%	59.0%	-5.8pp	53.2%
Long-term financial metrics						
Revenue growth	0.2%	6.6%	4.2%	6.3%	-2,1pp	6.3%
Operating profit margin	4.5%	10.3%	7.9%	9.8%	-2pp	10.6%
Return on invested capital (ROIC) ^{2, 3}	26.5%	37.5%	26.5%	37.5%	-11pp	37.6%
Cash to earnings ²	-4.0%	95.2%	-4.0%	95.2%	-99.2pp	87.3%
Cash to earnings (three-year average) ²	58.8%	97.9%	58.8%	97.9%	-39.1pp	86.6%
Additional numbers⁴						
Order entry backlog for the current year	2,749.7	2,662.3	2,749.7	2,662.3	3.3%	-
Order entry backlog for the following years 2+3 ⁵	2,766.6	2,948.4	2,766.6	2,948.4	-6.2%	-

1) 2016 dividend consisted of interim dividend of DKK 49m in August 2016 and ordinary dividend of DKK 53m in March 2017

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

3) Net profit/Average invested capital.

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

5) Year 2+3 represents 2018 and 2019 in the 2017 column and 2017 and 2018 in the 2016 column etc.

Highlights

Below are the key highlights for Q3 2017 and the order backlog for 2017 at the beginning of Q4 2017.

Sales

The order backlog for 2017 at the beginning of Q4 2017 increased by DKK 87m to DKK 2,750m which is a growth of 3.3% compared to the order backlog for 2016 at the beginning of Q4 2016. The increase is primarily due to contract wins with new customers as well as expansion of contracts with existing customers in the enterprise and other life sciences customer groups. Further, SCALES has increased the backlog with around 1.9pp while the one-off revenue reversal of DKK 33m has decreased the backlog with around 1.2pp.

At the beginning of Q4 2017 the order backlog for 2018 and 2019 was 6.2% lower than the order backlog for 2017 and 2018 at the beginning of Q4 2016. The backlog growth is impacted by the expiry of several large outsourcing contracts which have not yet been renegotiated or retendered. Renewal of these contracts will increase the order backlog.

Key wins in Q3 2017:

- Infrastructure outsourcing contract with a new international life science customer representing a mid-size double-digit DKKm amount over a 5-year-period supporting NNIT's strategy regarding international life science growth. Mentioned in the Q2 2017 report
- New infrastructure outsourcing contract with Novo Holdings A/S representing a mid-size double-digit DKKm amount over a 5-year-period
- New GxP application outsourcing contract with an existing international life science customer representing a mid-size double-digit DKKm amount over a 5-year-period
- New Compliance-as-a-Service contract with an existing international life science customer representing a minor double-digit DKKm amount over a 3-year-period
- New SAP Advanced Track and Trace for Pharmaceuticals (SAP ATTP) implementation project with an existing international life science customer representing a minor double-digit DKKm, which will run until March 2019
- Extension of SAP outsourcing contract with an enterprise customer representing a mid-size double-digit DKKm amount over a 6-year-period

Other business

- After a public tender, the DSB infrastructure contract was awarded to another IT service vendor. The current contract has a high double-digit DKKm revenue in 2017 and will be phased out gradually until beginning of 2019 with the largest impact coming in 2019
- October 20, 2017 NNIT settled an arbitration with a public customer. As a consequence of the settlement, NNIT makes a one-off revenue reversal of DKK 33m impacting operating profit negatively by DKK 33m, see company announcement 8/2017. This arbitration case and potential outcomes of the case were mentioned in NNIT's IPO prospectus and in note 5 in quarterly announcements following the IPO

Organization

As of November 1, 2017 Claus Middelboe Andersen will join NNIT as Senior Vice President and Head of IT Solution Services. He comes from a position as CIO at SKAT (Danish Tax Authorities).

Performance overview

Additional columns with the impact from SCALES and the settlement explained below are included in relevant tables throughout the report. SCALES is included from June 1, 2017.

NNIT has settled an arbitration with a public customer (mentioned in company announcement 8/2017). As a consequence of the settlement, NNIT makes a one-off revenue reversal of DKK 33m impacting operating profit negatively by DKK 33m. In the following tables the impact of this revenue reversal is shown in a separate column which makes it possible to see NNIT's performance including the revenue reversal and also making it possible to see the underlying performance excluding the revenue reversal.

DKK million (reported currencies)	Q3 2017 before settlement*	Q3 2017 (reported)	Q3 2016	Change (reported)	Settlement impact	SCALES impact
Revenue	708.6	675.6	674.5	0.2%	-4.9pp	4.6pp
Cost of goods sold	582.3	582.3	543.8	7.1%	0pp	5.2pp
Gross profit	126.3	93.3	130.7	-28.6%	-25.3pp	2.5pp
<i>Gross profit margin</i>	17.8%	13.8%	19.4%	-5.6pp	-4pp	-0.2pp
Sales and marketing costs	33.9	33.9	31.6	7.4%	0pp	0pp
Administrative expenses	28.9	28.9	29.4	-1.6%	0pp	0pp
Operating profit	63.6	30.6	69.7	-56.2%	-47.3pp	4.7pp
<i>Operating profit margin</i>	9.0%	4.5%	10.3%	-5.8pp	-4.4pp	0.3pp
Net financials	3.6	3.6	-2.7	-233.4%	n.a.	n.a.
Profit before tax	67.2	34.2	67.0	-49.0%	-49.2pp	4.8pp
Tax	14.7	7.5	16.1	-53.5%	-45.1pp	6pp
<i>Effective tax rate</i>	22.0%	21.9%	24.0%	-2.1pp	0pp	0.8pp
Net profit	52.4	26.7	50.9	-47.6%	-50.5pp	4.5pp

DKK million (reported currencies)	9M 2017 before settlement*	9M 2017 (reported)	9M 2016	Change (reported)	Settlement impact	SCALES impact
Revenue	2,112.7	2,079.7	1,995.7	4.2%	-1.7pp	2.2pp
Cost of goods sold	1,731.0	1,731.0	1,616.6	7.1%	0pp	2.4pp
Gross profit	381.6	348.6	379.1	-8.0%	-8.7pp	1pp
<i>Gross profit margin</i>	18.1%	16.8%	19.0%	-2.2pp	-1.2pp	-0.2pp
Sales and marketing costs	99.6	99.6	98.1	1.6%	0pp	0pp
Administrative expenses	85.4	85.4	84.9	0.6%	0pp	0pp
Operating profit	196.6	163.6	196.1	-16.6%	-16.8pp	2pp
<i>Operating profit margin</i>	9.3%	7.9%	9.8%	-2pp	-1.4pp	0pp
Net financials	0.8	0.8	-10.5	-107.8%	n.a.	n.a.
Profit before tax	197.4	164.4	185.6	-11.4%	-17.8pp	2.1pp
Tax	41.6	34.3	42.1	-18.5%	-17.2pp	2.8pp
<i>Effective tax rate</i>	21.1%	20.9%	22.7%	-1.8pp	-0.2pp	0.2pp
Net profit	155.8	130.1	143.5	-9.3%	-17.9pp	1.9pp

*Before revenue reversal of DKK 33m in Q3 2017 regarding a settlement with a public customer (see company announcement 8/2017)

Revenue in reported currencies increased by 0.2% in Q3 2017 (0.5% in constant currencies) being impacted negatively by the one-off revenue reversal of DKK 33m corresponding to 4.9pp and positively impacted by 4.6pp from SCALES. Adjusting for these impacts the underlying organic growth was 0.4% in reported currencies due to a decline in revenue from the Novo Nordisk Group of 2.3% and an increase in revenue from other customers of 2.6%.

9M 2017, revenue increased by 4.2% (4.3% in constant currencies) again being impacted negatively by the one-off revenue reversal of DKK 33m corresponding to 1.7pp and positively impacted with 2.2pp from SCALES. Adjusting for these impacts the underlying organic growth was 3.7% in reported currencies due to a declining revenue from the Novo Nordisk Group of 3.0% while other customers increased by 9.4%.

Operating profit margin in reported currencies was 4.5% in Q3 2017 (4.0% in constant currencies) and 7.9% in 9M 2017 (7.6% in constant currencies) negatively impacted by

the one-off revenue reversal of DKK 33m compared to 10.3% in Q3 2016 and 9.8% in 9M 2016. Adjusting for the revenue reversal the operating profit margin was 9.0% in Q3 2017 and 9.3% in 9M 2017.

For a detailed performance overview in both reported and constant currencies please see note 8 on page 25. Comparisons in this financial report are hereafter in reported currencies. NNIT's major currencies have depreciated giving operating profit margin in 9M 2017 a tailwind of 0.3pp whereas the impact on revenue growth was 0.1pp headwind.

Cost of goods sold increased by 7.1% in Q3 2017 and 9M 2017 compared to the same periods last year. The gross profit margin was 13.8% in Q3 2017 (19.4% in Q3 2016) and 16.8% in 9M 2017 (19.0% in 9M 2016). The decrease in gross profit margin for 9M 2017 was among others driven by the one-off revenue reversal, a reduction in the level of higher margin projects from the Novo Nordisk Group, increased low margin hardware revenue from the Novo Nordisk Group, price reductions in certain outsourcing contracts and onboarding of new customers. The decline in gross profit margin will be sought mitigated through continued development of focused offerings to life sciences and other customer groups as well a selective approach in bidding on public tenders. Adjusting for the revenue reversal the gross profit margin was 17.8% in Q3 2017 and 18.1% in 9M 2017.

Sales and marketing costs increased by 7.4% in Q3 2017 and 1.6% in 9M 2017 mainly due to a strengthening of the sales force especially within international life sciences to support future growth.

Administrative expenses decreased by 1.6% in Q3 2017 and increased by 0.6% in 9M 2017 compared to the same periods last year. The decrease in Q3 2017 was mainly due to timing of expenses and cost cautiousness in general.

Operating profit in Q3 2017 decreased by 56% to DKK 30.6m corresponding to an operating profit margin of 4.5% compared to 10.3% in Q3 2016 mainly due to the one-off revenue reversal of DKK 33m in Q3 2017. This led to an operating profit 9M 2017 of DKK 163.6m corresponding to an operating profit margin of 7.9% compared to 9.8% in 9M 2016. The negative development in the gross margin is the main driver of the decrease in the operating profit margin. Adjusting for the revenue reversal the operating profit margin was 9.0% in Q3 2017 and 9.3% in 9M 2017.

Net financials in Q3 2017 were positive DKK 3.6m which is an improvement of DKK 6.3m compared to Q3 2016. Net financials improved by DKK 11.3m in 9M 2017 compared to 9M 2016. The improvement in net financials is primarily due to higher gains on cash flow hedges and higher gains/lower losses on value adjustment on the Novo Nordisk shareholdings used to hedge NNIT's long-term incentive program.

The effective tax rate in Q3 2017 was 21.9% representing a decrease of 2.1pp compared to Q3 2016. The effective tax rate in 9M 2017 was 20.9% representing a decrease of 1.8pp compared to 9M 2016. The decrease is caused by changes in the level of non-taxable adjustments mainly from non-taxable income regarding unrealized gain from Novo Nordisk shares in 9M 2017 compared to a loss in 9M 2016 and non-taxable income regarding energy savings in 9M 2017.

Net profit in Q3 2017 was DKK 26.7m corresponding to a decrease of 48% compared to Q3 2016. Net profit in 9M 2017 was DKK 130.1m corresponding to a decrease of 9.3% compared to 9M 2016. The decrease in both Q3 and 9M was impacted by the one-off revenue reversal partly countered by improved net financials and a lower effective tax

rate. Adjusting for the revenue reversal of DKK 33m net profit increased by 8.6% in 9M 2017 compared to same period last year.

Revenue

Revenue distribution:

DKKm (reported currencies)	Q3 2017	Q3 2016	Pct Change (reported)	Settlement impact	SCALES impact
Life Sciences	386.5	386.8	-0.1%	0pp	0.5pp
<i>Hereof Novo Nordisk Group</i>	291.3	298.3	-2.3%	0pp	0pp
<i>Hereof other Life Sciences</i>	95.2	88.6	7.5%	0pp	2pp
Enterprise	182.0	144.7	25.8%	0pp	18pp
Public	54.7	90.4	-39.5%	-36.5pp	3.6pp
Finance	52.5	52.6	-0.2%	0pp	0.5pp
Total	675.6	674.5	0.2%	-4.9pp	4.6pp

DKKm (reported currencies)	9M 2017	9M 2016	Pct Change (reported)	Settlement impact	SCALES impact
Life Sciences	1,165.5	1,165.9	0.0%	0pp	0.3pp
<i>Hereof Novo Nordisk Group</i>	882.2	909.7	-3.0%	0pp	0pp
<i>Hereof other Life Sciences</i>	283.3	256.1	10.6%	0pp	1.2pp
Enterprise	496.2	375.2	32.3%	0pp	9.5pp
Public	231.3	281.8	-17.9%	-11.7pp	1.4pp
Finance	186.7	172.9	8.0%	0pp	0.2pp
Total	2,079.7	1,995.7	4.2%	-1.7pp	2.2pp

Revenue growth in Q3 2017 (0.2%) and in 9M 2017 (4.2%) was primarily driven by double digit percentage growth in the enterprise, other life sciences and finance customer groups partly countered by the public customer group. Revenue in life sciences (including the Novo Nordisk Group and other life sciences customers) was unchanged in Q3 2017 and 9M 2017. The Novo Nordisk Group declined by 2.3% in Q3 2017 and 3.0% in 9M 2017, whereas other life sciences customers experienced a growth of 7.5% in Q3 2017 and 11% in 9M 2017 compared to the same periods last year. This growth was driven by international life sciences customers. Revenue growth in the public customer group decreased by 40% in Q3 2017 and by 18% in 9M 2017. This was due to the settlement with a customer in the public customer group within IT Solution Services of DKK 33m in Q3 2017, a settlement with another customer in the public customer group within IT Operation Services in Q1 2017 and price reductions in certain outsourcing contracts.

The share of NNIT's revenue from customers outside the Novo Nordisk Group reached 58% in 9M 2017 compared to 54% in the same period last year, and is in line with the strategy of becoming less dependent on Novo Nordisk.

Life sciences:

Due to decrease in revenue from the Novo Nordisk Group of 2.3% the revenue in Q3 2017 was unchanged at DKK 386.5m compared to Q3 2016. The revenue decline from the Novo Nordisk Group was mainly related to a reduction in the service level agreements in IT Operation Services and significantly lower project activity within IT Solution Services. Other life sciences customers increased by 7.5%. The growth from non-Novo Nordisk Group life sciences customers reflects an increased activity level especially from a number of international customers.

In 9M 2017, revenue from the life sciences customer group was also unchanged due to a decline in revenue from the Novo Nordisk Group of 3.0%, while other life sciences customers increased by 11%. The revenue decline from the Novo Nordisk Group was mainly due to the reasons given above for Q3 2017.

Enterprise:

Revenue in Q3 2017 increased by DKK 37.3m and DKK 121.0m in 9M corresponding to an increase of 26% in Q3 2017 and 32% in 9M 2017 compared to the same periods last year. Revenue growth was driven by increased revenue from new significant customers gained in 2016, such as PANDORA and Widex as well as a positive contribution from SCALES with most of their customers in the enterprise customer group.

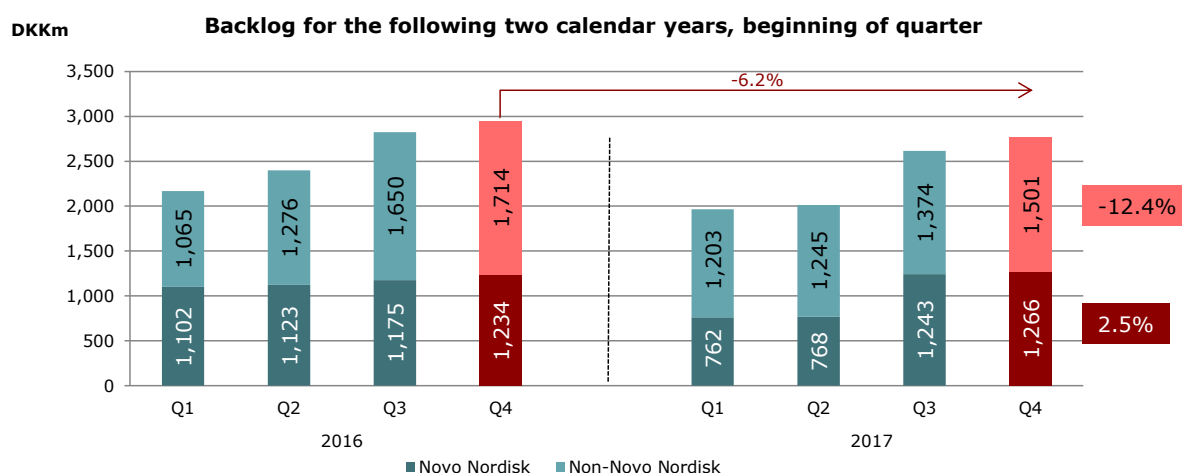
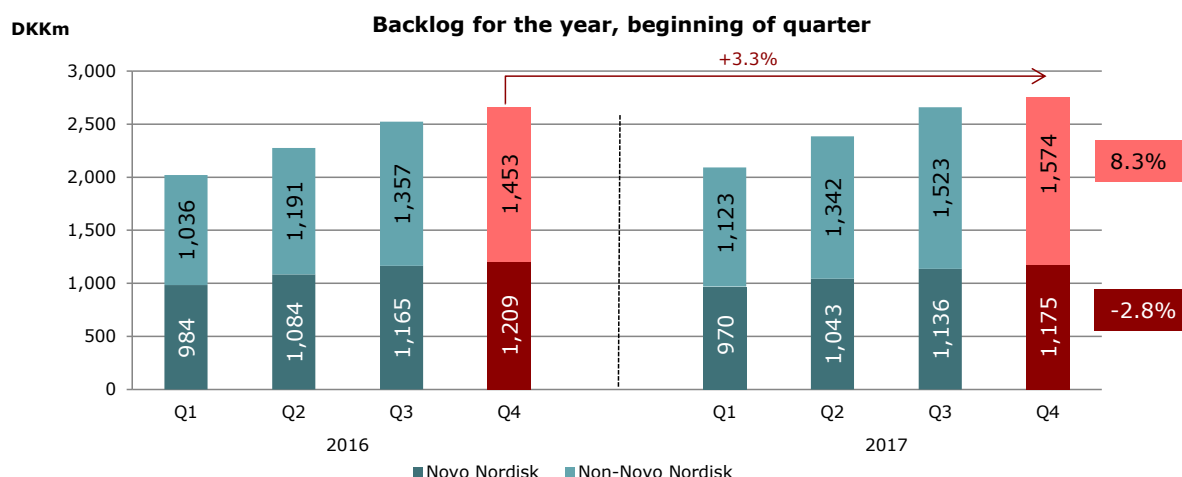
Public:

Revenue in Q3 2017 decreased by DKK 35.7m corresponding to 40% and decreased by DKK 50.5m in 9M 2017, corresponding to a decrease of 18% compared to the same periods last year. The decline in 9M 2017 was impacted by the one-off settlement with a customer within IT Solution Services of DKK 33m in Q3 2017 and another settlement with a customer within IT Operation Services in Q1 2017 and price reductions in certain outsourcing contracts.

Finance:

Revenue in Q3 2017 was unchanged, whereas it increased by DKK 13.8m in 9M 2017, corresponding to an increase of 8.0% in 9M 2017 compared to the same period last year. The increase was primarily due to contract wins with new customers such as E-nettet and Danske Bank partly countered by a customer contract within IT Operation Services, which expired June 2017 and was not extended.

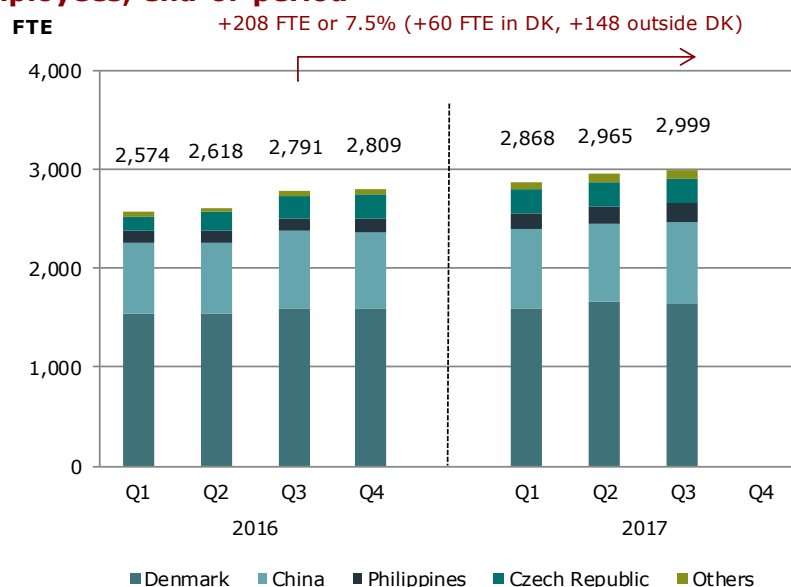
Order backlog



At the beginning of Q4 2017, NNIT's order backlog for 2017 increased by DKK 87m to DKK 2,750m, which is a growth of 3.3% compared to the order backlog for 2016 at the same time last year. The increase is primarily due to contract wins with new customers as well as expansion of contracts with existing customers in the enterprise and other life sciences customer groups. Further, SCALES has increased the backlog with around 1.9pp while the one-off revenue reversal of DKK 33m has decreased the backlog with around 1.2pp. The underlying organic growth in the backlog is thus 2.6%. The backlog from the Novo Nordisk Group declined with 2.8%, while other customers increased 8.3%.

The order backlog for 2018 and 2019 at the beginning of Q4 2017 was 6.2% lower than the corresponding backlog for 2017 and 2018 at the same time last year. The decline in the order backlog is due to the expiry of several large outsourcing contracts, which have not yet been renegotiated or retendered. Renewal of these contracts will increase the order backlog. The Novo Nordisk Group backlog increases with 2.5% due to the extension of the large infrastructure contract, while the backlog from other customers declines with 12% due to the mentioned expiry of several large outsourcing contracts.

Employees, end-of-period



At the end of Q3 2017, the number of employees increased by 208 FTE corresponding to 7.5% compared to the same period last year. More than half of the increase was due to the inclusion of 100 SCALES FTEs in Denmark and 19 FTEs in Norway. Excluding SCALES the underlying growth was only 3.2% entirely driven by countries outside Denmark whereas FTEs in Denmark decreased by 40. The increase was outside Denmark and in-line with the long-term offshoring strategy, primarily in the Philippines (42 FTEs), China (41 FTEs) and Czech Republic (34 FTEs). Denmark increased by 60 FTEs entirely due to SCALES, while Switzerland, Germany, United Kingdom, United States and Norway combined grew by 31 FTEs also due to SCALES and increased activity within international life sciences.

Balance sheet

Total assets at September 30, 2017 increased by DKK 422.5m to DKK 1,707.9m compared to DKK 1,285.4m at September 30, 2016 primarily due to an increase in intangible assets due to the acquisition of SCALES, trade receivables, tangible assets and other receivables partly countered by a decrease in cash and cash equivalents and shares.

The net of Cash and cash equivalents and bank debt amounted to DKK -6.2m at September 30, 2017, a decrease of DKK 110.1m compared to September 30, 2016. The decrease was due to the acquisition of SCALES, increased investments and the payment of ordinary dividend for 2016 (DKK 53.4m) and interim dividend for 2017 (DKK 48.7m) partly countered by net profits from operating activities and a positive development in working capital.

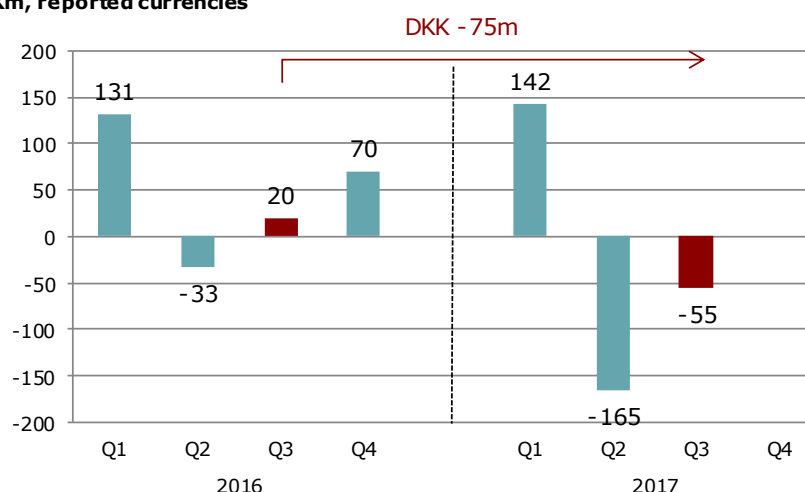
Equity at September 30, 2017 amounted to DKK 907.6m, an increase of DKK 149.5m compared to September 30, 2016. The improvement was due to net profits offset by ordinary dividend for 2016 (DKK 53.4m) and interim dividend for 2017 (DKK 48.7m).

Investments

Investments amounted to DKK 95.0m in Q3 2017 (hereof DKK 55.5m related to the new data center) compared to DKK 42.4m in Q3 2016. Investments amounted to DKK 328.1m in 9M 2017 (hereof DKK 98.0m related to SCALES and DKK 135.5m related to the new data center) compared to DKK 112.3m in 9M 2016. The decrease in investments adjusted for the new data center and SCALES is mainly related to timing of hardware purchases in connection with outsourcing contracts. The investment in the data center in Ejby is progressing according to time schedule and budget.

Free cash flow

DKK m, reported currencies



The free cash flow for Q3 2017 was negative with DKK 55m, a decline of DKK 75m compared to Q3 2016 due to higher investments related to the new data center partly countered by an improvement in working capital. In 9M 2017, the free cash flow was negative with DKK 78m which was DKK 196m lower than in 9M 2016. The underlying free cash flow for 9M 2017 improved by DKK 37m to DKK 155m compared to 9M 2016 when adjusting for the acquisition of SCALES and investments in a new data center.

Business areas

IT Operation Services

DKK million (reported currencies)	Q3 2017	Q3 2016	Change
Revenue			
Novo Nordisk Group	203.5	203.0	0.2%
Non-Novo Nordisk Group	247.6	244.1	1.5%
Total	451.1	447.1	0.9%
Costs	400.9	393.9	1.8%
Operating profit	50.3	53.1	-5.4%
Operating profit margin	11.1%	11.9%	-0.7pp

DKK million (reported currencies)	9M 2017	9M 2016	Change
Revenue			
Novo Nordisk Group	610.4	615.5	-0.8%
Non-Novo Nordisk Group	743.4	692.6	7.3%
Total	1,353.7	1,308.0	3.5%
Costs	1,209.9	1,168.9	3.5%
Operating profit	143.9	139.1	3.4%
<i>Operating profit margin</i>	<i>10.6%</i>	<i>10.6%</i>	<i>0pp</i>

IT Operation Services revenue increased by 0.9% in Q3 2017 and 3.5% in 9M 2017 compared to the same periods last year. The increase was primarily driven by new large customers such as PANDORA, Danske Bank and the life sciences customer group partly countered by the Novo Nordisk Group and the finance customer group.

Operating profit decreased by 5.4% in Q3 2017 compared to Q3 2016 mainly due to low project activity with high margins which has partly been replaced by hardware sales with low margins. Operating profit in 9M 2017 increased by 3.4% compared to 9M 2016 due to the increased revenue. Operating profit margin in Q3 2017 was 11.1% compared to 11.9% in Q3 2016 while operating profit margin in 9M 2017 was 10.6% in line with 9M 2016.

IT Solution Services

DKK million (reported currencies)	Q3 2017	Q3 2016	Change	Settlement impact*	SCALES impact
Revenue					
Novo Nordisk Group	87.8	95.3	-7.8%	0pp	0pp
Non-Novo Nordisk Group	136.7	132.1	3.5%	-25pp	23.7pp
Total	224.5	227.4	-1.2%	-14.5pp	13.8pp
Costs	244.2	210.8	15.9%	0pp	13.3pp
Operating profit	-19.7	16.6	-218.6%	-198.7pp	19.7pp
<i>Operating profit margin</i>	<i>-8.8%</i>	<i>7.3%</i>	<i>-16.1pp</i>	<i>-16.3pp</i>	<i>3.1pp</i>

DKK million (reported currencies)	9M 2017	9M 2016	Change	Settlement impact*	SCALES impact
Revenue					
Novo Nordisk Group	271.8	294.3	-7.6%	0pp	0pp
Non-Novo Nordisk Group	454.1	393.4	15.4%	-8.4pp	10.9pp
Total	725.9	687.7	5.6%	-4.8pp	6.2pp
Costs	706.2	630.7	12.0%	0pp	6.2pp
Operating profit	19.7	57.0	-65.4%	-57.9pp	6.8pp
<i>Operating profit margin</i>	<i>2.7%</i>	<i>8.3%</i>	<i>-5.6pp</i>	<i>-4.5pp</i>	<i>0.4pp</i>

*Revenue reversal of DKK 33m in Q3 2017 regarding a settlement with a public customer (see company announcement 8/2017)

IT Solution Services revenue decreased by 1.2% due to the one-off revenue reversal of DKK 33m related to a settlement with a public customer in Q3 2017 and increased by 5.6% in 9M 2017 compared to the same periods last year. Q3 and 9M were positively impacted by the SCALES acquisition. The increase in 9M 2017 revenue was driven by customers outside the Novo Nordisk Group increasing by 15%, whereas revenue from the Novo Nordisk Group decreased by 7.6% compared to 9M 2016 due to a decline in project activities.

Operating profit in Q3 2017 decreased by DKK 36.3m mainly due to the one-off revenue reversal of DKK 33m compared to Q3 2016. Operating profit in 9M 2017 declined by 65% following the revenue reversal in Q3 2017, reduction in higher margin project activities from the Novo Nordisk Group as well as price and scope reductions on certain outsourcing contracts. Operating profit margin in 9M 2017 was 2.7% compared to 8.3% in 9M 2016, a decrease of 5.6pp due to the above mentioned reasons. Excluding the revenue reversal of DKK 33m the operating profit margin was 7.2%.

Events after balance sheet date

October 20, 2017 NNIT settled an arbitration with a public customer. As a consequence of the settlement, NNIT makes a one-off revenue reversal of DKK 33m impacting operating profit negatively by DKK 33m (mentioned in company announcement 8/2017). This arbitration case and potential outcomes of the case were mentioned in NNIT's IPO prospectus and in note 5 in quarterly announcements following the IPO.

Outlook for 2017

The order backlog for 2017 at the beginning of Q4 2017 increased by DKK 87m, equal to 3.3%, to DKK 2,750m compared to the order backlog for 2016 at the beginning of Q4 2016. The acquisition of SCALES contributes to a growth in the order backlog of 1.9pp and the one-off revenue reversal of DKK 33m impacted the order backlog growth negatively by 1.2pp, thus the underlying organic growth in the order backlog was 2.6%. Order backlog from the Novo Nordisk Group was 2.8% lower while the order backlog from other customers was 8.3% higher.

The revenue guidance for 2017 is 4-6% in constant currencies with expected organic growth of 1-3%. Due to lower expected revenue from the Novo Nordisk Group and the one-off revenue reversal of DKK 33m regarding a customer in the public customer group (see company announcement 8/2017), the guidance for 2017 organic growth is below the long-term target for revenue growth of at least 5%. As a consequence of the expected lower level in revenue from higher margin projects in the Novo Nordisk Group, the revenue reversal and price reductions on existing customer contracts, the operating profit margin in constant currencies is under increasing pressure and is expected to be around 9%. Excluding the revenue reversal operating profit is expected to be around 10.0% line with guidance in the Q2 2017 report.

NNIT believes the long-term target of growing revenue by at least 5% is still achievable. However, continued low visibility in terms of sales of services to Novo Nordisk for 2018 makes it uncertain at this point in time whether NNIT will be able to meet this long-term target in 2018. The long-term operating profit margin target of at least 10% is maintained as a positive impact from the operational excellence program in IT Operation Services and other implemented efficiency measures will impact 2018 and onwards.

	Guidance for 2017	Guidance at Q2 2017	Long-term targets
Revenue growth			
In constant currencies*	4-6%	4-8%	
Organic in constant currencies*	1-3%	1-5%	-
as reported**	Around 0.2pp lower	Around 0.2pp lower	≥ 5%
Operating profit margin			
In constant currencies*	Around 9%	Around 10%	-
as reported**	Around 0.3pp higher	Around 0.3pp higher	≥ 10%
Investments / Revenue	15-17%	15-17%	
Organic Investments / Revenue***	12-14%	12-14%	

The impact of the one-off revenue reversal of DKK 33m is 1.2pp on revenue growth and 1.0pp on operating profit margin.

*Constant currencies measured using average exchange rates for 2016

**Based on exchange rates as of October 19, 2017 as illustrated under key currency assumptions on page 23

*** Investments including new customer, data center investments and the acquisition of SCALES are in 2017 expected to be between 15-17 percent of total revenue. Around 7pp relates to the data center investment of around DKK 200m in 2017 and around 3pp relates to the acquisition of SCALES. The total data center investment is expected to be around DKK 250m in the period 2016 to 2018.

Management statement

Statement by the Board of Directors and the Executive Management on the unaudited interim consolidated financial statements of NNIT A/S as at and for the nine months ended September 30, 2017

The Board of Directors and Executive Management ("Management") have reviewed and approved the interim consolidated financial statements of NNIT A/S (NNIT A/S, together with its subsidiaries, the "Group") for the first nine months of 2017 with comparative figures for the first nine months of 2016. The interim consolidated financial statements have not been audited or reviewed by the company's independent auditors.

The interim consolidated financial statements for the first nine months of 2017 have been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union and accounting policies set out in the annual report for 2016 of NNIT A/S. Furthermore, the interim consolidated financial statement for the first nine months of 2017 and Management's review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the accounting policies used are appropriate and the overall presentation of the interim consolidated financial statements for the first nine months of 2017 are adequate and give a true and fair view of the Group's assets, liabilities and financial position as at September 30, 2017 and of the results of the Group's operations and cash flow for the nine months ended September 30, 2017. Furthermore, in our opinion, Management's review includes a true and fair account of the development in the operations and financial circumstances, of the results for the period and of the financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group in accordance with Danish disclosure requirements for listed companies.

Besides what has been disclosed in the interim consolidated financial statements and Management's review for the first nine months of 2017, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the Annual Report for 2016 of NNIT A/S.

Søborg, October 26, 2017

Executive management

Per Kogut
CEO

Board of Directors

Carsten Krogsgaard Thomsen
CFO

Carsten Dilling
Chairman

Peter H. J. Haahr
Deputy Chairman

Anne Broeng

Eivind Kolding

John Beck

René Stockner

Anders Vidstrup

Alex Steninge Jacobsen

Consolidated financial statements

Income statement and Statement of comprehensive income

	Note	Q3 2017 DKK '000	Q3 2016 DKK '000	9M 2017 DKK '000	9M 2016 DKK '000	2016 DKK '000
Income statement						
	1					
Revenue	2	675,649	674,456	2,079,668	1,995,724	2,764,592
Cost of goods sold		582,317	543,780	1,731,032	1,616,633	2,223,006
Gross profit		93,332	130,676	348,636	379,091	541,586
Sales and marketing costs		33,902	31,582	99,646	98,106	134,794
Administrative expenses		28,873	29,350	85,406	84,930	113,889
Operating profit		30,557	69,744	163,584	196,055	292,903
Financial income		1,902	5,552	3,647	6,631	6,922
Financial expenses		-1,713	8,262	2,834	17,119	19,550
Profit before income taxes		34,172	67,034	164,397	185,567	280,275
Income taxes		7,485	16,110	34,322	42,117	64,575
Net profit for the period		26,687	50,924	130,075	143,450	215,700

Earnings per share

	DKK	DKK	DKK	DKK	DKK
Earnings per share	1.10	2.10	5.34	5.92	8.89
Diluted earnings per share	1.07	2.05	5.23	5.76	8.67

Statement of comprehensive income

	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Net profit for the period	26,687	50,924	130,075	143,450	215,700
Other comprehensive income:					
Items that will not be reclassified subsequently to the Income statement:					
Remeasurement related to pension obligations	414	-1,260	1,198	-1,275	-1,015
Tax on other comprehensive income	-84	1,300	-755	-558	-338
Items that will be reclassified subsequently to the Income statement, when specific conditions are met:					
Currency revaluation related to subsidiaries (net)	-2,473	-459	-3,681	-2,242	820
Recycled to financial items	-19	-2,227	1,421	5,114	-3,362
Unrealized value adjustments	226	5,358	33	-1,184	5,942
Cash flow hedges	207	3,131	1,454	3,930	2,580
Tax on other comprehensive income related to cash flow hedges	-45	-1,605	-29	-7	-626
Other comprehensive income, net of tax	-1,981	1,107	-1,813	-152	1,421
Total comprehensive income	24,706	52,031	128,262	143,298	217,121

Balance sheet

Assets

	Note	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
		DKK '000	DKK '000	DKK '000
Intangible assets	3	207,230	21,692	33,307
Tangible assets		530,163	409,552	412,920
Deferred tax		52,951	28,446	52,390
Deposits		32,532	28,692	28,730
Total non-current assets		822,876	488,382	527,347
Inventories		1,748	2,488	2,797
Trade receivables	4	496,511	432,501	604,567
Work in progress	4	128,092	130,798	136,370
Other receivables and pre-payments		181,330	101,304	126,183
Tax receivable		0	3,546	0
Shares		12,916	21,133	18,200
Derivative financial instruments		2,956	1,389	1,140
Cash and cash equivalents		61,448	103,827	173,912
Total current assets		885,001	796,986	1,063,169
Total assets		1,707,877	1,285,368	1,590,516

Equity and liabilities

		Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
		DKK '000	DKK '000	DKK '000
Share capital		250,000	250,000	250,000
Treasury shares		-6,567	-7,500	-7,500
Retained earnings		659,442	509,164	542,833
Other reserves		4,774	6,472	7,785
Proposed dividends		0	0	53,350
Total equity		907,649	758,136	846,468
Deferred tax		301	46	0
Employee benefit obligation		18,704	29,663	34,251
Provisions	3	67,910	9,959	11,395
Total non-current liabilities		86,915	39,668	45,646
Prepayments received	4	146,674	64,046	186,507
Trade payables		74,838	57,191	59,282
Employee cost payable		250,822	237,227	258,386
Bank debt		67,677	0	0
Tax payables		20,012	2,855	29,913
Other current liabilities	4	135,662	110,215	140,946
Derivative financial instruments		3,129	1,421	2,098
Employee benefit obligation		14,499	6,546	7,577
Provisions		0	8,063	13,693
Total current liabilities		713,313	487,564	698,402
Total equity and liabilities		1,707,877	1,285,368	1,590,516
Contingent liabilities and legal proceedings	5			
Currency hedging	6			

Statement of cash flow

		Q3 2017	Q3 2016	9M 2017	9M 2016	2016
		DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Net profit for the period	Note	26,687	50,924	130,075	143,450	215,700
Reversal of non-cash items		46,905	63,111	151,027	176,090	270,666
Interest received		20	18	123	51	102
Interest paid		-133	-815	-2,321	-2,261	-3,569
Income taxes paid		-2,090	-6,589	-49,354	-36,578	-51,415
Cash flow before change in working capital		71,389	106,649	229,550	280,752	431,484
Changes in working capital		-29,443	-51,465	20,061	-46,611	-68,667
Cash flow from operating activities		41,946	55,184	249,611	234,141	362,817
Capitalization of intangible assets		-1,410	0	-2,989		-13,575
Purchase of tangible assets		-93,580	-42,399	-227,166	-112,292	-154,120
Change in trade payables related to investments		-1,797	6,958	3,052	-6,125	-10,454
Sale of tangible assets		0	0	0	2,236	2,236
Dividends received		125	230	317	721	721
Sale/(purchase) of shares (net)		0	0	0	0	1,236
Payment of deposits		-406	-289	-2,936	-379	-475
Acquisition of subsidiary	3	0	0	-97,991	0	0
Cash flow from investing activities		-97,068	-35,500	-327,713	-115,839	-174,431
Dividends paid		-48,687	-48,500	-102,037	-145,500	-145,500
Cash flow from financing activities		-48,687	-48,500	-102,037	-145,500	-145,500
Net cash flow		-103,809	-28,816	-180,139	-27,198	42,886
Cash and cash equivalents at the beginning of the period		97,582	132,644	173,912	131,026	131,026
Cash and cash equivalents at the end of the period		-6,227	103,828	-6,227	103,828	173,912
Additional information¹:						
Cash and cash equivalents at the end of the period		-6,227	103,828	-6,227	103,828	173,912
Undrawn committed credit facilities		332,323	400,000	332,323	400,000	400,000
Financial resources at the end of the period		326,096	503,828	326,096	503,828	573,912
Cash flow from operating activities		41,946	55,184	249,611	234,141	362,817
Cash flow from investing activities		-97,068	-35,500	-327,713	-115,839	-174,431
Free cash flow		-55,122	19,684	-78,102	118,302	188,386

¹ Additional non-IFRS measures. 'Financial resources at the end of the period' is defined as the sum of cash and cash equivalents at the end of the period and undrawn committed credit facilities. Free cash flow is defined as 'cash flow from operating activities' less 'cash flow from investing activities'.

Statement of changes in equity

DKK '000	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
September 30, 2017									
Balance at the beginning of the period	250,000	-7,500	542,833	6,784	-1,321	2,322	7,785	53,350	846,468
Net profit for the period	0	0	130,075	0	0	0	0	0	130,075
Other comprehensive income for the period	0	0	1,198	-3,681	1,454	-784	-3,011	0	-1,813
Total comprehensive income for the period	0		131,273	-3,681	1,454	-784	-3,011	0	128,262
Transfer of treasury shares	0	933	18,190	0	0	0	0	0	19,123
Transactions with owners:									
Share-based payments	0	0	15,599	0	0	0	0	0	15,599
Deferred tax on share-based payments	0	0	234	0	0	0	0	0	234
Dividends paid:									
Dividend for 2016	0	0	0	0	0	0	0	-53,350	-53,350
Interim dividend for 2017	0	0	0	0	0	0	0	-48,687	-48,687
Balance at the end of the period	250,000	-6,567	708,129	3,103	133	1,538	4,774	-48,687	907,649

DKK '000	Share capital	Treasury shares	Retained earnings	Other reserves			Total other reserves	Proposed dividends	Total
				Currency revaluation	Cash flow hedges	Tax			
December 31, 2016									
Balance at the beginning of the period	250,000	-7,500	395,969	5,964	-3,901	3,286	5,349	97,000	740,818
Net profit for the period	0	0	215,700	0	0	0	0	0	215,700
Other comprehensive income for the period	0	0	-1,015	820	2,580	-964	2,436	0	1,421
Total comprehensive income for the period	0		214,685	820	2,580	-964	2,436	0	217,121
Transactions with owners:									
Share-based payments	0	0	30,212	0	0	0	0	0	30,212
Deferred tax on share-based payments	0	0	3,817	0	0	0	0	0	3,817
Dividends paid	0	0	0	0	0	0	0	-145,500	-145,500
Interim dividend for 2016	0	0	-48,500	0	0	0	0	48,500	0
Proposed dividend for 2016	0	0	-53,350	0	0	0	0	53,350	0
Total dividends for 2016	0	0	-101,850	0	0	0	0	101,850	0
Balance at the end of the period	250,000	-7,500	542,833	6,784	-1,321	2,322	7,785	53,350	846,468

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

Notes

Note 1

Accounting policies

The consolidated financial statements for the first nine months of 2017 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on the basis of the same accounting policies as were applied in the Annual Report 2016.

The financial reporting including the consolidated financial statements for the first nine months of 2017 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim report of listed companies. See pages 55 to 61 of the Annual Report 2016 for a comprehensive description of the accounting policies applied.

On acquisition of subsidiaries, the acquisition method is applied, and acquired net assets are measured on initial recognition at fair value at the date control was achieved. Identifiable intangible assets are recognized if they can be separated and the fair value can be reliably measured. Deferred tax on revaluations is recognized.

Any positive difference between cost and fair value of net assets acquired on acquisition of subsidiaries are recognized as goodwill. The cost is stated at the fair value of consideration in shares, contingent consideration as well as cash and cash equivalents. Goodwill is not amortized, but is tested annually for impairment. Transaction costs are recognized as operating costs as they are incurred.

If the initial accounting for a business combination can be determined only preliminary by the end of the period in which the combination is effected, adjustments made to the provisional fair value of acquired net assets or cost of the acquisition within 12 months of the acquisition date are adjusted to the initial goodwill.

Acquired entities are recognized in the consolidated financial statements at the date control was achieved.

Note 2

Quarterly numbers

DKK '000	2017			2016			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	675,649	688,709	715,310	768,868	674,456	658,647	662,621
Cost of goods sold	582,317	567,006	581,709	606,373	543,780	540,713	532,140
Gross profit	93,332	121,703	133,601	162,495	130,676	117,934	130,481
Sales and marketing costs	33,902	32,841	32,903	36,688	31,582	33,592	32,932
Administrative expenses	28,873	28,663	27,870	28,959	29,350	27,847	27,733
Operating profit	30,557	60,199	72,828	96,848	69,744	56,495	69,816
Net financials	3,615	-1,201	-1,601	-2,140	-2,710	-3,477	-4,301
Profit before income taxes	34,172	58,998	71,227	94,708	67,034	53,018	65,515
Income taxes	7,485	11,422	15,415	22,458	16,110	11,763	14,244
Net profit for the period	26,687	47,576	55,812	72,250	50,924	41,255	51,271

Segment disclosures

DKK '000	2017			2016			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue by business area							
Operations	451,108	433,948	468,676	515,641	447,079	422,336	438,626
hereof Novo Nordisk Group	203,469	180,844	226,047	225,914	203,005	199,843	212,635
hereof non-Novo Nordisk Group	247,639	253,104	242,629	289,727	244,074	222,493	225,991
Solutions	224,541	254,761	246,634	253,227	227,377	236,311	223,995
hereof Novo Nordisk Group	87,807	87,817	96,180	102,748	95,259	100,915	98,076
hereof non-Novo Nordisk Group	136,734	166,944	150,454	150,479	132,118	135,396	125,919
Total revenue	675,649	688,709	715,310	768,868	674,456	658,647	662,621
Revenue by customer group							
Life Sciences	386,470	364,629	414,356	431,165	386,848	386,459	392,550
hereof Novo Nordisk Group	291,276	268,661	322,227	328,662	298,264	300,758	310,711
Public	54,709	92,480	84,151	103,455	90,370	90,768	100,695
Enterprise	182,000	163,653	150,521	170,469	144,661	120,931	109,559
Finance	52,470	67,947	66,282	63,779	52,577	60,489	59,817
Total revenue	675,649	688,709	715,310	768,868	674,456	658,647	662,621
Operating profit by business area							
Operations	50,253	44,284	49,345	67,727	53,137	32,999	52,968
Solutions	-19,696	15,915	23,483	29,121	16,607	23,496	16,848
Total operating profit	30,557	60,199	72,828	96,848	69,744	56,495	69,816
Amortization, depreciation and impairment losses							
Operations	35,325	37,917	37,952	37,696	34,689	34,374	34,758
Solutions	2,059	1,506	1,103	708	737	721	679
Total amortization, depreciation and impairment losses	37,384	39,423	39,055	38,404	35,426	35,095	35,437

The Danish operations generated 91.3% of NNIT's revenue in 9M 2017 and 95.1% in 9M 2016 based on the location of customer purchase orders. As a consequence of the predominantly Danish revenue, we will not disclose a geographical revenue split.

Note 3

Acquisition of SCALES Group

On June 1, 2017, NNIT acquired full ownership and control of SCALES Group in Denmark. SCALES Group is a leading Danish-based consultancy, who delivers implementations of Microsoft Dynamics 365 ERP solutions (previously: Dynamics AX).

The preliminary fair value of net assets acquired and goodwill at the date of acquisition, is summarized below:

DKK '000	June 1, 2017
Acquisition cost	
Cash paid	103,837
Consideration in NNIT A/S shares	19,123
Contingent consideration (earn out)	54,345
	177,305
Fair value of net assets acquired	
Intangible assets	9,200
Other non-current assets	1,772
Trade receivables and work in progress	33,218
Other receivables and pre-payments	1,582
Cash and cash equivalents	5,846
Non-current liabilities	-2,055
Prepayments received	-7,986
Employee costs payable	-15,890
Other current liabilities	-16,070
Net assets acquired	9,617
Goodwill	167,688
Acquisition cost	177,305
Of which cash and cash equivalents in Scales Group	-5,846
Consideration in NNIT A/S shares	-19,123
Contingent consideration (earn out)	-54,345
Paid acquisition cost, net	97,991

Goodwill relates to expected synergies regarding additional revenue in NNIT from application maintenance on Dynamics 365 customers and from new Dynamics 365 projects where SCALES has previously been too small to implement such large scale projects. Further synergies are expected regarding off shoring of coding and other tasks in SCALES Group that can be done in NNIT's off shore center in the Philippines.

Earn out target is DKK 52m with an earn out range of 0-130% of target depending on performance on three KPIs: EBITDA in SCALES business, total revenue derived from Microsoft Dynamics as well as unmanaged attrition in the SCALES business area. The KPIs are weighted with EBITDA having the highest weight.

Earnings impact

Revenue and EBIT comprise DKK 45.3 million and DKK 5.0, respectively, reported by SCALES Group since the date of acquisition June 1, 2017.

On a pro forma basis, if the acquisition had been effective from January 1, 2017 SCALES Group would have contributed DKK 103.3 million to revenue and DKK 11.0 to EBIT.

Note 4

Related party transactions

DKK'000	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Assets			
Receivables from related parties	167,979	173,136	238,208
Work in progress related parties	31,721	22,814	37,579
Liabilities			
Liabilities to related parties	355	3,174	799
Prepayments from related parties	56,265	17,048	95,103

Note 5

Contingent liabilities and legal proceedings

Contingent liabilities

None

Legal proceedings

None

Note 6

Currency hedging

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

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

At present NNIT's sales in Chinese yuan, Czech koruna, and Swiss franc are not sufficiently to balance these currency risks. To manage foreign exchange rate risks, NNIT has entered into hedging contracts to hedge major foreign currency balances in Chinese yuan and Czech koruna. Due to the size of the exposure Swiss franc is not hedged.

Cumulative profit on derivative financial instruments regarding future cash flow per September 30, 2017 is recognized in Equity (Other comprehensive income) with an amount of DKK 1.5m before tax (DKK 1.4m after tax).

Note 7

Currency sensitivity and development

Currency sensitivities

	Estimated annual impact on NNIT's operating profit of a 10% increase in the outlined currencies against DKK*	Hedging period (months)
EUR	DKK 34 million	-
CNY	DKK -18 million	14
CZK	DKK -10 million	14
PHP	DKK -4 million	-
CHF	DKK -1 million	-
USD	DKK -1 million	-

Hedging gains and losses do not impact operating profit as they are recognized under net financials. For further details on hedging, please see note 6 above.

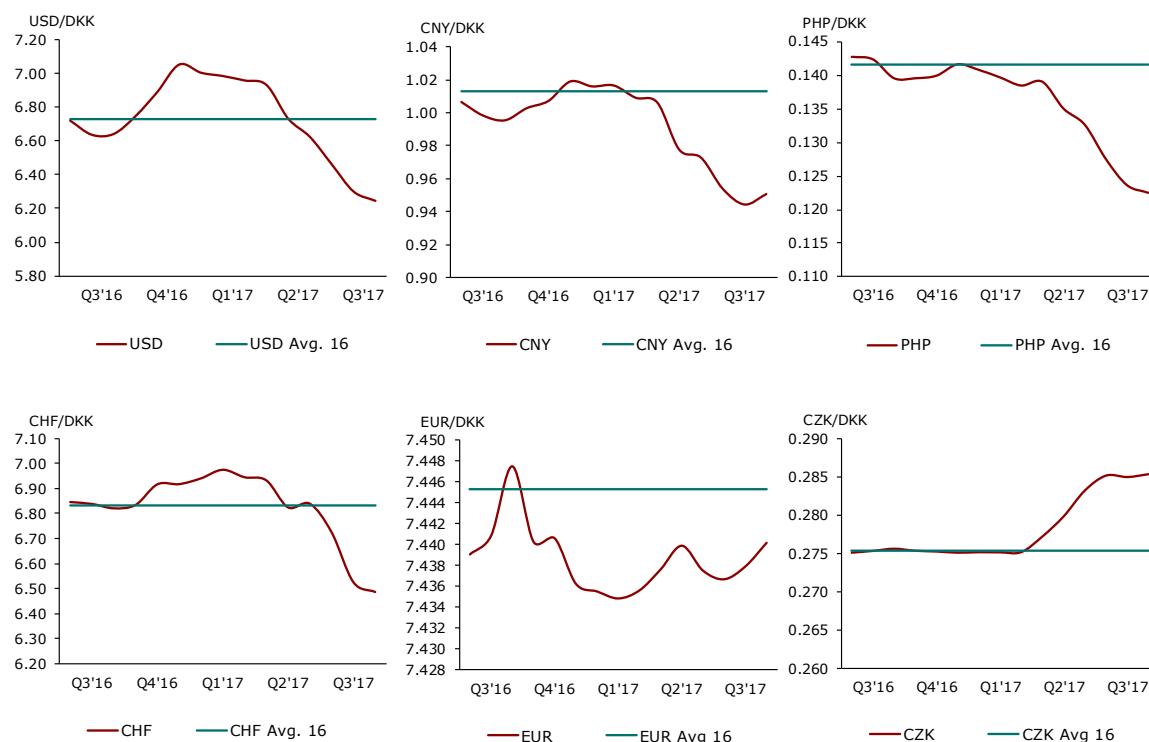
* The above sensitivities address hypothetical situations and are provided for illustrative purposes only. The sensitivities assume the business develops consistent with the current 2017 business plan.

Key currency assumptions

DKK per 100	2015 average exchange rates	2016 average exchange rates	YTD 2017 average exchange rates at October 19, 2017	Current exchange rates at October 19, 2017
CNY	107.04	101.29	98.05	95.06
EUR	745.86	744.52	743.76	744.40
CZK	27.35	27.54	28.07	28.94
PHP	14.77	14.17	13.24	12.23
CHF	698.88	683.13	677.23	645.00
USD	672.69	673.27	666.18	629.03

Currency development

NNIT has a net cost exposure in the Chinese yuan, the Czech koruna (CZK), the Philippine peso and the Swiss franc and therefore the depreciation of the Chinese yuan and the Philippine peso versus Danish kroner had a positive impact on reported operating profit, whereas the increase in the Czech koruna had the reverse effect.



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

Note 8

Performance in constant and reported currencies

Performance overview

DKK million (reported currencies)	Q3 2017 (reported)	Q3 2017 (constant*)	Q3 2016	Change (reported)	Change (constant)
Revenue	675.6	677.8	674.5	0.2%	0.5%
Cost of goods sold	582.3	587.3	543.8	7.1%	8.0%
Gross profit	93.3	90.5	130.7	-28.6%	-30.8%
Gross profit margin	13.8%	13.3%	19.4%	-5.6pp	-6pp
Sales and marketing costs	33.9	34.1	31.6	7.4%	8.0%
Administrative expenses	28.9	28.9	29.4	-1.6%	-1.4%
Operating profit	30.6	27.4	69.7	-56.2%	-60.7%
Operating profit margin	4.5%	4.0%	10.3%	-5.8pp	-6.3pp
Net financials	3.6	n.a.	-2.7	-233.4%	n.a.
Profit before tax	34.2	n.a.	67.0	-49.0%	n.a.
Tax	7.5	n.a.	16.1	-53.5%	n.a.
Effective tax rate	21.9%	n.a.	24.0%	-2.1pp	n.a.
Net profit	26.7	n.a.	50.9	-47.6%	n.a.

DKK million (reported currencies)	9M 2017 (reported)	9M 2017 (constant*)	9M 2016	Change (reported)	Change (constant)
Revenue	2,079.7	2,080.6	1,995.7	4.2%	4.3%
Cost of goods sold	1,731.0	1,736.5	1,616.6	7.1%	7.4%
Gross profit	348.6	344.0	379.1	-8.0%	-9.2%
Gross profit margin	16.8%	16.5%	19.0%	-2.2pp	-2.5pp
Sales and marketing costs	99.6	99.9	98.1	1.6%	1.9%
Administrative expenses	85.4	85.5	84.9	0.6%	0.7%
Operating profit	163.6	158.6	196.1	-16.6%	-19.1%
Operating profit margin	7.9%	7.6%	9.8%	-2pp	-2.2pp
Net financials	0.8	n.a.	-10.5	-107.8%	n.a.
Profit before tax	164.4	n.a.	185.6	-11.4%	n.a.
Tax	34.3	n.a.	42.1	-18.5%	n.a.
Effective tax rate	20.9%	n.a.	22.7%	-1.8pp	n.a.
Net profit	130.1	n.a.	143.5	-9.3%	n.a.

* Constant currencies measured using average exchange rates for 9M 2016.

Revenue distribution

DKKm (reported currencies)	Q3 2017	Q3 2017 (constant*)	Q3 2016	Pct Change (reported)	Pct Change (constant)
Life Sciences	386.5	388.5	386.8	-0.1%	0.4%
Hereof Novo Nordisk Group	291.3	292.4	298.3	-2.3%	-2.0%
Hereof other Life Sciences	95.2	96.1	88.6	7.5%	8.5%
Enterprise	182.0	182.1	144.7	25.8%	25.9%
Public	54.7	54.7	90.4	-39.5%	-39.5%
Finance	52.5	52.5	52.6	-0.2%	-0.2%
Total	675.6	677.8	674.5	0.2%	0.5%

DKKm (reported currencies)	9M 2017	9M 2017 (constant*)	9M 2016	Pct Change (reported)	Pct Change (constant)
Life Sciences	1,165.5	1,165.8	1,165.9	0.0%	0.0%
Hereof Novo Nordisk Group	882.2	882.4	909.7	-3.0%	-3.0%
Hereof other Life Sciences	283.3	283.4	256.1	10.6%	10.7%
Enterprise	496.2	496.7	375.2	32.3%	32.4%
Public	231.3	231.3	281.8	-17.9%	-17.9%
Finance	186.7	186.7	172.9	8.0%	8.0%
Total	2,079.7	2,080.6	1,995.7	4.2%	4.3%

*Constant currencies measured using average exchange rates for 9M 2016.