

## Financial report for 2022

NNIT set out to enable future growth in 2022 and launched strategic initiatives to unlock the Group's full business potential as a specialized IT consulting business focused on the two core business areas of Life Sciences Solutions and Cloud & Digital Solutions with a strong and consolidated Global Delivery Center and streamlined operations.

### Financial highlights for 2022\*

- Revenue increased 9.6% (organic growth of -1%) to DKK 1,500 million driven mainly by the impact of the acquisitions of SL Controls in 2021 and prime4services in 2022 as well as positive currency effects.
- The operating result before special items was a loss of DKK 7 million compared to a loss of DKK 15 million in 2021 with both financial years being impacted by stranded costs following the carve-out of the infrastructure operations. The operating profit margin was -0.5% before special items against -1.1% in 2021.
- Special items amounted to DKK 278 million against DKK 208 million in 2021. The costs related mainly to the relocation of the Delivery Center from China to the Philippines and costs related to the carve-out. In addition, special items include employee benefit costs as part of contingent consideration agreement previously recognized as goodwill and impairment of the headquarter building.

### Business highlights

- NNIT announced the divestment of its infrastructure operations in June to establish the Group as a highly specialized IT services provider focusing exclusively on Life Sciences Solutions and Cloud & Digital Solutions. Closing is expected in the first half of Q2, 2023.
- To boost the Group's Production IT offering to the life sciences industry, NNIT acquired prime4 services, a leading European Manufacturing Execution System services provider.
- NNIT won a range of substantial contracts with ATP, Danmarks Nationalbank, the Danish Health Data Authority, the Agency for Higher Education and Science and Lantmännen Unibake as well as new engagements and renewals with strong traction within Regulatory Affairs, Clinical and Production.
- NNIT committed to the Science Based Targets initiative (SBTi) and intends to set both short-term and long-term targets for reduction of CO<sub>2</sub> emissions.

### Outlook

- The outlook is based on several important assumptions, including that the highly volatile macroeconomic environment does not deteriorate further.
- After expected completion of the divestment of the infrastructure operations, NNIT will leverage the sharpened focus on the two core business units with the ambition to significantly strengthen revenue and profitability.
- For 2023, NNIT expects revenue growth of around 10% with the operating profit margin before special items expected to increase to around 5% as a result of higher revenue and improvements in utilization. Profitability is seen to be impacted by a higher cost base in the first half of the year until the separation of the infrastructure operations and transition of all support and back-office assignments have been completed.
- Special items are expected to amount to up to DKK 180 million in 2023 relating mainly to carve-out and separation activities as well as restructuring costs to right-size the organization after completion of the strategic divestment of the infrastructure operations.

\* Figures represent NNIT's continuing business as the Group's infrastructure operations are presented as discontinued operations in the annual report and consolidated financial statements.

Pär Fors, CEO of NNIT, comments: "We took important steps in 2022 to accelerate the strategic journey and establish NNIT as a highly specialized IT services provider by sharpening the focus on our core competencies in two strongly positioned business units and streamlining our outsourcing organization. In 2023, NNIT will be more asset light, and we expect to report improved revenue and earnings by executing on our revised strategy in support of NNIT's new, focused business."

**Conference call**

On March 23, 2023 at 9:30 CET, NNIT hosts a teleconference, which can be accessed [here](#) or at [www.nnit.com](http://www.nnit.com) under 'Investors – Events & Presentations'.

**Contacts for further information**

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**The NNIT Group** provides a wide range of IT and consulting services internationally. In Denmark, where the Group HQ is based, we are one of the leading IT companies, servicing both private and public sector customers across all industries. In the rest of Europe, Asia and USA, we are solely focused on companies within life sciences.

Supporting the entire supply chain, we help optimize internal company processes, production, sales and customer experiences:

We advise, build, operate and support, enabling digital transformation and customers to reap the full potential of their organizations. Our role is to foster innovation and make the mark our customers and we aspire to.

The NNIT Group consists of group company NNIT A/S and subsidiaries SCALES, Excellis Health Solutions and SL Controls. Read more at [www.nnit.com](http://www.nnit.com).