

**Company announcement 7/2017
Søborg/Copenhagen, August 16, 2017**

Financial report for the first six months of 2017

NNIT delivers organic revenue growth of 5.3% and an operating profit margin of 9.5% in the first six months of 2017.

Performance highlights for the first six months of 2017

- Revenue increased by 6.3%, hereof 5.3% organic, to DKK 1,404m in reported currencies and by 6.2% in constant currencies. Revenue increased by 15% from customers outside the Novo Nordisk Group while revenue from the Novo Nordisk Group decreased by 3.4%
- The share of NNIT's revenue from customers outside the Novo Nordisk Group reached 58% in 6M 2017 compared to 51% in the same period last year
- Operating profit margin was 9.5% in reported currencies and 9.4% in constant currencies compared to 9.6% as reported in 6M 2016
- Net profit increased by 12% to DKK 103m following an improvement in operating profit and net financials
- Underlying free cash flow for 6M 2017 improved by DKK 56m to DKK 155m compared to 6M 2016. Including the acquisition of SCALES and investment in a new data center the free cash flow was DKK -23m in 6M 2017
- Order backlog for 2017 at the beginning of Q3 2017 increased by DKK 137m to DKK 2,659m which is a growth of 5.4% compared to the order backlog for 2016 at the beginning of Q3 2016. The organic growth in the order backlog is 3.4%
- Outlook for 2017:
 - Expected revenue growth is maintained at 4-8% in constant currencies with expected organic growth of 1-5%
 - Operating profit margin is maintained to be around 10% in constant currencies
 - The expected level of investments in 2017 is 15-17% with an expected organic investment level of 12-14% of total revenue as the majority of investment related to an additional data center will impact 2017
- The Board of Directors has decided to pay an interim dividend for 2017 of DKK 2.00 per share corresponding to DKK 48.7m

Per Kogut, CEO at NNIT comments: "NNIT continues the positive development for 2017 where we deliver robust IT and strong financial performance with more than 17% growth from customers outside the Novo Nordisk Group. I am particularly pleased to see several new orders within Dynamics 365 won by our newly acquired company SCALES."

Financial Overview

DKK million	Q2 2017 (reported)	Q2 2017 (constant)*	Q2 2016*	Pct./pp Change (reported)	SCALES impact	Pct./pp Change (constant)
Revenue	689	688	659	4.6%	1.8pp	4.5%
Gross margin	17.7%	17.5%	17.9%	-0.2pp	-0.2pp	-0.4pp
Operating profit	60	59	56	6.6%	1.1pp	4.5%
Operating profit margin	8.7%	8.6%	8.6%	0.2pp	-0.1pp	0pp
Net profit	48	n.a.	41	15.3%	0.9pp	n.a.
Investments	163	n.a.	33	n.a.	n.a.	n.a.
Free cash flow	-165	n.a.	-33	n.a.	n.a.	n.a.

*Constant currencies measured using average exchange rates for 6M 2016

DKK million	6M 2017 (reported)	6M 2017 (constant)*	6M 2016*	Pct./pp Change (reported)	SCALES impact	Pct./pp Change (constant)
Revenue	1,404	1,403	1,321	6.3%	0.9pp	6.2%
Gross margin	18.2%	18.1%	18.8%	-0.6pp	-0.1pp	-0.7pp
Operating profit	133	131	126	5.3%	0.5pp	3.9%
Operating profit margin	9.5%	9.4%	9.6%	-0.1pp	0pp	-0.2pp
Net profit	103	n.a.	93	11.7%	0.4pp	n.a.
Investments	233	n.a.	70	n.a.	n.a.	n.a.
Free cash flow	-23	n.a.	99	n.a.	n.a.	n.a.

*Constant currencies measured using average exchange rates for 6M 2016

Guidance 2017

The order backlog for 2017 at the beginning of Q3 2017 increased by DKK 137m, equal to 5.4%, to DKK 2,659m compared to the order backlog for 2016 at the beginning of Q3 2016. The acquisition of SCALES contributes to a growth in the order backlog of 2.0pp and thus the underlying organic growth in the order backlog was 3.4%. Order backlog from the Novo Nordisk Group was 2.5% lower while the order backlog from other customers was 12% higher.

The revenue guidance for 2017 is maintained at 4-8% in constant currencies with expected organic growth of 1-5%. Due to lower expected revenue from the Novo Nordisk Group the guidance for 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 and price reductions on existing customer contracts, the operating profit margin in constant currencies is under increasing pressure and is expected to be around 10% compared to 10.6% in 2016. The long-term target for revenue growth of at least 5% is maintained as lower revenue from the Novo Nordisk Group is expected to be offset by revenue growth from other customer groups. Further, 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 is expected from 2018 and onwards.

	Guidance for 2017	Guidance at Q1 2017	Long-term targets
Revenue growth			
In constant currencies*	4-8%	4-8%	
Organic in constant currencies* as reported**	1-5%	1-5%	-
	Around 0.2pp lower	No impact	≥ 5%
Operating profit margin			
In constant currencies* as reported**	Around 10%	Around 10%	-
	Around 0.3pp higher	Around 0.1pp higher	≥ 10%
Investments / Revenue	15-17%	16-18%	
Organic Investments / Revenue***	12-14%	12-14%	

*Constant currencies measured using average exchange rates for 2016

**Based on exchange rates as of August 9, 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 June 30, 2017 NNIT A/S had 2,965 employees.

For more information please visit www.nnit.com.

Conference call details

NNIT will host a teleconference August 16, 2017 at 10:30 CET about the financial report for Q2 2017. Please visit the NNIT webpage at www.nnit.com to access the teleconference, which can be found under 'Investors – Downloads'. Presentation material will be available on the website approximately one hour prior to the start of the presentation.

Conference call details

Webcast link: <https://edge.media-server.com/m6/p/asbgo26k>

Participant telephone numbers:

Confirmation code 2944785

Participants, Local - Copenhagen, Denmark:	+45 38 48 75 13
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Financial Calendar 2017

August 21, 2017	Interim dividend ex dividend date
August 22, 2017	Interim dividend record date
August 23, 2017	Interim dividend payment date
October 26, 2017	Interim report for the first nine months of 2017

Forward-looking statements

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

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

Contacts for further information

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Financial figures and highlights

DKK million, reported currencies	Q2 2017	Q2 2016	6M 2017	6M 2016	Change 6M	Total 2016
Financial performance						
Revenue						
Life Sciences	364.6	386.5	779.0	779.0	0.0%	1,597.0
<i>Hereof Novo Nordisk Group</i>	268.7	300.8	590.9	611.5	-3.4%	1,238.4
<i>Hereof other Life Sciences</i>	96.0	85.7	188.1	167.5	12.3%	358.6
Enterprise	163.7	120.9	314.2	230.5	36.3%	545.6
Public	92.5	90.8	176.6	191.5	-7.7%	385.3
Finance	67.9	60.5	134.2	120.3	11.6%	236.7
Revenue by customer group	688.7	658.6	1,404.0	1,321.3	6.3%	2,764.6
IT Operation Services	433.9	422.3	902.6	861.0	4.8%	1,823.7
IT Solution Services	254.8	236.3	501.4	460.3	8.9%	940.9
Revenue by business area	688.7	658.6	1,404.0	1,321.3	6.3%	2,764.6
EBITDA	99.6	91.6	211.5	196.8	7.4%	437.3
Depreciations and amortizations	39.4	35.1	78.5	70.5	11.3%	144.4
Operating profit (EBIT)	60.2	56.5	133.0	126.3	5.3%	292.9
Net financials	-1.2	-3.5	-2.8	-7.8	-64.0%	-12.6
Net profit	47.6	41.3	103.4	92.5	11.7%	215.7
Investments in tangible and intangible assets	163.2	32.8	233.2	69.9	233.6%	167.7
Total assets	1,617.9	1,257.4	1,617.9	1,257.4	28.7%	1,590.5
Equity	926.9	749.7	926.9	749.7	23.6%	846.5
Dividends paid ¹	0.0	0.0	53.4	97.0	-45.0%	145.5
Free cash flow	-165.1	-32.7	-23.0	98.6	n.a.	188.4
Earnings per share						
Earnings per share (DKK)	1.95	1.70	4.25	3.82	11.3%	8.89
Diluted earnings per share (DKK)	1.91	1.66	4.15	3.72	11.6%	8.67
Employees						
Average number of full-time employees	2,855	2,601	2,973	2,583	15.1%	2,677
Financial ratios						
Gross profit margin	17.7%	17.9%	18.2%	18.8%	-0.6pp	19.6%
EBITDA margin	14.5%	13.9%	15.1%	14.9%	0.2pp	15.8%
Operating profit margin	8.7%	8.6%	9.5%	9.6%	-0.1pp	10.6%
Effective tax rate	19.4%	22.2%	20.6%	21.9%	-1.3pp	23.0%
Investments/Revenue	23.7%	5.0%	16.6%	5.3%	11.3pp	
Return on equity ²	27.0%	31.1%	27.0%	31.1%	-4.1pp	27.2%
Solvency ratio	57.3%	59.6%	57.3%	59.6%	-2.3pp	53.2%
Long-term financial metrics						
Revenue growth	4.6%	4.7%	6.3%	6.2%	0.1pp	6.3%
Operating profit margin	8.7%	8.6%	9.5%	9.6%	-0.1pp	10.6%
Return on invested capital (ROIC) ^{2, 3}	33.3%	40.1%	33.3%	40.1%	-6.8pp	37.6%
Cash to earnings ²	29.5%	127.1%	29.5%	127.1%	-97.6pp	87.3%
Cash to earnings (three-year average) ²	79.8%	110.7%	79.8%	110.7%	-30.9pp	86.6%
Additional numbers⁴						
Order entry backlog for the current year	2,659.1	2,522.0	2,659.1	2,522.0	5.4%	-
Order entry backlog for the following years 2+3 ⁵	2,616.7	2,825.3	2,616.7	2,825.3	-7.4%	-

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 Q2 2017 and the order backlog for 2017 at the beginning of Q3 2017.

Sales

The order backlog for 2017 at the beginning of Q3 2017 increased by DKK 137m to DKK 2,659m which is a growth of 5.4% compared to the order backlog for 2016 at the beginning of Q3 2016. The increase is primarily due to contract wins with new customers in 2016 as well as expansion of contracts with existing customers in the enterprise and other life sciences customer groups. Further the SCALES backlog has increased the backlog with around 2.0pp.

At the beginning of Q3 2017 the order backlog for 2018 and 2019 was 7.4% lower than the order backlog for 2017 and 2018 at the beginning of Q3 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 Q2 2017:

- May 4, 2017 NNIT entered into a 6-year-agreement with Novo Nordisk, replacing an existing corporate core IT infrastructure outsourcing contract between the two parties, covering global services, including support and maintenance of Novo Nordisk corporate infrastructure. While the parties existing five-year-contract initially commenced on January 1, 2013 with expiration December 31, 2017, the renewed contract will take effect from January 1, 2017 and run until December 31, 2022. The new agreement replaces the existing contract with effect from 2017 and the new agreement represents a total value of around DKK 1bn (company announcement 4/2017 May 4, 2017).

The new agreement increases NNITs backlog from 2018 and 2019, but does not change NNITs guidance for 2017 or the long-term targets

- New international onsite support contract with Pandora representing a mid-size double-digit DKKm amount over a 4-year-period
- New contract regarding upgrade of regulatory document system with Novo Nordisk representing a mid-size double-digit DKKm amount over a 5-year-period

Additional key wins in Q3 2017:

- Infrastructure outsourcing agreement with a new life science customer representing a mid-size double-digit DKKm amount over a 5-year-period supporting NNITs strategy regarding international life science growth

Organization

As of August 1, 2017 Senior Vice President and Head of IT Solution Services, Mette Steffensen, is new Head of Novo Nordisk Group Sales. The reorganization reflects Mette Steffensen's wish to focus on the Life Sciences segment. The replacement as new Head of IT Solution Services has not yet been identified, however until such is in place, Senior Vice President and Head of People, Communication, Corporate IT, Strategy and Quality, Brit Kannegaard Johannessen, will act as interim head of the division.

NNIT acquires SCALES Group:

May 17, 2017 NNIT acquired SCALES, the largest independent Microsoft Dynamics 365 (previously: Dynamics AX) partner in Denmark (company announcement 5/2017 May 17, 2017). As a result of the acquisition the outlook for 2017 in constant currencies was revised in the Financial Report for Q1 2017 (company announcement 6/2017 May 18,

2017). An additional column with the impact from SCALES is included in relevant tables throughout the report. SCALES is included from June 1, 2017.

Distribution of interim dividend

Based on the strong underlying cash flow generation in 6M 2017 the Board of Directors has decided to pay out an interim dividend for the calendar year 2017 on August 23, 2017 of DKK 48.7m in cash equal to DKK 2 per share of a nominal value of DKK 10 as seen in August 2016.

Performance overview

DKK million (reported currencies)	Q2 2017	Q2 2016	Change (reported)	SCALES impact
Revenue	688.7	658.6	4.6%	1.8pp
Cost of goods sold	567.0	540.7	4.9%	2pp
Gross profit	121.7	117.9	3.2%	0.5pp
<i>Gross profit margin</i>	<i>17.7%</i>	<i>17.9%</i>	<i>-0.2pp</i>	<i>-0.2pp</i>
Sales and marketing costs	32.8	33.6	-2.2%	0pp
Administrative expenses	28.7	27.8	2.9%	0pp
Operating profit	60.2	56.5	6.6%	1.1pp
<i>Operating profit margin</i>	<i>8.7%</i>	<i>8.6%</i>	<i>0.2pp</i>	<i>-0.1pp</i>
Net financials	-1.2	-3.5	n.a.	n.a.
Profit before tax	59.0	53.0	11.3%	1.1pp
Tax	11.4	11.8	-2.9%	1.7pp
<i>Effective tax rate</i>	<i>19.4%</i>	<i>22.2%</i>	<i>-2.8pp</i>	<i>0.1pp</i>
Net profit	47.6	41.3	15.3%	0.9pp

DKK million (reported currencies)	6M 2017	6M 2016	Change (reported)	SCALES impact
Revenue	1,404.0	1,321.3	6.3%	0.9pp
Cost of goods sold	1,148.7	1,072.9	7.1%	1pp
Gross profit	255.3	248.4	2.8%	0.3pp
<i>Gross profit margin</i>	<i>18.2%</i>	<i>18.8%</i>	<i>-0.6pp</i>	<i>-0.1pp</i>
Sales and marketing costs	65.7	66.5	-1.2%	0pp
Administrative expenses	56.5	55.6	1.7%	0pp
Operating profit	133.0	126.3	5.3%	0.5pp
<i>Operating profit margin</i>	<i>9.5%</i>	<i>9.6%</i>	<i>-0.1pp</i>	<i>0pp</i>
Net financials	-2.8	-7.8	n.a.	n.a.
Profit before tax	130.2	118.5	9.9%	0.5pp
Tax	26.8	26.0	3.2%	0.8pp
<i>Effective tax rate</i>	<i>20.6%</i>	<i>21.9%</i>	<i>-1.3pp</i>	<i>0.1pp</i>
Net profit	103.4	92.5	11.7%	0.4pp

Revenue in reported currencies increased by 4.6% in Q2 2017 (4.5% in constant currencies) and 6.3% in 6M 2017 (6.2% in constant currencies). The impact on revenue growth in Q2 from the acquisition of SCALES and currency changes were 1.8pp and 0.1pp respectively giving an organic revenue growth of 2.7%. For 6M the impact on revenue growth from the acquisition of SCALES and currency changes were 0.9pp and 0.1pp respectively giving an organic revenue growth of 5.3%. Operating profit margin in reported currencies was 8.7% in Q2 2017 (8.6% in constant currencies) and 9.5% in 6M 2017 (9.4% in constant currencies) compared to 8.6% in Q2 2016 and 9.6% in 6M 2016.

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 only as NNIT's major currencies have only depreciated a little giving operating profit margin a tailwind of 0.1pp and revenue growth a tailwind of 0.1pp compared to the same period last year.

Revenue increased by 4.6% in Q2 2017 and by 6.3% in 6M 2017 compared to the same periods last year. The increase in 6M 2017 was primarily driven by a 36% growth in the enterprise customer group, a 12% growth from non-Novo Nordisk Group life sciences customers and 12% growth in the finance customer group. The Novo Nordisk Group decreased by 3.4% and the public customer group decreased by 7.7%.

The timing of the Danish Easter holiday had a negative impact on revenue growth in Q2 2017 of 1.6pp mainly driven by IT Solution Services. Adjusted for this the underlying organic growth in Q2 2017 was 4.3%.

Cost of goods sold increased by 4.9% in Q2 2017 and 7.1% in 6M 2017 compared to the same periods last year. This led to a gross profit margin of 17.7% in Q2 2017 (17.9% in Q2 2016) and 18.2% in 6M 2017 (18.8% in 6M 2016). The decrease in gross profit margin for 6M 2017 was mainly driven by a reduction in the level of higher margin projects from the Novo Nordisk Group and onboarding of new customers partly countered by a provision for loss on a fixed price project in the public customer group in Q1 2016.

Sales and marketing costs decreased by 2.2% in Q2 2017 and 1.2% in 6M 2017 mainly due to a severance payment in Q1 2016 and timing of costs which was partly offset by a strengthening of the sales force especially within international life sciences to support future growth.

Administrative expenses increased by 2.9% in Q2 2017 and 1.7% in 6M 2017 compared to the same periods last year. The increase in Q2 2017 was partly due to costs in connection with the acquisition of SCALES.

Operating profit in Q2 2017 increased by 6.6% to DKK 60.2m corresponding to an operating profit margin of 8.7% compared to 8.6% in Q2 2016. This led to an increase in operating profit of 5.3% in 6M 2017 to DKK 133.0m corresponding to an operating profit margin of 9.5% compared to 9.6% in 6M 2016. Unchanged costs to sales and marketing and administrative expenses together with increased revenue contributed to the operating profit improvement.

Net financials in Q2 2017 were negative DKK 1.2m which is an improvement of DKK 2.3m compared to Q2 2016. Net financials improved by DKK 5.0m in 6M 2017 compared to 6M 2016. Net financials were affected by a negative net value adjustment of the Novo Nordisk shareholdings used to hedge NNIT's long-term incentive program and corresponding liability from prior years of DKK 1.6m compared to DKK 2.7m in 6M 2016. This is equivalent to a net improvement of DKK 1.1m, whereas the net impact in Q2 2017 was DKK 0.6m negative. Furthermore, net financials were impacted by a gain on cash flow hedges of DKK 1.3m in 6M 2017 compared to a loss of DKK 3.9m in 6M 2016 equivalent to a net improvement of DKK 5.2m. In Q2 2017 there was a gain on cash flow hedges of DKK 1.5m which is an improvement of DKK 3.7m. The impact was partly offset by lower dividends received on Novo Nordisk shareholdings and loss on foreign exchange and bank charges. The gain on cash flow hedges in 6M 2017 was due to depreciating currencies whereas operating profits were impacted in the opposite direction by currency changes.

The effective tax rate in Q2 2017 was 19.4% representing a decrease of 2.8pp compared to Q2 2016. The effective tax rate in 6M 2017 was 20.6% representing a decrease of 1.3pp compared to 6M 2016. The decrease is caused by changes in the level of non-taxable adjustments mainly from non-taxable income regarding energy savings in 6M 2017.

Net profit in Q2 2017 was DKK 47.6m corresponding to an increase of 15% compared to Q2 2016. Net profit in 6M 2017 was DKK 103.4m corresponding to an increase of 12% compared to 6M 2016. The increase in both Q2 and 6M was positively impacted by the increase in operating profit, improved net financials and a lower effective tax rate.

Revenue

Revenue distribution:

DKKm (reported currencies)	Q2 2017	Q2 2016	Pct Change (reported)	SCALES impact
Life Sciences	364.6	386.5	-5.6%	0.3pp
<i>Hereof Novo Nordisk Group</i>	268.7	300.8	-10.7%	0pp
<i>Hereof other Life Sciences</i>	96.0	85.7	12.0%	1.5pp
Enterprise	163.7	120.9	35.3%	8pp
Public	92.5	90.8	1.9%	0.7pp
Finance	67.9	60.5	12.3%	0pp
Total	688.7	658.6	4.6%	1.8pp

DKKm (reported currencies)	6M 2017	6M 2016	Pct Change (reported)	SCALES impact
Life Sciences	779.0	779.0	0.0%	0.2pp
<i>Hereof Novo Nordisk Group</i>	590.9	611.5	-3.4%	0pp
<i>Hereof other Life Sciences</i>	188.1	167.5	12.3%	0.8pp
Enterprise	314.2	230.5	36.3%	4.2pp
Public	176.6	191.5	-7.7%	0.3pp
Finance	134.2	120.3	11.6%	0pp
Total	1,404.0	1,321.3	6.3%	0.9pp

Revenue growth in Q2 2017 (4.6%) and in 6M 2017 (6.3%) was primarily driven by double digit percentage growth in the enterprise, other life sciences and finance customer groups. Revenue in life sciences (including the Novo Nordisk Group and other life sciences customers) decreased by 5.6% in Q2 2017 and was unchanged in 6M 2017. The Novo Nordisk Group declined by 11% in Q2 2017 and 3.4% in 6M 2017, whereas other life sciences customers experienced a growth of 12% in Q2 2017 and 6M 2017 compared to the same periods last year. Revenue growth in the public customer group increased by 1.9% in Q2 2017 and decreased by 7.7% in 6M 2017 due to a settlement with a 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 6M 2017 compared to 51% in the same period last year, and is in line with the strategy of becoming less dependent on Novo Nordisk.

Life sciences:

Revenue in Q2 2017 decreased by DKK 21.9m corresponding to a decrease of 5.6% compared to Q2 2016. The decrease was due to a decline in revenue from the Novo Nordisk Group of 11% partly countered by other life sciences customers which

increased by 12%. The revenue decline from the Novo Nordisk Group was mainly related to a reduction in the service level agreements in IT Operation Services with less pass-through revenue of communication lines with low margin and significantly lower project activity within IT Solution Services. The double digit growth from non-Novo Nordisk Group life sciences customers reflects an increased activity level especially from a number of international customers.

In 6M 2017, revenue from the life sciences customer group was unchanged due to a decline in revenue from the Novo Nordisk Group of 3.4% while other life sciences customers increased by 12%. The revenue decline from the Novo Nordisk Group was mainly due to the explanations for Q2 2017 explained above.

Enterprise:

Revenue in Q2 2017 increased by DKK 42.7m and DKK 83.7m in 6M corresponding to an increase of 35% in Q2 2017 and 36% in 6M 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.

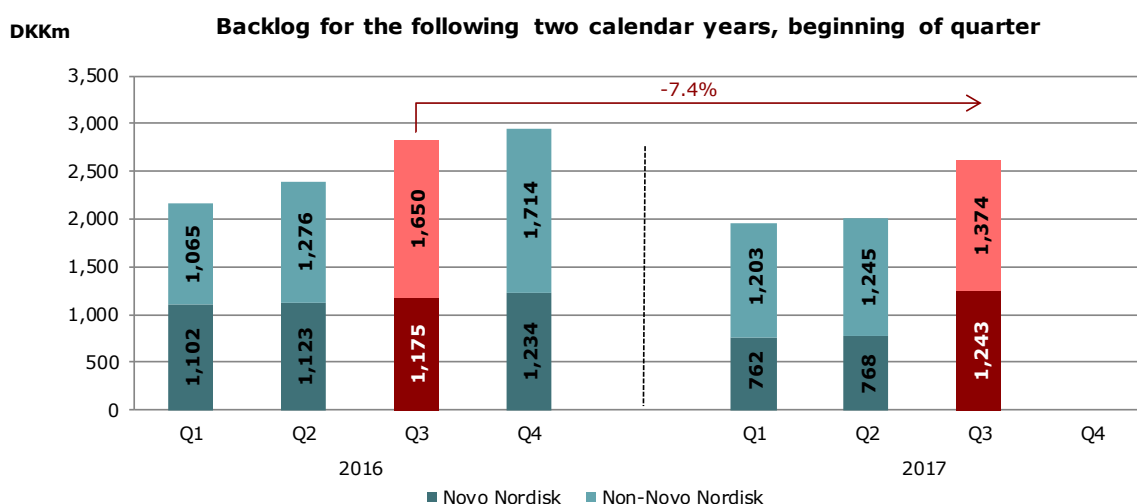
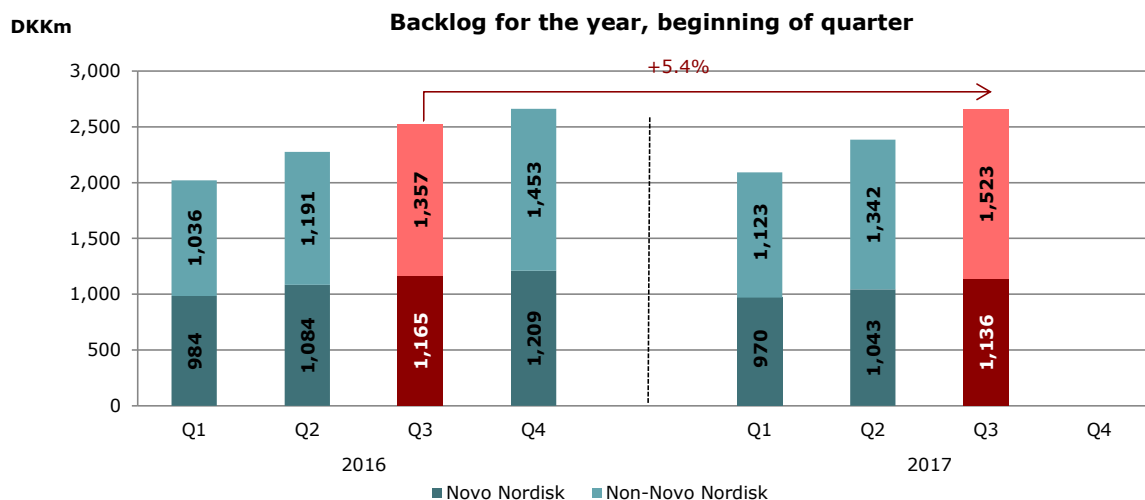
Public:

Revenue in Q2 2017 increased by DKK 1.7m corresponding to 1.9% and decreased by DKK 14.9m in 6M 2017 corresponding to a decrease of 7.7% compared to the same periods last year. The decline in 6M 2017 was impacted by a settlement with a customer in the public customer group within IT Operation Services in Q1 2017 and price reductions in certain outsourcing contracts.

Finance:

Revenue in Q2 2017 increased by DKK 7.5m and DKK 13.9m in 6M 2017 corresponding to an increase of 12% in both Q2 2017 and 6M 2017 compared to the same periods last year. The increase was primarily due to contract wins with new customers such as E-nettet and Danske Bank.

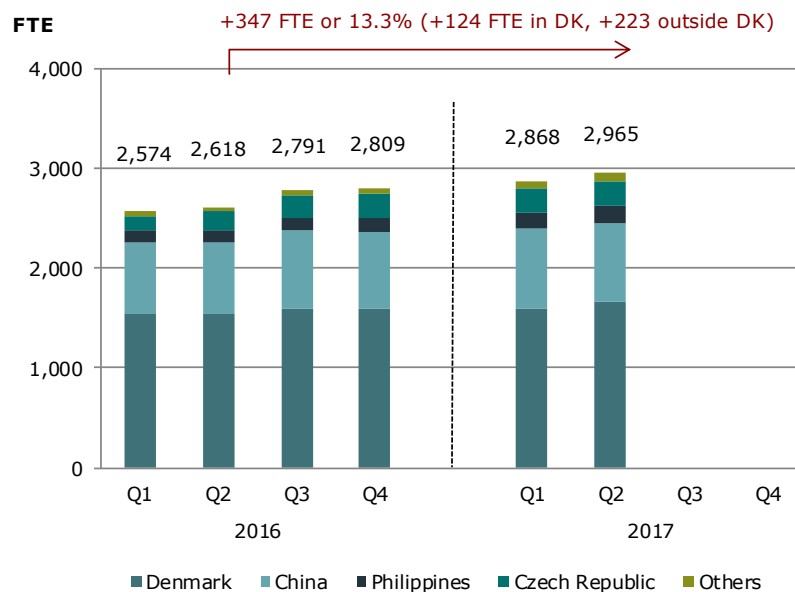
Order backlog



At the beginning of Q3 2017, NNIT's order backlog for 2017 increased by DKK 137m to DKK 2,659m which is a growth of 5.4% 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 the SCALES backlog has increased the backlog with around 2.0pp. The underlying organic growth in the backlog is thus 3.4%. The backlog from the Novo Nordisk Group declined with 2.5% while other customers increased 12%.

The order backlog for 2018 and 2019 at the beginning of Q3 2017 was 7.4% 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 5.8%, while the backlog from other customers declines with 17%.

Employees, end-of-period



At the end of Q2 2017, the number of employees increased by 347 FTE corresponding to 13.3% compared to the same period last year. Part of the increase is driven by the inclusion of 95 SCALES FTEs in Denmark and 18 in Norway. Besides this the majority of the increase was due to hirings in the second half of 2016 as part of onboarding new customers. The increase was in Denmark (124 FTEs), Czech Republic (81 FTEs), China (64 FTEs) and the Philippines (41 FTEs). Switzerland, Germany, United Kingdom, United States and Norway combined grew by 38 FTEs.

Balance sheet

Total assets at June 30, 2017 increased by DKK 360.5m to DKK 1,617.9m compared to DKK 1,257.4m at June 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.

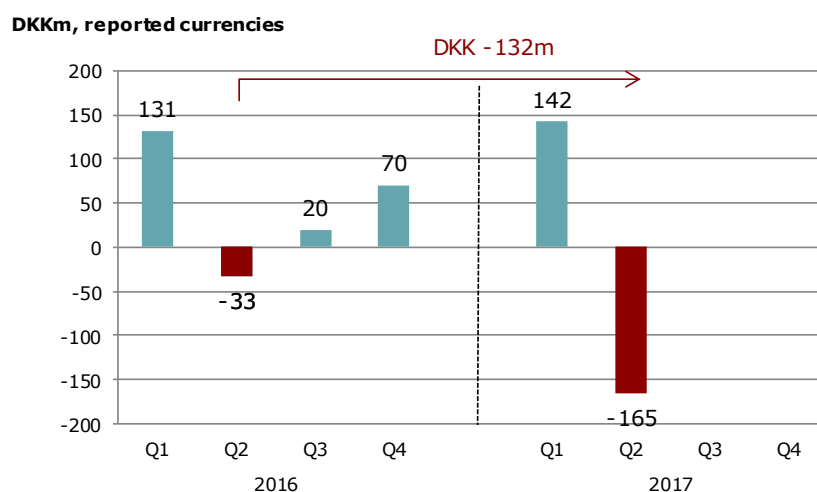
Cash and cash equivalents amounted to DKK 97.6m at June 30, 2017, a decrease of DKK 35.1m relative to June 30, 2016. The decrease was due to the acquisition of SCALES, increased investments and the payment of interim dividend for 2016 (DKK 48.5m) and ordinary dividend for 2016 (DKK 53.4m) partly countered by net profits from operating activities and a positive development in working capital.

Equity at June 30, 2017 amounted to DKK 926.9m, an increase of DKK 177.3m compared to June 30, 2016. The improvement was due to net profits offset by the payment of interim dividend for 2016 (DKK 48.5m) and ordinary dividend for 2016 (DKK 53.4m).

Investments

Investments amounted to DKK 163.2m in Q2 2017 (hereof DKK 98.0m related to SCALES and DKK 45.3m related to the new data center) compared to DKK 32.8m in Q2 2016. Investments amounted to DKK 233.2m in 6M 2017 (hereof DKK 98.0m related to SCALES and DKK 80.0m related to the new data center) compared to DKK 69.9m in 6M 2016. The decrease in investments adjusted for the new data center 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 and budget.

Free cash flow



The free cash flow for Q2 2017 was negative with DKK 165m, a decline of DKK 132m compared to Q2 2016 due to the acquisition of SCALES and higher investments related to the new data center partly countered by an improvement in working capital. In 6M 2017, the free cash flow was negative with DKK 23m which was DKK 122m lower than in 6M 2016. The underlying free cash flow for 6M 2017 improved by DKK 56m to DKK 155m compared to 6M 2016 when adjusting for the acquisition of SCALES and investments in a new data center. Based on the strong underlying 6M 2017 cash flow, the Board of Directors has decided to pay an interim dividend for 2017 August 23, 2017.

Business areas

IT Operation Services

DKK million (reported currencies)	Q2 2017	Q2 2016	Change
Revenue			
Novo Nordisk Group	180.8	199.8	-9.5%
Non-Novo Nordisk Group	253.1	222.5	13.8%
Total	433.9	422.3	2.7%
Costs	389.7	389.3	0.1%
Operating profit	44.3	33.0	34.2%
<i>Operating profit margin</i>	<i>10.2%</i>	<i>7.8%</i>	<i>2.4pp</i>

DKK million (reported currencies)	6M 2017	6M 2016	Change
Revenue			
Novo Nordisk Group	406.9	412.5	-1.4%
Non-Novo Nordisk Group	495.7	448.5	10.5%
Total	902.6	861.0	4.8%
Costs	809.0	775.0	4.4%
Operating profit	93.6	86.0	8.9%
<i>Operating profit margin</i>	<i>10.4%</i>	<i>10.0%</i>	<i>0.4pp</i>

IT Operation Services revenue increased by 2.7% in Q2 2017 and 4.8% in 6M 2017 compared to the same periods last year. The increase was primarily driven by new large customers such as PANDORA and Danske Bank. In Q2, revenue decline from the Novo Nordisk Group of 9.5% was primarily related to a reduction in the service level

agreements in IT Operation Services with less pass-through revenue of communication lines with low margin.

Operating profit increased by 34% and 8.9% in Q2 2017 and 6M 2017, respectively representing an operating profit of DKK 44.3m and DKK 93.6m, respectively. Operating profit margin in Q2 2017 was 10.2% compared to 7.8% in Q2 2016 while operating profit margin in 6M 2017 was 10.4% compared to 10.0% in 6M 2016. The increase was driven by efficiency measures, less pass-through revenue with low margins and timing of costs.

IT Solution Services

DKK million (reported currencies)	Q2 2017	Q2 2016	Change	SCALES impact
Revenue				
Novo Nordisk Group	87.8	100.9	-13.0%	0pp
Non-Novo Nordisk Group	166.9	135.4	23.3%	8.6pp
Total	254.8	236.3	7.8%	4.9pp
Costs	238.8	212.8	12.2%	5.2pp
Operating profit	15.9	23.5	-32.3%	2.7pp
<i>Operating profit margin</i>	<i>6.2%</i>	<i>9.9%</i>	<i>-3.7pp</i>	<i>0pp</i>

DKK million (reported currencies)	6M 2017	6M 2016	Change	SCALES impact
Revenue				
Novo Nordisk Group	184.0	199.0	-7.5%	0pp
Non-Novo Nordisk Group	317.4	261.3	21.5%	4.5pp
Total	501.4	460.3	8.9%	2.5pp
Costs	462.0	420.0	10.0%	2.6pp
Operating profit	39.4	40.3	-2.3%	1.6pp
<i>Operating profit margin</i>	<i>7.9%</i>	<i>8.8%</i>	<i>-0.9pp</i>	<i>-0.1pp</i>

IT Solution Services revenue increased by 7.8% in Q2 2017 and 8.9% in 6M 2017 compared to the same periods last year. Q2 was impacted by the SCALES acquisition and partly by the Danish Easter holiday being placed in April in 2017 and March in 2016. The increase in 6M 2017 revenue was driven by customers outside the Novo Nordisk Group increasing 22%, whereas revenue from the Novo Nordisk Group decreased by 7.5% compared to 6M 2016 due to a decline in project activities.

The timing of the Danish Easter holiday impacts the revenue growth negatively with 4.5pp in Q2 2017 and thus giving an underlying organic revenue growth of 7.4% in this quarter.

Operating profit in Q2 2017 decreased by 32% compared to Q2 2016 mainly due to the timing of the Danish Easter holiday and a significant reduction in higher margin project activities from the Novo Nordisk Group. Operating profit in 6M 2017 declined by 2.3% following the reduction in higher margin project activities from the Novo Nordisk Group partly countered by a provision for loss on a fixed price project in the public customer group in Q1 2016. Operating profit margin in Q2 2017 was 6.2% corresponding to a decrease of 3.7pp compared to Q2 2016 and 7.9% in 6M 2017 compared to 8.8% in 6M 2016, a decrease of 0.9pp due to the above mentioned reasons.

Events after balance sheet date

There have been no events after the balance sheet date which would have a significant impact on an assessment of NNIT's financial position at June 30, 2017.

Outlook for 2017

The order backlog for 2017 at the beginning of Q3 2017 increased by DKK 137m, or by 5.4%, to DKK 2,659m compared to the order backlog for 2016 at the beginning of Q3 2016. The acquisition of SCALES contributes to a growth in the order backlog of 2.0pp and thus the underlying organic growth in the order backlog is 3.4%. Order backlog from the Novo Nordisk Group was 2.5% lower while the order backlog from other customers was 12% higher.

The revenue guidance for 2017 is 4-8% in constant currencies with expected organic growth of 1-5%. Due to lower expected revenue from the Novo Nordisk Group the guidance for organic growth is below the long-term target for revenue growth of at least 5%. As a consequence of the expected drop in revenue from higher margin projects in the Novo Nordisk Group and price reductions on existing customer contracts, the operating profit margin in constant currencies is expected to be around 10% compared to 10.6% in 2016. The long-term target for revenue growth of at least 5% is maintained as lower revenue from the Novo Nordisk Group is expected to be offset by revenue growth from other customer groups. Further, 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 is expected from 2018 and onwards.

	Guidance for 2017	Guidance at Q1 2017	Long-term targets
Revenue growth			
In constant currencies*	4-8%	4-8%	
Organic in constant currencies* as reported**	1-5%	1-5%	-
	Around 0.2pp lower	No impact	≥ 5%
Operating profit margin			
In constant currencies* as reported**	Around 10%	Around 10%	-
	Around 0.3pp higher	Around 0.1pp higher	≥ 10%
Investments / Revenue	15-17%	16-18%	
Organic Investments / Revenue***	12-14%	12-14%	

*Constant currencies measured using average exchange rates for 2016

**Based on exchange rates as of August 9, 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 six months ended June 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 six months of 2017 with comparative figures for the first six 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 six 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 six 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 six months of 2017 are adequate and give a true and fair view of the Group's assets, liabilities and financial position as at June 30, 2017 and of the results of the Group's operations and cash flow for the six months ended June 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 six 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, August 15, 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	Q2 2017 DKK '000	Q2 2016 DKK '000	6M 2017 DKK '000	6M 2016 DKK '000	2016 DKK '000
Income statement						
	1					
Revenue	2	688,709	658,647	1,404,019	1,321,268	2,764,592
Cost of goods sold		567,006	540,713	1,148,715	1,072,853	2,223,006
Gross profit		121,703	117,934	255,304	248,415	541,586
Sales and marketing costs		32,841	33,592	65,744	66,524	134,794
Administrative expenses		28,663	27,847	56,533	55,580	113,889
Operating profit		60,199	56,495	133,027	126,311	292,903
Financial income		-310	-775	1,745	1,079	6,922
Financial expenses		891	2,702	4,547	8,857	19,550
Profit before income taxes		58,998	53,018	130,225	118,533	280,275
Income taxes		11,422	11,763	26,837	26,007	64,575
Net profit for the period		47,576	41,255	103,388	92,526	215,700

Earnings per share¹

	DKK	DKK	DKK	DKK	DKK
Earnings per share	1.95	1.70	4.25	3.82	8.89
Diluted earnings per share	1.91	1.66	4.15	3.72	8.67

Statement of comprehensive income

	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Net profit for the period	47,576	41,255	103,388	92,526	215,700
Other comprehensive income:					
<i>Items that will not be reclassified subsequently to the Income statement:</i>					
Remeasurement related to pension obligations	784	-1,260	784	-1,260	-1,015
Tax on other comprehensive income	-217	1,300	-671	355	-338
<i>Items that will be reclassified subsequently to the Income statement, when specific conditions are met:</i>					
Currency revaluation related to subsidiaries (net)	-2,599	-459	-1,208	-1,896	820
Recycled to financial items	1,275	-2,227	1,440	-3,926	-3,362
Unrealized value adjustments	-6,884	5,358	-193	5,598	5,942
<i>Cash flow hedges</i>	<i>-5,609</i>	<i>3,131</i>	<i>1,247</i>	<i>1,672</i>	<i>2,580</i>
Tax on other comprehensive income related to cash flow hedges	1,234	-1,605	16	-426	-626
Other comprehensive income, net of tax	-6,407	1,107	168	-1,555	1,421
Total comprehensive income	41,169	42,362	103,556	90,971	217,121

Balance sheet

Assets

	Note	June 30, 2017	June 30, 2016	Dec, 31, 2016
		DKK '000	DKK '000	DKK '000
Intangible assets	3	207,836	23,652	33,307
Tangible assets		472,205	400,612	412,920
Deferred tax		51,031	39,862	52,390
Deposits		32,127	28,402	28,730
Total non-current assets		763,199	492,528	527,347
Inventories		2,352	2,527	2,797
Trade receivables	4	485,979	398,888	604,567
Work in progress	4	98,888	103,476	136,370
Other receivables and pre-payments		155,348	94,332	126,183
Tax receivable		0	4,731	0
Shares		11,627	27,478	18,200
Derivative financial instruments		2,970	845	1,140
Cash and cash equivalents		97,582	132,644	173,912
Total current assets		854,746	764,921	1,063,169
Total assets		1,617,945	1,257,449	1,590,516

Equity and liabilities

		June 30, 2017	June 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		627,641	453,601	542,833
Other reserves		7,169	5,054	7,785
Proposed dividends		48,687	48,500	53,350
Total equity		926,930	749,655	846,468
Deferred tax		0	45	0
Employee benefit obligation		19,350	32,158	34,251
Provisions	3	66,779	9,601	11,395
Total non-current liabilities		86,129	41,804	45,646
Prepayments received	4	136,952	67,307	186,507
Trade payables		74,713	48,312	59,282
Employee cost payable		253,674	228,826	258,386
Tax payables		12,653	3,022	29,913
Other current liabilities	4	108,785	101,273	140,946
Derivative financial instruments		3,197	3,621	2,098
Employee benefit obligation		14,912	9,031	7,577
Provisions		0	4,598	13,693
Total current liabilities		604,886	465,990	698,402
Total equity and liabilities		1,617,945	1,257,449	1,590,516
Contingent liabilities and legal proceedings	5			
Currency hedging	6			

Statement of cash flow

		Q2 2017	Q2 2016	6M 2017	6M 2016	2016
		DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Net profit for the period	Note	47,576	41,255	103,388	92,526	215,700
Reversal of non-cash items		55,982	55,705	104,122	112,979	270,666
Interest received		30	22	103	33	102
Interest paid		-1,427	-879	-2,188	-1,446	-3,569
Income taxes paid		-3,989	1,412	-47,264	-29,989	-51,415
Cash flow before change in working capital		98,172	97,515	158,161	174,103	431,484
Changes in working capital		-100,021	-95,276	49,504	4,854	-68,667
Cash flow from operating activities		-1,849	2,239	207,665	178,957	362,817
Capitalization of intangible assets		0	0	-1,579		-13,575
Purchase of tangible assets		-65,235	-32,835	-133,586	-69,893	-154,120
Change in trade payables related to investments		2,226	-4,329	4,849	-13,083	-10,454
Sale of tangible assets		0	2,236	0	2,236	2,236
Dividends received		0	0	192	491	721
Sale/(purchase) of shares (net)		0	0	0	0	1,236
Payment of deposits		-2,284	-41	-2,530	-90	-475
Acquisition of subsidiary	3	-97,991	0	-97,991	0	0
Cash flow from investing activities		-163,284	-34,969	-230,645	-80,339	-174,431
Dividends paid		0	0	-53,350	-97,000	-145,500
Cash flow from financing activities		0	0	-53,350	-97,000	-145,500
Net cash flow		-165,133	-32,730	-76,330	1,618	42,886
Cash and cash equivalents at the beginning of the period		262,715	165,374	173,912	131,026	131,026
Cash and cash equivalents at the end of the period		97,582	132,644	97,582	132,644	173,912
Additional information¹:						
Cash and cash equivalents at the end of the period		97,582	132,644	97,582	132,644	173,912
Undrawn committed credit facilities		400,000	400,000	400,000	400,000	400,000
Financial resources at the end of the period		497,582	532,644	497,582	532,644	573,912
Cash flow from operating activities		-1,849	2,239	207,665	178,957	362,817
Cash flow from investing activities		-163,284	-34,969	-230,645	-80,339	-174,431
Free cash flow		-165,133	-32,730	-22,980	98,618	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			
June 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	103,388	0	0	0	0	0	103,388
Other comprehensive income for the period	0	0	784	-1,208	1,247	-655	-616	0	168
Total comprehensive income for the period	0	0	104,172	-1,208	1,247	-655	-616	0	103,556
Transfer of treasury shares	0	933	18,190	0	0	0	0	0	19,123
Transactions with owners:									
Share-based payments	0	0	10,491	0	0	0	0	0	10,491
Deferred tax on share-based payments	0	0	642	0	0	0	0	0	642
Dividends paid	0	0	0	0	0	0	0	-53,350	-53,350
Proposed dividend	0	0	-48,687	0	0	0	0	48,687	0
Balance at the end of the period	250,000	-6,567	627,641	5,576	-74	1,667	7,169	48,687	926,930

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	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			
June 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	92,526	0	0	0	0	0	92,526
Other comprehensive income for the period	0	0	-1,260	-1,896	1,672	-71	-295	0	-1,555
Total comprehensive income for the period	0	0	91,266	-1,896	1,672	-71	-295	0	90,971
Transactions with owners:									
Share-based payments	0	0	14,866	0	0	0	0	0	14,866
Deferred tax on share-based payments	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	-97,000	-97,000
Interim dividend for 2016	0	0	0	0	0	0	0	0	0
Proposed dividend	0	0	-48,500	0	0	0	0	48,500	0
Total dividends for 2016	0	0	-48,500	0	0	0	0	48,500	0
Balance at the end of the period	250,000	-7,500	453,601	4,068	-2,229	3,215	5,054	48,500	749,655

Notes

Note 1

Accounting policies

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

Segment disclosures

DKK '000	2017				2016	
	Q2	Q1	Q4	Q3	Q2	Q1
Revenue by business area						
Operations	433,948	468,676	515,641	447,079	422,336	438,626
<i>hereof Novo Nordisk Group</i>	180,844	226,047	225,914	203,005	199,843	212,635
<i>hereof non-Novo Nordisk Group</i>	253,104	242,629	289,727	244,074	222,493	225,991
Solutions	254,761	246,634	253,227	227,377	236,311	223,995
<i>hereof Novo Nordisk Group</i>	87,817	96,180	102,748	95,259	100,915	98,076
<i>hereof non-Novo Nordisk Group</i>	166,944	150,454	150,479	132,118	135,396	125,919
Total revenue	688,709	715,310	768,868	674,456	658,647	662,621
Revenue by customer group						
Life Sciences	364,629	414,356	431,165	386,848	386,459	392,550
<i>hereof Novo Nordisk Group</i>	268,661	322,227	328,662	298,264	300,758	310,711
Public	92,480	84,151	103,455	90,370	90,768	100,695
Enterprise	163,653	150,521	170,469	144,661	120,931	109,559
Finance	67,947	66,282	63,779	52,577	60,489	59,817
Total revenue	688,709	715,310	768,868	674,456	658,647	662,621
Operating profit by business area						
Operations	44,284	49,345	67,727	53,137	32,999	52,968
Solutions	15,916	23,483	29,121	16,607	23,496	16,848
Total operating profit	60,200	72,828	96,848	69,744	56,495	69,816
Ammortization, depreciation and impairment losses						
Operations	37,917	37,952	37,696	34,689	34,374	34,758
Solutions	1,506	1,103	708	737	721	679
Total ammortization, depreciation and impairment losses	39,423	39,055	38,404	35,426	35,095	35,437

The Danish operations generated 93.4% of NNIT's revenue in 6M 2017 and 95.2% in 6M 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

The Q2 2017 revenue and EBIT comprise DKK 12.2 million and DKK 0.9, 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 70.5 million to revenue and DKK 6.6 to EBIT.

Note 4

Related party transactions

DKK'000	June 30, 2017	June 30, 2016	Dec 31, 2016
Assets			
Receivables from related parties	136,862	138,513	238,208
Work in progress related parties	19,131	25,114	37,579
Liabilities			
Liabilities to related parties	826	852	799
Prepayments from related parties	53,959	22,073	95,103

Note 5

Contingent liabilities and legal proceedings

Contingent liabilities

None

Legal proceedings

In 2014, a customer in our public customer group initiated arbitration proceedings related to the delivery of a supply and logistics IT system. The parties disagree on whether the system was defective, who was responsible for the delay of the system and thus on the justification of the termination. In June 2014, the customer initiated arbitration proceedings in Copenhagen, Denmark. NNIT estimates that an arbitration award would either reduce or increase operating profit in the range of DKK -87 Million to DKK 55 Million. The date for the oral hearing has been fixed and NNIT expects a ruling by the arbitration tribunal at the beginning of 2018. NNIT has made a provision for the future arbitration outcome based on currently available information.

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 June 30, 2017 is recognized in Equity (Other comprehensive income) with an amount of DKK 1.2m before tax (DKK 1.0m 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.

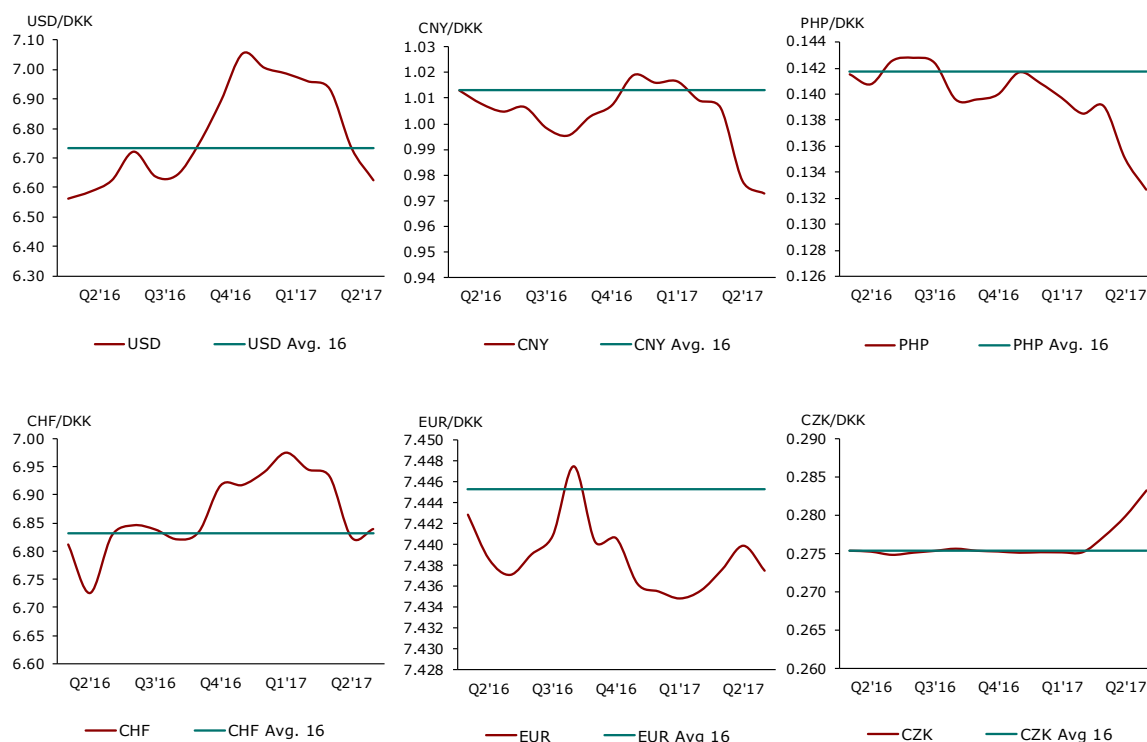
* The above sensitivities address hypothetical situations and are provided for illustrative purposes only. The sensitivities assume the business develops consistent with the current 2017 business plan.

Key currency assumptions

DKK per 100	2015 average exchange rates	2016 average exchange rates	YTD 2017 average exchange rates at August 9, 2017	Current exchange rates at August 9, 2017
CNY	107.04	101.29	99.07	94.99
EUR	745.86	744.52	743.68	743.92
CZK	27.35	27.54	27.90	28.44
PHP	14.77	14.17	13.57	12.52
CHF	698.88	683.13	686.52	658.74
USD	672.69	673.27	679.05	634.15

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 in Q2 2017 had a positive impact on reported operating profit, whereas the increase in 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)	Q2 2017	Q2 2017 (constant*)	Q2 2016	Change (reported)	Change (constant)
Revenue	688.7	688.1	658.6	4.6%	4.5%
Cost of goods sold	567.0	567.6	540.7	4.9%	5.0%
Gross profit	121.7	120.5	117.9	3.2%	2.2%
<i>Gross profit margin</i>	17.7%	17.5%	17.9%	-0.2pp	-0.4pp
Sales and marketing costs	32.8	32.9	33.6	-2.2%	-2.1%
Administrative expenses	28.7	28.6	27.8	2.9%	2.8%
Operating profit	60.2	59.0	56.5	6.6%	4.5%
<i>Operating profit margin</i>	8.7%	8.6%	8.6%	0.2pp	0pp
Net financials	-1.2	n.a.	-3.5	n.a.	n.a.
Profit before tax	59.0	n.a.	53.0	11.3%	n.a.
Tax	11.4	n.a.	11.8	-2.9%	n.a.
<i>Effective tax rate</i>	19.4%	n.a.	22.2%	-2.8pp	n.a.
Net profit	47.6	n.a.	41.3	15.3%	n.a.

DKK million (reported currencies)	6M 2017	6M 2017 (constant*)	6M 2016	Change (reported)	Change (constant)
Revenue	1,404.0	1,402.8	1,321.3	6.3%	6.2%
Cost of goods sold	1,148.7	1,149.2	1,072.9	7.1%	7.1%
Gross profit	255.3	253.6	248.4	2.8%	2.1%
<i>Gross profit margin</i>	18.2%	18.1%	18.8%	-0.6pp	-0.7pp
Sales and marketing costs	65.7	65.8	66.5	-1.2%	-1.1%
Administrative expenses	56.5	56.6	55.6	1.7%	1.8%
Operating profit	133.0	131.2	126.3	5.3%	3.9%
<i>Operating profit margin</i>	9.5%	9.4%	9.6%	-0.1pp	-0.2pp
Net financials	-2.8	n.a.	-7.8	n.a.	n.a.
Profit before tax	130.2	n.a.	118.5	9.9%	n.a.
Tax	26.8	n.a.	26.0	3.2%	n.a.
<i>Effective tax rate</i>	20.6%	n.a.	21.9%	-1.3pp	n.a.
Net profit	103.4	n.a.	92.5	11.7%	n.a.

* Constant currencies measured using average exchange rates for 6M 2016.

Revenue distribution

DKKm (reported currencies)	Q2 2017	Q2 2017 (constant*)	Q2 2016	Pct Change (reported)	Pct Change (constant)
Life Sciences	364.6	364.0	386.5	-5.6%	-5.8%
<i>Hereof Novo Nordisk Group</i>	268.7	268.5	300.8	-10.7%	-10.7%
<i>Hereof other Life Sciences</i>	96.0	95.5	85.7	12.0%	11.4%
Enterprise	163.7	163.7	120.9	35.3%	35.3%
Public	92.5	92.5	90.8	1.9%	1.9%
Finance	67.9	67.9	60.5	12.3%	12.3%
Total	688.7	688.1	658.6	4.6%	4.5%

DKKm (reported currencies)	6M 2017	6M 2017 (constant*)	6M 2016	Pct Change (reported)	Pct Change (constant)
Life Sciences	779.0	777.4	779.0	0.0%	-0.2%
<i>Hereof Novo Nordisk Group</i>	590.9	590.0	611.5	-3.4%	-3.5%
<i>Hereof other Life Sciences</i>	188.1	187.3	167.5	12.3%	11.8%
Enterprise	314.2	314.6	230.5	36.3%	36.5%
Public	176.6	176.6	191.5	-7.7%	-7.7%
Finance	134.2	134.2	120.3	11.6%	11.6%
Total	1,404.0	1,402.8	1,321.3	6.3%	6.2%

*Constant currencies measured using average exchange rates for 6M 2016.