Company announcement – nine months ended 30 September 2018

Netcompany continues high growth and upgrades expectations to full year 2018

Company announcement no 21/2018
6 November 2018

Summary

Netcompany realised revenue growth of 45.3% in Q3 2018, of which 20.4% was organic, in line with long-term organic growth targets of 20% to 25%.

Adjusted EBITA margin in Q3 2018 was 27.8% reflecting the improved profitability from Q2 2018 where adjusted EBITA margin was 23.7%.

During Q3 2018 Netcompany won new contracts in both the public and private segment and in addition the Group welcomed more than 308 new employees mainly in Denmark and Norway.

Revenue visibility for the remaining part of the year has continued to strengthen and the new contracts won, combined with the performance in the first 9 months of 2018 as well as the successful recruitment of 308 new employees in Q3 2018, has led the company to upgrade its expectations to the revenue growth for the full year. Revenue is now expected to be between 42% and 44% in reported currencies and adjusted EBITA margin is now expected to be between 25% and 25.5% in reported currencies.

Free cash flow remained strong and increased from DKK 152.5 million in the first 9 months of 2017 to DKK 227.7 million in the first nine months of 2018, yielding a cash conversion ratio of 59.9% compared to 54.3% in the same period last year.

For 2019 Netcompany expects revenue in all geographies to grow between 20% and 25% and Group adjusted EBITA margin of around 26% - in line with expectations in the Prospectus.

Netcompany Group A/S
Company Registration no. 39 48 89 14

Performance highlights for the first nine months of 2018

- Revenue increased by 55.2%, hereof 29.5%, from organic growth to DKK 1,509.9 million in reported currencies and revenue increased by 55.7% in constant currencies.
- Adjusted EBITA margin was 25.4% in reported and constant currencies compared to 29.5% in reported currencies in the first nine months of 2017. The non-organic impact on adjusted EBITA margin was negative by 3.5 percentage points.
- Profit before tax increased by 17.0% to DKK 164.0 million in reported currencies and by 17.6% in constant currencies.
- Revenue visibility for 2018 increased from DKK 1,675.9 million at the beginning of July 2018 to DKK 2,025.3 million at the beginning of October 2018, of which DKK 1.509.9 million reflected realised revenue in the first nine months of 2018.

Outlook for 2018

- Revenue growth in reported currencies is now expected to be between 42% and 44% (was "top end of range of 37% to 42%").
- Organic revenue growth in reported currencies is now expected to be between 24% and 26% (was "the top end of range of 20% to 25%").
- Adjusted EBITA margin in reported currencies is expected to be between 25% and 25.5% (was "lower end of 24.5%-27.5%").
- Profit before tax in reported currencies is expected to be between DKK 250 million – DKK 282 million, corresponding to a margin of between 12.5%-13.8% (was previously expected to be between DKK 213 million – DKK 282 million corresponding to a margin of between 11% and 14%).
- Netcompany expects currency fluctuations to impact reported revenue negatively with between nil and 0.5% (was previously negative with between 0.5% and 1.0%) and reported margins negatively with between nil and 0.5%

Expectations for 2019

- Organic revenue growth in constant currencies in all geographies of between 20% to 25%.
- Adjusted EBITA margin in constant currencies of around 26%.

"During Q3 2018, we have adjusted our growth rate to a longer-term sustainable level, which requires tough prioritisation amongst business opportunities and even turning down some of these. However, our continued growth and margins are dependent on us to ensure continued quality in our deliveries to our customers. To do so, we must keep a strict focus on the ongoing education and development of our skilled employees, which we know requires a longer-term growth of between 20% and 25% to be most effective.

During Q3 2018, we welcomed 308 new employees throughout the Group and we continued to win market shares. We are confident of our ambitions to continue to develop and grow Netcompany to becoming a Northern European market leader in the future".

André Rogaczewski, Netcompany CEO and Co-founder

Netcompany Group A/S
Company Registration no. 39 48 89 14

Financial overview

DKK million	Q3 2018 (reported)	Q3 2018 (constant)*	Q3 2017	*% change (reported)*	Netcompany UK Ltd. (Netcompany UK) Non-organic Impact**	*% change (constant)*
Revenue	490.3	491.1	337.5	*45.3%*	24.9pp	*45.5%*
Gross profit	208.1	208.4	166.4	*25.1%*	7.5pp	*25.2%*
EBITA	136.3	136.4	102.5	*32.9%*	4.0pp	*33.1%*
EBITA margin	*27.8%*	*27.8%*	*30.4%*	*-2.6pp*	*-4.8pp*	*-2.6pp*
Adjusted EBITA	136.4	136.5	117.0	*16.6%*	3.5pp	*16.7%*
Adjusted EBITA margin	*27.8%*	*27.8%*	*34.7%*	*-6.9pp*	*-4.8pp*	*-6.9pp*
Operating profit	107.5	107.6	80.0	*34.4%*	-3.3pp	*34.5%*
Operating profit margin	*21.9%*	*21.9%*	*23.7%*	*-1.8pp*	*-5.2pp*	*-1.8pp*
Net profit / loss	78.3	78.3	43.0	*81.8%*	-12.0pp	*82.0%*
Capex	-8.5	N/A	-2.8	*198.2%*	N/A	*N/A*
Net increase / decrease in cash and cash equivalents	42.9	N/A	39.5	*8.8%*	N/A	*N/A*

**Constant currencies measured using average exchange rates for Q3 2017*
***Netcompany UK acquired in October 2017 and therefore not included in the reported figures for Q3 2017 and therefore shown separately to show the non-organic growth impact on Q3 2018 figures*

DKK million	YTD 2018 (reported)	YTD 2018 (constant)*	YTD 2017	*% change (reported)*	Netcompany UK Ltd. (Netcompany UK) Non-organic Impact**	*% change (constant)*	Total 2017
Revenue	1,509.9	1,514.6	972.7	55.2%	*25.7pp*	*55.7%*	1,416.1
Gross profit	602.7	604.5	430.7	39.9%	*10.3pp*	*40.4%*	612.7
EBITA	349.1	349.9	270.0	29.3%	*4.7pp*	*29.6%*	369.0
EBITA margin	*23.1%*	*23.1%*	*27.8%*	*-4.6pp*	*-3.6pp*	*-4.7pp*	*26.1%*
Adjusted EBITA	383.4	384.2	286.7	*33.8%*	7.0pp	*34.0%*	402.0
Adjusted EBITA margin	*25.4%*	*25.4%*	*29.5%*	*-4.1pp*	*-3.5pp*	*-4.1pp*	*28.4%*
Operating profit	262.5	263.3	201.0	30.6%	*-2.8pp*	*31.0%*	273.2
Operating profit margin	*17.4%*	*17.4%*	*20.7%*	*-3.3pp*	*-3.9pp*	*-3.3pp*	*19.3%*
Net profit / loss	112.8	113.4	101.0	*11.7%*	*-15.9pp*	*12.3%*	141.6
Capex	-18.2	N/A	-21.7	-16.3%	N/A	N/A	-30.2
Net increase / decrease in cash and cash equivalents	20.3	N/A	63.3	*-67.9%*	N/A	N/A	137.0

**Constant currencies measured using average exchange rates for the first 9M 2017*
***Netcompany UK acquired in October 2017 and therefore not included in the reported figures for 9M 2017 and therefore shown separately to show the non-organic growth impact on 9M 2018 figures*

Conference call details

In connection with the publication of the results for Q3 2018, Netcompany will host a conference call on 6 November 2018 at 10.00 CEST. The conference call will be held in English and can be followed live via the company's website; www.netcompany.com

Dial-in details for investors and analysts: DK: +45 35 15 81 21 UK: +44 (0)330 336 9411

Confirmation code: 7987147
Webcast Player URL: https://edge.media-server.com/m6/p/3gi62nxi

Additional information

André Rogaczewski, CEO +45 70 13 14 40
Thomas Johansen, CFO +45 51 19 32 24

Financial Calendar

- 6 February 2019: Annual report for the 2018 fiscal year.
- 13 March 2019: Annual general meeting 2019

Netcompany Group A/S
Company Registration no. 39 48 89 14

Financial highlights and key figures

DKK million	Q3 2018	Q3 2017	YTD 2018	YTD 2017	% change YTD	Total 2017
Income statement						
Revenue						
Public	277.5	187.8	831.1	485.6	71.2%	730.2
Private	212.8	149.7	678.8	487.2	39.3%	685.9
Revenue by segments, total	490.3	337.5	1,509.9	972.7	55.2%	1,416.1
Development	260.2	162.6	700.8	435.6	60.9%	646.9
Maintenance	230.1	174.9	809.1	537.1	50.6%	769.2
Revenue by types, total	490.3	337.5	1,509.9	972.7	55.2%	1,416.1
Organic	406.2	306.5	1,259.7	878.4	43.4%	1,232.0
Acquisition	84.1	30.9	250.2	94.4	165.2%	184.0
Revenue by growth, total	490.3	337.5	1,509.9	972.7	55.2%	1,416.1
Special items	0.0	-14.4	-34.4	-16.6	106.4%	-32.9
EBITA	136.3	102.5	349.1	270.0	29.3%	369.0
Adjusted EBITA	136.4	117.0	383.4	286.7	33.8%	402.0
Operating profit (EBIT)	107.5	80.0	262.5	201.0	30.6%	273.2
Net financials	-8.4	-18.2	-98.5	-60.8	62.0%	-72.1
Net profit / loss	78.3	43.0	112.8	101.0	11.7%	141.6
Financial position						
Capex	-8.5	-2.8	-18.2	-21.7	-16.3%	-30.2
Total assets	3,537.4	2,973.4	3,537.4	2,973.4	19.0%	3,469.5
Equity	1,734.8	1,368.0	1,734.8	1,368.0	26.8%	1,643.9
Net increase in cash and cash equivalents	42.9	39.5	20.3	63.3	-67.9%	137.0
Free cash flow	69.2	58.9	227.7	152.5	49.4%	307.3
Earnings per share						
Earnings per share (DKK)	1.6	0.9	2.3	2.1	10.0%	2.9
Diluted Earnings per share (DKK)	1.6	0.9	2.3	2.1	9.9%	2.9
Employees						
Average number of full-time employees	1,842.6	1,167.9	1,808.8	1,082.4	67.1%	1,208.5

Netcompany Group A/S
Company Registration no. 39 48 89 14

DKK million	Q3 2018	Q3 2017	YTD 2018	YTD 2017	% change YTD	Total 2017
Financial ratios						
Gross profit margin	42.4%	49.3%	39.9%	44.3%	-4.4pp	43.3%
EBITA margin	27.8%	30.4%	23.1%	27.8%	-4.6pp	26.1%
Adjusted EBITA margin	27.8%	34.7%	25.4%	29.5%	-4.1pp	28.4%
Operating profit margin	21.9%	23.7%	17.4%	20.7%	-3.3pp	19.3%
Effective tax rate	21.0%	30.3%	31.2%	28.0%	3.3pp	29.6%
Return on equity	5.1%	3.3%	7.3%	7.8%	-0.5pp	9.8%
Solvency ratio	49.0%	46.0%	49.0%	46.0%	3.0pp	47.4%
Financial metrics						
Revenue growth	45.3%	49.3%	55.2%	72.6%	-17.4pp	57.4%
Operating profit margin	21.9%	23.7%	17.4%	20.7%	-3.3pp	19.3%
Retun on invested capital (ROIC)	3.0%	1.8%	4.3%	4.2%	0.1pp	5.5%
Cash conversion ratio	46.9%	55.5%	59.9%	54.3%	5.6pp	76.4%

The ratios have been compiled in accordance with the following calculation formulas:

$$\text{Gross profit margin} = \frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

$$\text{EBITA margin} = \frac{\text{EBITA} \times 100}{\text{Revenue}}$$

$$\text{Adjusted EBITA margin} = \frac{(\text{EBITA-Special items}) \times 100}{\text{Revenue}}$$

$$\text{Operating profit margin} = \frac{\text{Operating profit} \times 100}{\text{Revenue}}$$

$$\text{EPS} = \frac{\text{Net profit for the period - Dividends on preferred stock}}{\text{Average outstanding common shares}}$$

$$\text{Return on equity} = \frac{\text{Net profit for the period} \times 100}{\text{Average equity}}$$

$$\text{Return on invested capital (ROIC)} = \frac{\text{Net profit} \times 100}{\text{Average invested capital}}$$

$$\text{Free cash flow} = \text{EBIT + Depreciation and Amortisation + Non-cash + Change in net working capital}$$

$$\text{Cash conversion ratio} = \frac{\text{Free cash flow} \times 100}{\text{EBITDA}}$$

$$\text{Solvency ratio} = \frac{\text{Equity} \times 100}{\text{Total assets}}$$

$$\text{EPS diluted} = \frac{\text{Net profit / loss for the period - Dividends on preferred stock}}{\text{Average outstanding common shares + RSU}}$$

Netcompany Group A/S
Company Registration no. 39 48 89 14

Performance overview

DKK million	Q3 2018 (reported)	Q3 2018 (constant)*	Q3 2017	*% change (reported)*	Netcompany UK Ltd. (Netcompany UK) Non-organic Impact	*% change (constant)*
Revenue	490.3	491.1	337.5	*45.3%*	24.9pp	*45.5%*
Cost of services	-282.3	-282.8	-171.1	*65.0%*	41.8pp	*65.3%*
Gross profit	**208.1**	**208.4**	**166.4**	***25.1%***	**7.5pp**	***25.2%***
Gross profit margin	*42.4%*	*42.4%*	*49.3%*	*-6.9pp*	*-5.7pp*	*-6.9pp*
Sales and marketing costs	-2.4	-2.4	-2.5	*-5.0%*	5.9pp	*-4.7%*
Administrative costs	-69.3	-69.5	-46.9	*47.8%*	17.8pp	*48.2%*
Adjusted EBITA	**136.4**	**136.5**	**117.0**	***16.6%***	**3.5pp**	***16.7%***
Adjusted EBITA margin	*27.8%*	*27.8%*	*34.7%*	*-6.9pp*	*-4.8pp*	*-6.9pp*
Special items	0.0	0.0	-14.4	*-99.7%*	0.1pp	*-99.7%*
EBITA	**136.3**	**136.4**	**102.5**	***32.9%***	**4.0pp**	***33.1%***
EBITA margin	*27.8%*	*27.8%*	*30.4%*	*-2.6pp*	*-4.8pp*	*-2.6pp*
Amortisation	-28.8	-28.8	-22.6	*27.8%*	29.8pp	*27.8%*
Operating profit (EBIT)	**107.5**	**107.6**	**80.0**	***34.4%***	**-3.3pp**	***34.5%***
Operating profit margin	21.9%	21.9%	23.7%	*-1.8pp*	-5.2pp	*-1.8pp*
Net financials	-8.4	-8.4	-18.2	*-53.6%*	19.6pp	*-53.6%*
Profit / loss before tax	**99.0**	**99.1**	**61.8**	***60.3%***	**-10.1pp**	***60.5%***
Tax	-20.8	-20.8	-18.7	*11.0%*	-5.7pp	*11.2%*
Effective tax rate	*21.0%*	*21.0%*	*30.3%*	*-9.3pp*	*0.2pp*	*-9.3pp*
Net profit / loss	**78.3**	**78.3**	**43.0**	***81.8%***	**-12.0pp**	***82.0%***

**Constant currencies measured using average exchange rates for Q3 2017*

Revenue increased by 45.3% (constant 45.5%) to DKK 490.3 million in Q3 2018 compared to the same period last year. The impact on revenue growth from the acquisition of Netcompany UK in October 2017 was 24.9 percentage points in the period, resulting in an organic revenue growth of 20.4%. The increase in organic revenue was driven by a 32.7% growth in the Norwegian operation, while the Danish operation grew 19.4%. The revenue growth in Denmark in Q3 2018, was impacted by a onetime positive revenue adjustment in the comparable quarter in 2017 of DKK 10.5 million (relating to large projects in the Danish private segment) making Q3 2017 reported numbers significantly better.

Public segment grew organically by 31.7% in Q3 2018, while the private segment grew organically by 6.0% - partly due to the onetime revenue adjustment in Q3 2017.The main revenue driver in the private segment in Q3 2018 was the UK operation, which generated 36.1 percentage points of the total revenue increase in the private segment of 42.1%.

Cost of services increased by 65.0% (constant 65.3%) to DKK 282.3 million. The increase in cost of services was, besides the natural impact from the increased activity level in both Denmark and Norway, primarily driven by the acquisition of Netcompany UK in October 2017, which has a significantly higher share of cost to serve as the UK operation utilise a higher proportion of independent external contractors compared to Netcompany's other business operations. Gross profit margin in Q3 2018 was 42.4%, which was a decrease of 6.9 percentage points, primarily driven by the UK operation diluting gross profit margin by 5.7 percentage points. Adjusted for the UK operation, cost of services increased by 23.2% in Q3 2018 compared to an organic revenue increase of 20.4%. In addition, an allocation of costs between cost of services and administration costs in the Norwegian operation in Q3 2017, increasing administration costs and lowering cost of services by DKK 2.1 million, thereby yielding a gross profit margin of 42.7% for the Norwegian operation, made the comparable Q3 2017 gross margin higher. Adjusting for this, the Danish and Norwegian delivery unit would have yielded a gross profit margin of 48.7% in Q3 2017, which was 0.6 percentage points higher than Q3 2018. This slight decrease in gross profit margin in Q3 2018, was driven by a higher percentage of the revenue coming from Danish public projects being put into production or being prepared to be put into production during Q3 2018, which generated more "burn in hours" to a lower margin compared to the same period last year.

Sales and marketing costs decreased by 5.0% (constant 4.7%) to DKK 2.4 million. The decrease in sales and marketing costs was primarily driven by the timing of marketing events and therefore expenses.

Administrative costs increased by 47.8% (constant 48.2%) to DKK 69.3 million. Administration costs increased due to an expansion of office space in the Copenhagen office, an adjustment to the remuneration package to the executive management post IPO raising it to market level, as well as more consultants in absolute numbers spending time on certifications and other course training, following the impact from the Group employing an average of 1,842.6 FTEs in Q3 2018 compared to 1,167.9 FTEs in Q3 2017 (increase of 57.8% FTEs).

Adjusted EBITA increased by 16.6% (constant 16.7%) to DKK 136.4 million. This led to an adjusted EBITA margin of 27.8%, which was a decrease of 6.9 percentage points, of which the UK operation accounted for 4.8 percentage points.

Special items were nil in Q3 2018 compared to DKK 14.4 million in Q3 2017 of which DKK 2.1 million related to M&A advisory costs and DKK 12.3 million related to the IPO of Netcompany.

EBITA increased by 32.9% (constant 33.1%) to DKK 136.3 million. This led to an EBITA margin of 27.8%, which was a decrease of 2.6 percentage points compared to the same period last year, primarily driven by the UK operation diluting EBITA margin by 4.8 percentage points. The lack of special items costs in Q3 2018 more than covered the dilutive impact from the UK operation on Group EBITA margins.

Amortisation of intangibles recognised upon business combinations in the past increased by 27.8% to DKK 28.8 million in Q3 2018. The increase in amortisation was driven by the purchase of Netcompany UK in October 2017, which had full financial effect in Q3 2018, but no financial impact in Q3 2017.

Operating profit (EBIT) increased by 34.4% (constant 34.5%) to DKK 107.5 million. This led to an operating profit margin of 21.9% compared to 23.7% in Q3 2017. The decrease in operating profit margin was primarily driven by the decrease in EBITA margin, which was somewhat offset by a lower increase in amortisation compared to revenue growth in the same period.

Net financial costs decreased by 53.6% to DKK 8.4 million in Q3 2018. The decrease was a result of the refinancing of all external borrowings in connection with the IPO, which led to significantly lower interest rates in Q3 2018 compared to the same period last year. In addition to this,

the loan relating to the acquisition of Netcompany Norway was paid back in Q1 2018, thereby lowering the interest even further in Q3 2018 compared to Q3 2017.

The effective tax rate in Q3 2018 was 21.0%, which was a decrease of 9.3 percentage points, compared to the same period last year. The decrease in effective tax rate was primarily driven by the fact that Q3 2017 was impacted by a negative impact of interest deduction limitation rules adjustments, and by special items, categorised as non-tax-deductible costs. The net result in Q3 2018 increased by 81.8% (constant 82.0%) to DKK 78.3 million.

DKK million	YTD 2018 (reported)	YTD 2018 (constant)*	YTD 2017	*% change (reported)*	Netcompany UK Ltd. (Netcompany UK) Non-organic Impact	*% change (constant)*	Total 2017
Revenue	1,509.9	1,514.6	972.7	*55.2%*	25.7pp	*55.7%*	1,416.1
Cost of services	-907.2	-910.2	-542.1	*67.4%*	38.0pp	*67.9%*	-803.4
Gross profit	**602.7**	**604.5**	**430.7**	***39.9%***	**10.3pp**	***40.4%***	**612.7**
Gross profit margin	*39.9%*	*39.9%*	*44.3%*	*-4.4pp*	*-4.4pp*	*-4.4pp*	*43.3%*
Sales and marketing costs	-9.4	-9.4	-6.5	*43.6%*	12.1pp	*44.0%*	-9.7
Administrative costs	-209.9	-210.8	-137.5	*52.7%*	17.2pp	*53.3%*	-201.0
Adjusted EBITA	**383.4**	**384.2**	**286.7**	***33.8%***	**7.0pp**	***34.0%***	**402.0**
Adjusted EBITA margin	*25.4%*	*25.4%*	*29.5%*	*-4.1pp*	*-3.5pp*	*-4.1pp*	*28.4%*
Special items	-34.4	-34.4	-16.6	*106.4%*	43.6pp	*106.4%*	-32.9
EBITA	**349.1**	**349.9**	**270.0**	***29.3%***	**4.7pp**	***29.6%***	**369.0**
EBITA margin	*23.1%*	*23.1%*	*27.8%*	*-4.6pp*	*-3.6pp*	*-4.7pp*	*26.1%*
Amortisation	-86.5	-86.5	-69.0	*25.3%*	26.7pp	*25.3%*	-95.9
Operating profit (EBIT)	**262.5**	**263.3**	**201.0**	***30.6%***	**-2.8pp**	***31.0%***	**273.2**
Operating profit margin	17.4%	17.4%	20.7%	*-3.3pp*	-3.9pp	*-3.3pp*	19.3%
Net financials	-98.5	-98.5	-60.8	*62.0%*	17.6pp	*62.0%*	-72.1
Profit / loss before tax	**164.0**	**164.8**	**140.2**	***17.0%***	**-11.7pp**	***17.6%***	**201.0**
Tax	-51.2	-51.4	-39.2	*30.7%*	-0.9pp	*31.2%*	-59.4
Effective tax rate	31.2%	31.2%	28.0%	*3.3pp*	2.6pp	*3.2pp*	29.6%
Net profit / loss	**112.8**	**113.4**	**101.0**	***11.7%***	**-15.9pp**	***12.3%***	**141.6**

**Constant currencies measured using average exchange rates for the first 9M 2017*

Revenue increased by 55.2% (constant 55.7%) to DKK 1,509.9 million in 9M 2018, of which the UK operation accounted for 25.7 percentage points. The significant growth in 9M 2018 followed the same tendency as Q3 2018, of which all operating entities contributed positive to this development. Organic revenue growth for the 9M was 29.5%.

EBITA margin decreased by 4.6 percentage points from 27.8% to 23.1% primarily driven by the UK operating, which diluted EBITA margin by 3.6 percentage points.

Netcompany Group A/S
Company Registration no. 39 48 89 14

Business Segments

Public

DKK million	Q3 2018	Q3 2017	*% change (reported)*	Netcompany UK Ltd. (Netcompany UK) Non-organic Impact
Revenue	277.5	187.8	*47.8%*	*16.1pp*
Cost of service	-159.3	-98.6	*61.5%*	*23.1pp*
Gross profit	**118.2**	**89.1**	***32.6%***	***8.3pp***
Gross profit margin	*42.6%*	*47.5%*	*-4.9pp*	*-2.2pp*
Allocated costs	-43.9	-32.1	*36.6%*	*6.3pp*
Adjusted EBITA	**74.3**	**57.0**	***30.4%***	***9.5pp***
Adjusted EBITA margin	*26.8%*	*30.4%*	*-3.6pp*	*-1.1pp*
Special items	0.0	-8.2	*-99.7%*	0.0pp
EBITA	**74.3**	**48.8**	***52.3%***	***11.0pp***
EBITA margin	*26.8%*	*26.0%*	*0.8pp*	*-1.1pp*
Amortisation	-16.3	-12.9	*26.0%*	*12.6pp*
Operating profit	**58.0**	**35.9**	***61.8%***	***10.5pp***
Operating profit margin	*20.9%*	*19.1%*	*1.8pp*	*-1.0pp*

Public segment revenue increased by 47.8% to DKK 277.5 million, of which 31.7 percentage points came from organic revenue growth. The increase in revenue in Q3 2018 followed the same trend as in Q2 2018 with high activity at Danish customers such as Danish Ministry of Taxation, ATP, KOMBIT, Danish Business Authority and the Danish Working Environment Authority, but also the Norwegian and English customers such as Oslo Municipality, the Norwegian Toll Service and the British Home Office and Department for Work and Pension contributed positively to the significant revenue growth.

Cost of services increased by 61.5% to DKK 159.3 million. The increase in cost of services, was primarily driven by both the natural impact from the increased level of activity in the public sector, but also driven by the UK operation, which contributed to 23.1 percentage points of the total increase in cost of services, while only contributing to 16.1 percentage points of the total revenue growth, driven by a higher cost to serve in the UK operations as previously described. As a result, gross profit margin decreased by 4.9 percentage points from 47.5% in Q3 2017 to 42.6% in Q3 2018, of which the UK operation accounted for 2.2 percentage points. Adjusted for UK operation, gross profit margin decreased by 2.7 percentage points to 44.8%, primarily driven by a higher percentage of the revenue coming from Danish public projects being set into production or being prepared to be set into production during Q3 2018, which generated more "burn in hours" at a lower margin compared to the same period last year.

Allocated segment costs increased by 36.6% in Q3 2018 to DKK 43.9 million, which was significantly lower than the combined increase in administration costs and sales and marketing costs in the same period at Group level. The primary driver for this development was the allocation

between cost of services and administration costs in Q3 2017 in the Norwegian operation, which primarily impacted the public sector as the public sector had a higher activity than the private sector had in Q3 2017, making the comparative figure in Q3 2017 relatively higher.

Adjusted EBITA increased by 30.4% to DKK 74.3 million, which led to and adjusted EBITA margin of 26.8% compared to 30.4% in Q3 2017. The decrease in EBITA margin was driven by the decrease in gross profit margin, which was partly offset by the lower increase in allocated segment costs compared to revenue.

EBITA increased by 52.3% to DKK 74.3 million, which led to an EBITA margin of 26.8%, an increase of 0.8 percentage point compared to the same period last year and driven by the fact, that there were no special items in Q3 2018 to dilute the margin, as was the case in Q3 2017, where special items diluted the EBITA margin by 4.4 percentage points.

Operating profit (EBIT) increased by 61.8% to DKK 58.0 million in Q3 2018. This led to an operating profit margin of 20.9%, which was an increase of 1.8 percentage points, driven by the increase in EBITA margin, and a lower increase in amortisation compared to revenue growth in the same period.

DKK million	YTD 2018	YTD 2017	*% change (reported)*	Netcompany UK Ltd. (Netcompany UK) Non-organic Impact
Revenue	831.1	485.6	*71.2%*	*12.6pp*
Cost of service	-500.2	-288.0	*73.7%*	*16.3pp*
Gross profit	**330.9**	**197.5**	***67.5%***	***7.2pp***
Gross profit margin	*39.8%*	*40.7%*	*-0.9pp*	*-1.3pp*
Allocated costs	-132.8	-81.9	*62.2%*	*5.6pp*
Adjusted EBITA	**198.1**	**115.7**	***71.3%***	***8.4pp***
Adjusted EBITA margin	*23.8%*	*23.8%*	*0.0pp*	*-0.6pp*
Special items	-19.1	-9.4	*103.1%*	13.5pp
EBITA	**179.0**	**106.3**	***68.5%***	***7.9pp***
EBITA margin	21.5%	21.9%	*-0.3pp*	*-0.6pp*
Amortisation	-48.3	-36.7	*31.5%*	*9.4pp*
Operating profit	**130.7**	**69.5**	***88.0%***	***7.1pp***
Operating profit margin	15.7%	14.3%	*1.4pp*	*-0.6pp*

Revenue increased by 71.2% to DKK 831.1 million in 9M 2018, of which 58.6 percentage points was organic growth. The revenue growth in 9M 2018 followed the same tendency as Q3 2018, driven by a high activity in all business operations.

EBITA increased by 68.5% to DKK 179.0 million in 9M 2018 compared to DKK 106.3 million in 9M 2017, which led do a decrease in EBITA margin of 0.4 percentage point, from 21.9% in 9M 2017 to 21.5% in 9M 2018, primarily driven by an increase in special items and the dilutive impact from the UK operation.

Private

DKK million	Q3 2018	Q3 2017	*% change (reported)*	Netcompany UK Ltd. (Netcompany UK) Non-organic Impact
Revenue	212.8	149.7	*42.1%*	*36.1pp*
Cost of service	-122.9	-72.5	*69.7%*	*67.4pp*
Gross profit	89.8	77.2	*16.3%*	*6.6pp*
Gross profit margin	*42.2%*	*51.6%*	*-9.4pp*	*-11.1pp*
Allocated costs	-27.8	-17.3	*60.9%*	*37.2pp*
Adjusted EBITA	62.0	60.0	*3.4%*	*-2.2pp*
Adjusted EBITA margin	*29.1%*	*40.0%*	*-10.9pp*	*-10.7pp*
Special items	0.0	-6.2	*-99.6%*	0.2pp
EBITA	62.0	53.7	*15.4%*	*-2.5pp*
EBITA margin	*29.1%*	*35.9%*	*-6.8pp*	*-10.7pp*
Amortisation	-12.5	-9.6	*30.2%*	*53.0pp*
Operating profit	49.5	44.1	*12.1%*	*-14.6pp*
Operating profit margin	*23.2%*	*29.5%*	*-6.2pp*	*-11.9pp*

Private segment revenue increased by 42.1% to DKK 212.8 million in Q3 2018. The increase in revenue was primarily driven by the UK operation, as organic revenue in the private segment grew 6.0%, due to the fact, that the Danish operation engaged a significant proportion of the current employees in the Danish public segment during Q3 2018, but also as a consequence of one-off items impacting revenue positively in the private segment in Denmark in Q3 2017, where a number of projects yielded a lump sum revenue of DKK 10.5 million.

Cost of services increased by 69.7% to DKK 122.9 million in Q3 2018, which was significantly higher than the revenue growth for same period. The primary driver behind this development was the UK operation, which generated a much higher cost to serve than the other operations in Denmark and Norway, as the UK operation utilised a higher proportion of independent external contractors. Gross profit margin decreased by 9.4 percentage points from 51.6% in Q3 2017 to 42.2% in Q3 2018. However, adjusted for UK operation the gross profit margin increased by 1.7 percentage points, primarily driven by more billable hours in the sub segment of the Danish private sector compared to the same period last year.

Allocated segment costs increased by 60.9% to DKK 27.8 million in Q3 2018. The higher increase in allocated segments costs relative to revenue growth, was primarily driven by the fact, that more hours were required to generate the revenue growth in Q3 2018 compared to the same period last year. The reason for this development, was that the UK operation was the main revenue driver in the private segment in Q3 2018, generating a lower average selling price compared to the other business operations in Denmark and Norway, which was a result of the UK operation utilising a higher proportion of Vietnamese employees.

Adjusted EBITA increased by 3.4% to DKK 62.0 million in Q3 2018. This led to an adjusted EBITA margin of 29.1%, which was a decrease of 10.9 percentage points compared to an adjusted EBITA margin of 40.0% in Q3 2017, primarily driven by the decrease in gross profit margin. Adjusted for the UK operation, the adjusted EBITA margin decreased by 0.2 percentage point from 40.0% to 39.8% driven by a higher amount of allocated segment costs as described above.

EBITA increased by 15.4% to DKK 62.0 million, which led to an EBITA margin of 29.1%, a decrease of 6.8 percentage points compared to the same period last year, and driven by the decrease in adjusted EBITA margin, which was somewhat offset by Q3 2018 having no special items.

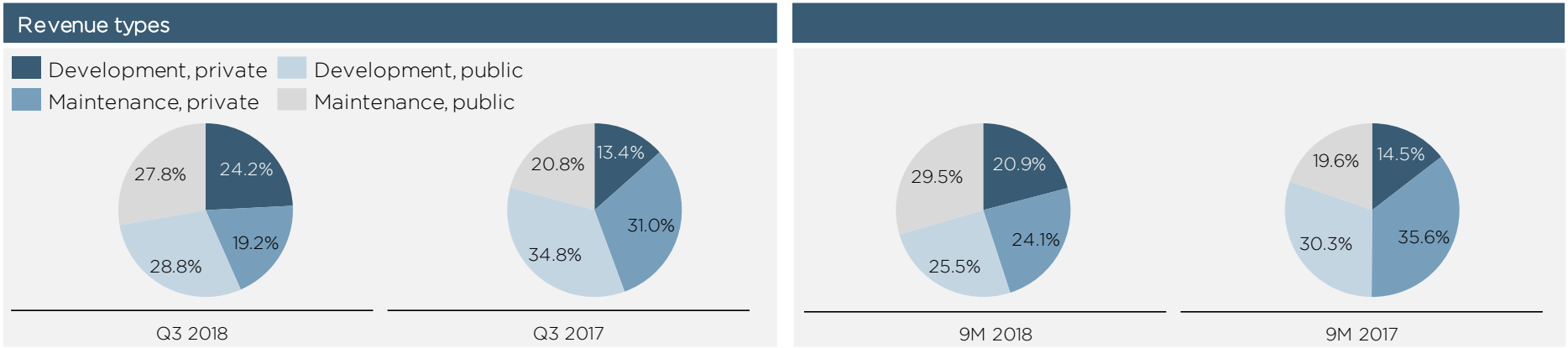
Operating profit (EBIT) increased by 12.1% to DKK 49.5 million in Q3 2018. This led to an operating profit margin of 23.2%, which was a decrease of 6.2 percentage points and driven by the decrease in EBITA margin. This development was somewhat offset by a lower increase in amortisation compared to revenue growth in the same period.

DKK million	YTD 2018	YTD 2017	*% change (reported)*	Netcompany UK Ltd. (Netcompany UK) Non-organic Impact
Revenue	678.8	487.2	*39.3%*	*38.8pp*
Cost of service	-407.0	-254.0	*60.2%*	*62.6pp*
Gross profit	**271.8**	**233.1**	***16.6%***	***13.0pp***
Gross profit margin	*40.0%*	*47.9%*	*-7.8pp*	*-9.3pp*
Allocated costs	-86.5	-62.1	*39.1%*	*31.9pp*
Adjusted EBITA	**185.4**	**171.0**	***8.4%***	***6.1pp***
Adjusted EBITA margin	*27.3%*	*35.1%*	*-7.8pp*	*-8.4pp*
Special items	-15.3	-7.2	110.7%	82.6pp
EBITA	**170.1**	**163.8**	***3.9%***	***2.7pp***
EBITA margin	*25.1%*	*33.6%*	*-8.6pp*	*-8.8pp*
Amortisation	-38.2	-32.3	*18.4%*	*46.4pp*
Operating profit	**131.8**	**131.4**	***0.3%***	***-8.1pp***
Operating profit margin	*19.4%*	*27.0%*	*-7.6pp*	*-9.7pp*

Revenue increased by 39.3% to DKK 678.8 million in 9M 2018, of which 0.5 percentage points was organic growth. The revenue growth in 9M 2018 followed the same tendency as Q3 2018, primarily driven by the UK operation.

EBITA increased by 3.9% to DKK 170.1 million in 9M 2018 compared to DKK 163.8 million in 9M 2017, which resulted in an EBITA margin of 25.1% in 9M 2018 compared to 33.6% in 9M 2017. The decrease in EBITA margin was a result of the dilutive impact from the UK operation as well as a higher number of special items in 9M 2018 compared to 9M 2017.

Revenue types



Public segment

In the Public segment development revenue constituted 28.8% of total revenue in Q3 2018 at Group level compared to 34.8% in Q3 2017, and maintenance revenue constituted 27.8% in Q3 2018 at Group level compared to 20.8% in Q3 2017. As a result, maintenance revenue increased by 7.0 percentage points, while development revenue decreased by 6.0 percentage points. The increase in maintenance revenue in the public segment, was primarily driven by fact, that several Danish public projects were set into production during Q3 2018. As previously described, margins from maintenance revenue streams are generally expected to be higher than margins generated from development revenue streams. However, since the projects described were first set in production during Q3 2018, margins did not increase, primarily driven by the fact that production settings require an additional amount of "burn in hours", which yields a margin in the level comparable to development revenue.

Private segment

In the private segment development revenue constituted 24.2% of total revenue in Q3 2018 at Group level compared to 13.4% in Q3 2017 and maintenance revenue constituted 19.2% in Q3 2018 at Group level compared to 31.0% in Q3 2017. As a result, development revenue increased by 10.8 percentage points, while maintenance revenue decreased by 11.8 percentage points. The primary driver behind the increase in development revenue was the UK operation, which by nature has a significant amount of development projects in the private segment, which however generates a lower margin compared to development revenue in the other operations in Denmark and Norway.

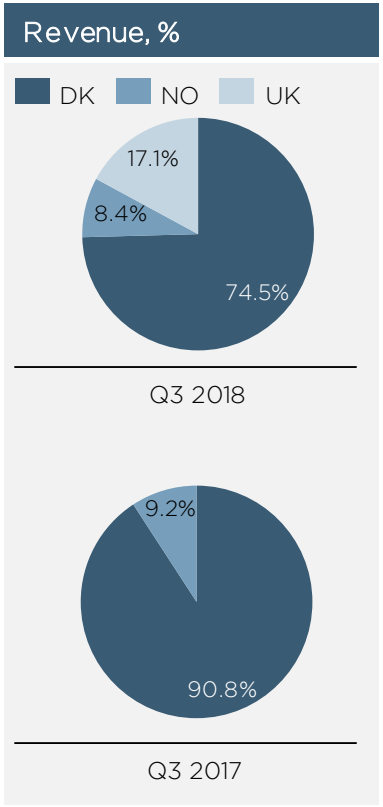
Netcompany Group A/S
Company Registration no. 39 48 89 14

Information related to operating entities

Segment information related to operating entities:

DKK million	Constant (2017 rate)	Q3 2018 Denmark	Norway	United Kingdom	Total
Revenue from external customers		366.0	41.0	84.1	491.1
Gross profit		**180.8**	**15.1**	**12.6**	**208.4**
Gross profit Margin		*49.4%*	*36.8%*	*14.9%*	*42.4%*
Local admin costs		-49.4	-7.4	-6.5	-63.3
Allocated costs from HQ		-5.9	-0.7	-2.0	-8.6
Adjusted EBITA		**125.4**	**7.0**	**4.1**	**136.5**
Adjusted EBITA Margin		*34.3%*	*17.1%*	*4.8%*	*27.8%*
Special Items, allocated		0.0	0.0	0.0	0.0
EBITA		**125.4**	**7.0**	**4.1**	**136.4**

DKK million	Reported	Q3 2017 Denmark	Norway	United Kingdom	Total
Revenue from external customers		306.5	30.9	0.0	337.5
Gross profit		**153.2**	**13.2**	**0.0**	**166.4**
Gross profit Margin		*50.0%*	*42.7%*	*0.0%*	*49.3%*
Local admin costs		-40.9	-4.7	0.0	-45.6
Allocated costs from HQ		-3.5	-0.4	0.0	-3.8
Adjusted EBITA		**108.8**	**8.2**	**0.0**	**117.0**
Adjusted EBITA Margin		*35.5%*	*26.3%*	*0.0%*	*34.7%*
Special Items, allocated		-13.1	-1.4	0.0	-14.4
EBITA		**95.8**	**6.8**	**0.0**	**102.5**



Adjusted EBITA margin in local currencies before any allocated costs from HQ is reflecting the underlying business performance for the different business operations (operating entities) in Denmark, Norway and United Kingdom.

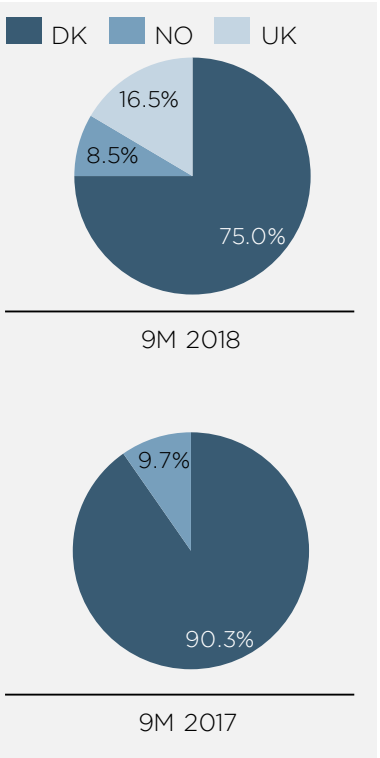
The margin of 17.1% in the Norwegian operation was impacted negatively in the quarter by the intake of close to 40 new employees representing a relative increase in the workforce by more than 30% over two months. Such a large intake naturally requires significant time from the rest of the organisation to onboard and train the new employees.

In the UK operation margins were impacted by a few large fixed price projects, that needed additional hours to complete. Such an adjustment has the accumulated impact on P&L in the quarter it is made.

DKK million	Constant (2017 rate)	YTD 2018 Denmark	Norway	United Kingdom	Total
Revenue from external customers		1,135.8	128.6	250.2	1,514.6
Gross profit		**514.0**	**46.0**	**44.5**	**604.5**
Gross profit Margin		*45.3%*	*35.8%*	*17.8%*	*39.9%*
Local admin costs		-160.9	-19.8	-20.2	-200.8
Allocated costs from HQ		-13.7	-1.5	-4.2	-19.4
Adjusted EBITA		**339.4**	**24.8**	**20.1**	**384.2**
Adjusted EBITA Margin		*29.9%*	*19.3%*	*8.0%*	*25.4%*
Special Items, allocated		-24.5	-2.6	-7.3	-34.4
EBITA		**314.9**	**22.2**	**12.8**	**349.9**

DKK million	Reported	YTD 2017 Denmark	Norway	United Kingdom	Total
Revenue from external customers		878.4	94.4	0.0	972.7
Gross profit		**395.9**	**34.8**	**0.0**	**430.7**
Gross profit Margin		*45.1%*	*36.9%*	*0.0%*	*44.3%*
Local admin costs		-122.1	-13.4	0.0	-135.5
Allocated costs from HQ		-7.7	-0.8	0.0	-8.5
Adjusted EBITA		**266.0**	**20.6**	**0.0**	**286.7**
Adjusted EBITA Margin		*30.3%*	*21.9%*	*0.0%*	*29.5%*
Special Items, allocated		-15.1	-1.6	0.0	-16.6
EBITA		**251.0**	**19.0**	**0.0**	**270.0**

Revenue, %



The margin in the Norwegian operation decreased from 21.9% in 9M 2017 to 19.3% in 9M 2018, which was driven by a relative increase in employees and the costs of new employee introduction.

The margin related to the UK operation of 8.0% was negatively impacted by the adjustment made in Q3 2018, relating to a few large fixed price projects, but also by the accumulated integration activities, which in turn is expected to have a positive impact on margins in 2019 and onwards.

Netcompany Group A/S
Company Registration no. 39 48 89 14

Currency exposures

Local currency million	Q3 2018 DKK	NOK	GBP	VND	PLN
Revenue	366.0	51.6	10.1	0.0	0.0
EBIT	48.4	6.8	-0.1	1,607.9	-14.9
Net result	39.3	5.3	-0.1	1,370.2	-12.1

Local currency million	YTD 2018 DKK	NOK	GBP	VND	PLN
Revenue	1,135.8	159.8	29.7	0.0	0.0
EBIT	146.4	25.0	1.2	5,501.7	2.7
Net result	27.3	19.2	1.1	4,576.9	1.8

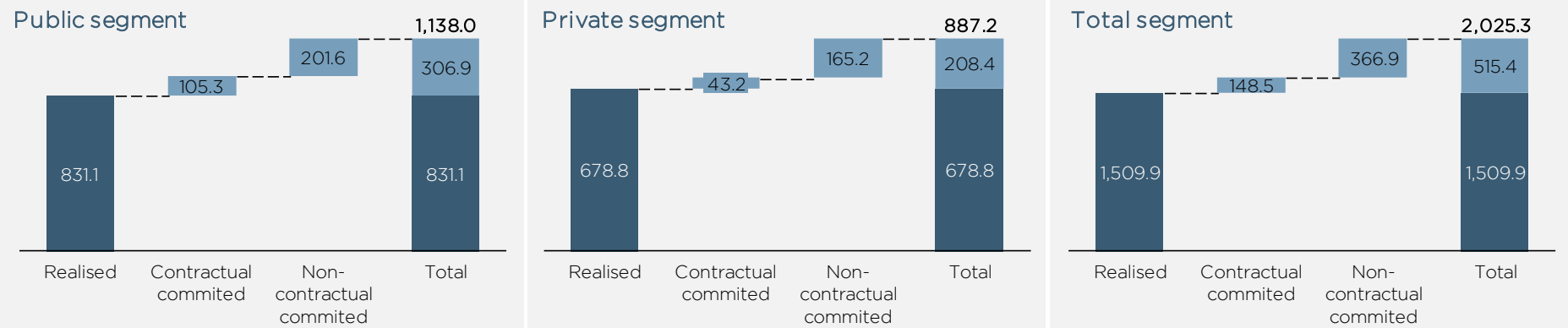
The Group is exposed to exchange rate risk in the countries where the Group has it sales activities outside Denmark, which means Norway and UK and to a lesser extent, exchange rate risk in Poland and Vietnam, which is used as sourcing centres and therefore do not have an exchange rate risk related to sales activities, but only net costs exposures. As most of the Group's sales are in DKK it implies limited foreign exchange risk due to the ultimate parent company's functional and reporting currency being in DKK.

Netcompany´s policy is to hedge any exchange risk net exposure, that would yield a +2/-2 percentage points EBIT margin impact from a +10%/-10% change in that given currency. At present, the Group has not entered into any hedging contracts regarding exchange rates.

Netcompany Group A/S
Company Registration no. 39 48 89 14

Revenue visibility

Revenue visibility, DKKm



The Group measures revenue visibility for the fiscal year 2018 based on realised revenue for 9M 2018 combined with two other main input parameters for the remainder of the year, defined as total value of committed engagements, which comprise the value of fixed price engagements and service agreements, while ongoing time and material engagements with a high likelihood of conversion and/or prolongation are defined as total value of non-contractual-committed engagements.

Total revenue visibility was DKK 2,025.3 million at the beginning of October 2018 consisting of DKK 1,509.9 million of realized revenue and DKK 515.4 million in contractually committed and non-contractually committed revenue for the remaining part of 2018.

Revenue visibility public segment

By the beginning of October 2018, revenue visibility for the fiscal year of 2018 in the public segment amounted to DKK 1,138.0. Of this, contractual committed revenue amounted to DKK 105.3 million and non-contractual committed revenue amounted to DKK 201.6 million, while realised revenue in 9M 2018 amounted to DKK 831.1 million.

Revenue visibility private segment

By the beginning of October 2018, revenue visibility for the fiscal year of 2018 in the private segment amounted to DKK 887.2. Of this, contractual committed revenue amounted to DKK 43.2 million and non-contractual committed revenue amounted to DKK 165.2 million, while realised revenue in 9M 2018 amounted to DKK 678.8 million.

Netcompany Group A/S
Company Registration no. 39 48 89 14

Employees

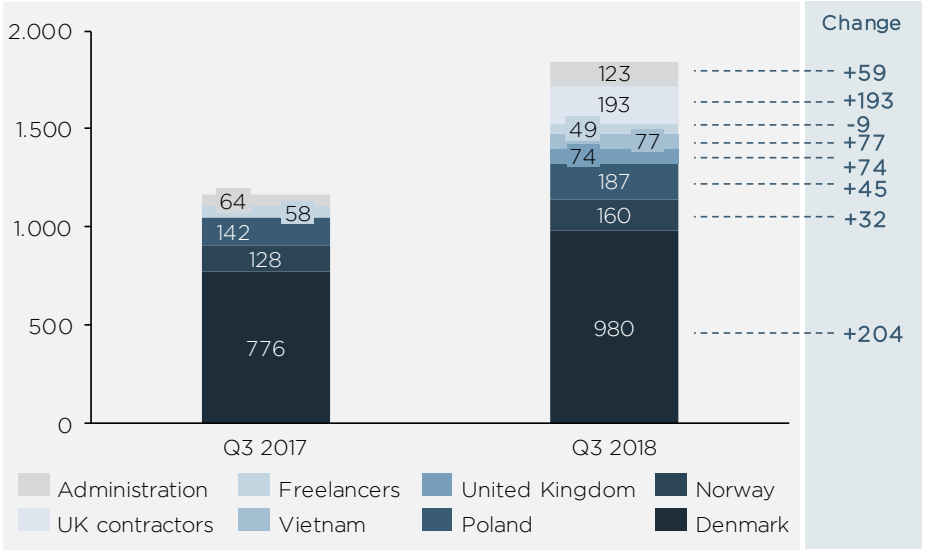
During 9M 2018, Netcompany employed an average of 1,809 FTEs, which was an increase of 637 FTEs compared to 9M 2017. During Q3 2018, Netcompany employees an average of 1,843 FTEs, which was an increase of 668 FTEs compared to Q3 2017.

The increase was driven by a high intake of new employees in Denmark, Norway and Poland and the purchase of Netcompany UK in October 2017, of which the latter had full effect in both Q3 2018 and 9M 2018.

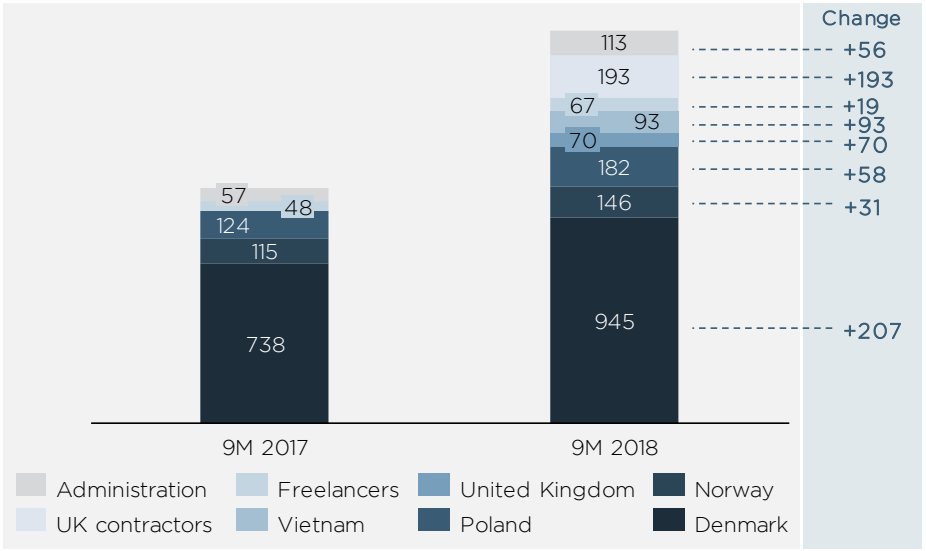
The attrition rate for 9M 2018 was 19.1%, which was a slight increase compared to 9M 2017, primarily driven by the closing if the Hanoi office in Q3 2018. Of the total attrition rate of 19.1%, 15.2 percentage points was voluntary, bringing the total FTEs by the end of September 2018 to 1,770 including freelancers and contractors.

The usage of freelancers has been reduced during Q3 from a level of 76 freelancers at the end of Q2 2018 to 49 at the end of Q3 2018.

Average FTEs increased to 1,843 during Q3 2018



Average FTEs increased to 1,809 during 9M 2018



Cash flow and other significant balance sheet items

Free cash flow, cash conversion ratio and balance sheet

Overall, the free cash flow remained strong during Q3 2018 and the free cash flow increased to DKK 69.2 million in Q3 2018 and to DKK 227.7 million in 9M 2018 compared DKK 58.9 million in Q3 2017 and DKK 152.5 million in 9M 2017. This development was primarily driven by the increase in EBITDA and a lower increase in trade receivables compared to the increase in revenue. However, this trend was offset by a lower increase in other payables relative to revenue, which resulted in a decline in the cash conversion ratio from 55.5% in Q3 2017 to 46.9% in Q3 2018.

Working capital changes increased by 20.5% to DKK 154.7 million negative in 9M 2018 compared to DKK 128.4 million negative in 9M 2017. The increase in working capital was driven by the increase in revenue, which increased by 55.2% in the same period.

Funding and liquidity

On June 7, 2018, the Group entered a bank agreement, which consists of committed facilities constituting a primary facility agreement of a DKK 750 million, an ancillary facility of DKK 750 million and an optional facility of DKK 400 million limited to acquisitions. Both the primary facility agreement and the secondary facility are constituted as bullet term loans, of which the Group by the end of September 2018 utilised the full amount of the primary facility and DKK 630 million of the ancillary agreement. DKK 140 million of the utilized amount from the ancillary facility has been used by the Group to provide performance guarantees, as part of its contract commitments with customers.

The Group has complied with the covenants determined in the agreement.

Risk management

Please refer to the overview of risk factors provided by the Group in the annual report for 2017.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this Q3 2018 report.

Netcompany Group A/S
Company Registration no. 39 48 89 14

Outlook for full year 2018

Based on the performance in Q3 2018 where Netcompany continued to see strong demand for its services leading to high organic revenue growth and taking into consideration the revenue visibility for the full year 2018, the Group has upgraded is guidance for the full year as reflected below. The UK have a significant lower margin than the rest of the Group which will have a dilutive impact on the Groups margins. In addition, the UK is now expected to grow at least 15% from the base line revenue of 2017 constituting DKK 286.3 million.

	Actuals 2017	Original Guidance 2018	Guidance Q2 2018	Updated Guidance Q3 2018
Revenue growth in reported currencies	57.4%	Top range of 37-42%	Top range of 37-42%	42-44%
Organic revenue growth in reported currencies	37.0%	Top range of 20-25%	Top range of 20-25%	24-26%
Adjusted EBITA margin	28.4%	24.5-27.5%	Lower end of 24.5-27.5%	25-25.5%
Profit / loss before tax	14.2%	11-14%	11-14%	12.5-13.8%

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Netcompany expects currency fluctuations to impact reported revenue negatively with between nil and 0.5% (was previously positive with between 0.5% and 1.0%) and reported margins negatively with between nil and 0.5% (was previously positive with between 0.5% and 1.0%)

Expectations for 2019

- Organic revenue growth in constant currencies in all geographies of between 20% to 25%.
- Adjusted EBITA margin in constant currencies of around 26%.

Other information

Shareholder information

Capital

In connection with the IPO of Netcompany Group A/S – referred to as Netcompany – the company recapitalised with a paid in capital of DKK 50m made up by 50 million shares with a nominal value of DKK 1. All shares have the same privileges and all shares will eventually be free float. In connection with the IPO, the selling shareholders sold 40% of their shareholding in a pro-rata sell down meaning that all shareholders sold the same number of shares, however with the exemption that FSN Capital also delivered shares for the overallocation – "the Green shoe" – option which was fully exercised.

For further details about the reorganisation of the company structure in connection with the IPO please refer to the Offering Circular of 23 May 2018.

In connection with the IPO, the Board of Directors have approved – among others – a renumeration policy whereby executive management are entitled to cash bonus of up to 60% of the annual fixed base salary and an annual grant of Restricted Stock Units corresponding to 80% of the annual fixed base salary that will be vesting over three-year period. Both the cash and share based remuneration element are revolving of nature and based on predefined targets. These targets, and the performance against them will be disclosed retrospectively in the annual remuneration report. Other senior managers will also be participating in the short-term incentive program (STIP) and the long-term incentive program (LTIP) but at conditions and targets that are different from those applicable to Executive Management. The implementation of the new LTIP and STIP replaces the previous incentive model in Netcompany and are structured to ensure that the new programs are incentivizing participants while at the same time also focuses on generating shareholder value. The implementation of the new incentive scheme has resulted in some adjustments in the various elements of participants total remuneration package. The cost of the LTIP will be expensed over the vesting period on a pro rata base.

In connection with the IPO, a new long-term incentive program – LTIP – was introduced to replace the previous unit-based incentive program. The LTIP participants are the Executive Management team and other senior managers throughout the Group. At the IPO, Executive management was granted restricted stock units in accordance with the remuneration policy for the period covering 7 June 2018 to 30 June 2021. The restricted stock units will vest and be transferred into shares in Netcompany based on performance criteria's set forth in the vesting period. The LTIP for Executive Management is a three-year revolving program with annual grants.

Apart from the Executive Management team other senior managers were also granted RSUs in connection with the IPO with a value of 50% of the potential maximum grant that each participant is entitled to under the 2018 LTIP program that they participate in. Based on individual performance for the full 2018, an assessment will be made for each individual as to how many RSUs are to be granted for the full 2018 based on individual performance, The RSUs granted will vest fully after the reporting of the 2021 annual report given that the individual participant is still employed at the time of vesting.

In total, 138,310 RSU´s was granted at the IPO of which 33,637 was granted to Executive Management and 104,673 was granted to other senior managers. The fair value of the RSUs at grant was DKK 21.4 million. The cost associated herewith will be expensed over the vesting period. In connection with the IPO Netcompany entered into an agreement with Danske Bank whereby Danske Bank, on behalf of Netcompany, acquired shares for DKK 50m at the IPO price of 155 per share equalling 322,580 shares to be delivered in the future as restricted stock units vest under various LTIP programs. As of 30 September 2018, a total amount of DKK 2.3 million is recognised in Income statement

Statement of the Board of Directors and Executive Management

Today, the Board of Directors and Executive Management considered and approved the interim consolidated financial statements for Netcompany Group A/S ("Netcompany" or "the company" and together with all its subsidiaries "the Group") for the period 1 January 2018 to 30 September 2018. The Q3 2018 report has not been audited or reviewed by the company's independent auditors.

The interim consolidated financial statements have been prepared in accordance with IAS 34 as adopted by the EU and additional Danish regulations for the presentation of interim reports by listed companies. Furthermore, the interim report has been prepared in accordance with the accounting policies set out in the Group´s Annual Report for 2017.

In our opinion, the accounting policies used are appropriate, and the overall presentation of the interim consolidated financial statements gives a true and fair view of the Group's assets, liabilities and financial position as at 30 September 2018 and of the results of the Group's operations and cash flows for the period 1 January 2018 to 30 September 2018.

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

Copenhagen, 6 November 2018

Executive Management:

André Rogaczewski *CEO*	Claus Jørgensen *COO*	Thomas Johansen *CFO*

Board of Directors:

Pekka Ala-Pietilä *Chairman of the Board*	Thomas Broe-Andersen *Vice Chairman of the Board*	Juha Christensen
Carsten Gomard	Pernille Fabricius	Bo Rygaard

Netcompany Group A/S
Company Registration no. 39 48 89 14

Consolidated interim financial statements and notes

Income statement and Statement of comprehensive income

DKK thousands	Note	Q3 2018	Q3 2017	YTD 2018	YTD 2017	Total 2017
Income statement						
Revenue	1	490,315	337,462	1,509,940	972,726	1,416,085
Cost of services	2	-282,251	-171,085	-907,235	-542,057	-803,384
Gross profit		208,064	166,378	602,705	430,669	612,701
Sales and marketing costs		-2,387	-2,513	-9,389	-6,541	-9,707
Administrative costs	3	-69,321	-46,896	-209,872	-137,468	-201,024
Special items	4	-49	-14,435	-34,362	-16,647	-32,928
EBITA		136,307	102,534	349,082	270,013	369,042
Amortisation		-28,847	-22,570	-86,542	-69,042	-95,890
Operating profit (EBIT)		107,460	79,964	262,540	200,971	273,152
Financial income	5	1,982	308	21,464	1,047	10,189
Financial expenses	5	-10,423	-18,511	-119,969	-61,868	-82,304
Profit / loss before tax		99,019	61,761	164,035	140,150	201,037
Tax on the profit for the period		-20,768	-18,713	-51,231	-39,191	-59,428
Net profit / loss for the period		78,251	43,048	112,804	100,960	141,608
Earnings per share						
Earnings per share (DKK)	6	1.58	0.89	2.27	2.10	2.92
Diluted Earnings per share (DKK)	6	1.57	0.89	2.27	2.10	2.92
Statement of comprehensive income						
Net profit / loss for the period		78,251	43,048	112,804	100,960	141,608
Other comprehensive income:						
Cash flow hedging, net fair value gain / (loss)		0	-2,954	38,475	368	12,564
Foreign currency translation subsidiaries		1,861	-38	-646	-3,087	-2,847
Change in deferred cost of hedging		0	2,974	-13,348	2,411	-9,716
Tax of other comprehensive income		0	-4	-5,528	-611	-627
Other comprehensive income, net of tax		1,861	-22	18,953	-920	-625
Total comprehensive income / loss		80,112	43,025	131,757	100,040	140,983

Balance Sheet

DKK thousands	Note	Sep. 30 2018	Sep. 30 2017	Dec. 31 2017
Assets				
Intangible assets		2,513,715	2,309,951	2,603,918
Tangible assets		61,969	44,057	54,507
Deferred tax assets		759	102	0
Other receivables		12,899	7,989	8,776
Total non-current assets		2,589,342	2,362,098	2,667,202
Trade receivables	7	384,878	282,754	445,363
Contract work in progress	8	336,150	230,031	139,166
Other receivables		11,126	4,821	23,287
Cash		215,898	93,718	194,479
Total current assets		948,053	611,324	802,296
Total assets		3,537,395	2,973,422	3,469,497

Netcompany Group A/S
Company Registration no. 39 48 89 14

Balance Sheet

DKK thousands	Note	Sep. 30 2018	Sep. 30 2017	Dec. 31 2017
Equity and liablities				
Share capital		50,000	48,172	49,637
Cash flow hedging reserve		0	-39,524	-30,011
Exchange differences on translating foreign subsidiaries		-3,578	-3,172	-2,932
Deferred cost of hedging reserve		0	19,870	10,412
Retained earnings		1,688,407	1,342,622	1,616,745
Total equity		1,734,830	1,367,967	1,643,851
Borrowings	9	1,230,248	1,179,668	1,264,895
Leasing		20,768	13,620	17,609
Deferred tax liability		106,223	95,740	112,418
Total non-current liabilities		1,357,239	1,289,028	1,394,922
Leasing		13,845	11,719	13,610
Prepayments received from customers	8	26,571	32,558	36,246
Trade payables		30,697	22,145	50,552
Other payables	10	250,752	166,916	223,087
Provisions	11	26,277	12,546	30,396
Income tax payable		97,183	70,543	76,833
Total current liablities		445,326	316,427	430,724
Total liablities		1,802,564	1,605,454	1,825,646
Total equity and liablities		3,537,395	2,973,422	3,469,497

Financial figures and highlights 12
Income Statement classified by function 13
Collateral provided and contingent liabilities 14
Related party transactions 15
Accounting policies 16

Netcompany Group A/S
Company Registration no. 39 48 89 14

Cash Flow statement

DKK thousands	Note	Q3 2018	Q3 2017	YTD 2018	YTD 2017	Total 2017
Operating profit (EBIT)		107,460	79,964	262,540	200,971	273,152
Depreciation and amortisation		40,099	26,259	117,588	79,872	129,213
Non-Cash		1,776	0	2,273	0	0
Working capital changes		-80,178	-47,294	-154,679	-128,370	-95,045
Total		**69,155**	**58,929**	**227,721**	**152,472**	**307,320**
Income taxes paid		-6,217	-926	-46,421	-21,511	-35,356
Financial income received		8,340	266	22,006	905	1,179
Financial expenses paid		-14,384	-11,747	-48,489	-42,177	-77,806
Cash flow from operating activities		**56,895**	**46,521**	**154,817**	**89,690**	**195,337**
Net cash outflow on acquisition of subsidiaries		0	0	0	0	-120,260
Acquisition of intangible assets		0	0	0	-10,105	-11,103
Acquisition of property, plant and equipment		-7,576	-1,218	-14,027	-9,959	-16,744
Other receivables (deposits)		-886	-1,620	-4,126	-1,621	-2,344
Cash flow from investment activities		**-8,462**	**-2,838**	**-18,153**	**-21,685**	**-150,451**
Proceeds from issue of share capital		0	0	6,949	7,424	16,728
Proceeds from borrowings		0	0	1,229,539	0	92,000
Repayment of borrowings		-5,507	-4,218	-1,352,839	-12,154	-16,573
Cash flow from financing activities		**-5,507**	**-4,218**	**-116,351**	**-4,730**	**92,154**
Net increase in cash and cash equivalents		**42,925**	**39,466**	**20,314**	**63,275**	**137,040**
Cash and cash equivalents at the beginning		172,448	53,633	194,481	31,988	31,988
Cash and cash equivalents balances acquired		0	0	0	0	26,287
Effect of exchange rate changes on the balance cash held in foreign currencies		525	620	1,104	-1,545	-836
Cash and cash equivalents at the end		**215,898**	**93,718**	**215,898**	**93,718**	**194,479**

Statement of changes in Equity

DKK thousands	Share capital	Fair value adjustment of interest rate swap	Currency	Deferred cost of hedging reserve	Retained earnings	Total
Equity at 1 July 2017	69,459	-37,220	-3,134	17,551	1,278,286	**1,324,941**
Effect as of 1 Januar 2017 of the exchange of shares in Netcompany for shares in NC TopCo	-21,288	0	0	0	21,288	**0**
Profit for the period	0	0	0	0	43,048	**43,048**
Other comprehensive income	0	-2,304	-38	2,319	0	**-22**
Equity at 30 September 2017	48,172	-39,524	-3,172	19,870	1,342,622	**1,367,967**
Equity at 1 January 2017	69,283	-39,811	-85	17,990	1,213,125	**1,260,502**
Capital increase	146	0	0	0	7,280	**7,426**
Effect as of 1 Januar 2017 of the exchange of shares in Netcompany for shares in NC TopCo	-21,258	0	0	0	21,258	**0**
Profit for the period	0	0	0	0	100,960	**100,960**
Other comprehensive income	0	287	-3,087	1,880	0	**-920**
Equity at 30 September 2017	48,172	-39,524	-3,172	19,870	1,342,622	**1,367,967**
Equity at 1 January 2017	69,283	-39,811	-85	17,990	1,213,125	**1,260,502**
Capital increase	1,611	0	0	0	240,754	**242,365**
Effect as of 1 Januar 2017 of the exchange of shares in Netcompany for shares in NC TopCo	-21,258	0	0	0	21,258	**0**
Profit for the period	0	0	0	0	141,608	**141,608**
Other comprehensive income	0	9,800	-2,847	-7,578	0	**-625**
Equity at 31 December 2017	49,637	-30,011	-2,932	10,412	1,616,745	**1,643,851**

DKK thousands	Share capital	Fair value adjustment of interest rate swap	Currency	Deferred cost of hedging reserve	Retained earnings	Total
Equity at 1 July 2018	50,000	0	-5,439	0	1,608,382	**1,652,943**
Share based remuneration	0	0	0	0	1,776	**1,776**
Profit for the period	0	0	0	0	78,251	**78,251**
Other comprehensive income	0	0	1,861	0	0	**1,861**
Equity at 30 September 2018	50,000	0	-3,578	0	1,688,408	**1,734,830**
Equity at 1 January 2018	49,637	-30,011	-2,932	10,412	1,616,745	**1,643,850**
Capital increase	363	0	0	0	6,585	**6,949**
Obligation to purchase treasury shares	0	0	0	0	-50,000	**-50,000**
Share based remuneration	0	0	0	0	2,273	**2,273**
Profit for the period	0	0	0	0	112,804	**112,804**
Other comprehensive income	0	30,011	-646	-10,412	0	**18,953**
Equity at 30 September 2018	50,000	0	-3,578	0	1,688,407	**1,734,830**

Notes

Note 1 - Segment information

Segment information related to geographical areas:

DKK thousands	Denmark	Norway	Poland	Q3 2018 United Kingdom	Vietnam	Elimination	Total
Revenue from external	366,048	40,121	0	84,145	0	0	490,315
Revenue from internal sales	12,308	317	-5,625	382	4,990	-12,372	0
Revenue legal entities	**378,356**	**40,438**	**-5,625**	**84,527**	**4,990**	**-12,372**	**490,315**
Transfer pricing costs	3,141	-2,849	-218	-12,185	-260	12,372	0
Other costs	-222,959	-32,305	-21,030	-73,427	-4,287	0	-354,008
EBITA legal entities	**158,538**	**5,284**	**-26,873**	**-1,085**	**443**	**0**	**136,307**

DKK thousands	Denmark	Norway	Poland	Q3 2017 United Kingdom	Vietnam	Elimination	Total
Revenue from external	306,523	30,940	0	0	0	0	337,462
Revenue from internal sales	1,704	0	31,564	0	0	-33,268	0
Revenue legal entities	**308,227**	**30,940**	**31,564**	**0**	**0**	**-33,268**	**337,462**
Transfer pricing costs	-33,184	0	-84	0	0	33,268	0
Other costs	-196,132	-22,853	-15,944	0	0	0	-234,928
EBITA legal entities	**78,911**	**8,087**	**15,536**	**0**	**0**	**0**	**102,534**

Revenue from internal sales in Q3 2018 in Poland was impacted by adjustments from prior periods relating to transfer pricing.

DKK thousands	Denmark	Norway	Poland	YTD 2018 United Kingdom	Vietnam	Elimination	Total
Revenue from external	1,135,798	123,907	0	250,235	0	0	1,509,940
Revenue from internal sales	29,306	1,087	68,439	969	15,637	-115,438	0
Revenue legal entities	1,165,103	124,994	68,439	251,204	15,637	-115,438	1,509,940
Transfer pricing costs	-75,037	-8,435	-2,031	-29,467	-468	115,438	0
Other costs	-773,447	-97,208	-64,758	-211,774	-13,672	0	-1,160,858
EBITA legal entities	316,619	19,352	1,650	9,964	1,497	0	349,082
Non-current assets	2,558,097	6,704	9,504	13,111	1,927	0	2,589,342

DKK thousands	Denmark	Norway	Poland	YTD 2017 United Kingdom	Vietnam	Elimination	Total
Revenue from external	878,366	94,360	0	0	0	0	972,726
Revenue from internal sales	4,972	0	79,129	0	0	-84,101	0
Revenue legal entities	883,337	94,360	79,129	0	0	-84,101	972,726
Transfer pricing costs	-83,851	0	-251	0	0	84,101	0
Other costs	-586,517	-71,082	-45,114	0	0	0	-702,712
EBITA legal entities	212,970	23,278	33,765	0	0	0	270,013
Non-current assets	2,351,834	1,117	9,146	0	0	0	2,362,098

Note 2 – Cost of services

DKK thousands	Q3 2018	Q3 2017	YTD 2018	YTD 2017	Total 2017
Cost of services	-83,113	-26,632	-274,944	-92,076	-168,585
Salaries	-195,976	-141,806	-623,347	-441,849	-624,070
Depreciation	-3,161	-2,647	-8,945	-8,131	-10,728
Cost of services total	-282,251	-171,085	-907,235	-542,057	-803,384

Note 3 – Administrative costs

DKK thousands	Q3 2018	Q3 2017	YTD 2018	YTD 2017	Total 2017
Administrative costs	-38,398	-31,294	-113,829	-91,025	-113,402
Salaries	-22,833	-14,560	-73,941	-43,745	-65,026
Depreciation	-8,090	-1,042	-22,102	-2,698	-22,595
Administrative costs total	-69,321	-46,896	-209,872	-137,468	-201,024

Note 4 – Special items

DKK thousands	Q3 2018	Q3 2017	YTD 2018	YTD 2017	Total 2017
Costs related to transaction with FSN	0	0	0	0	-1,719
Costs related to transaction with FSN total	**0**	**0**	**0**	**0**	**-1,719**
Costs related to IPO	0	-12,339	-33,002	-12,479	-17,462
Costs related to M&A	-48	-2,095	-1,360	-4,167	-13,747
Costs related to IPO and M&A total	**-49**	**-14,435**	**-34,362**	**-16,647**	**-31,209**
Costs total	**-49**	**-14,435**	**-34,362**	**-16,647**	**-32,928**

Note 5 – Financial income and expenses

DKK thousands	Q3 2018	Q3 2017	YTD 2018	YTD 2017	Total 2017
Financial Income					
Interest on corporate income tax	142	42	394	142	211
Exchange rate adjustments	0	182	8,430	689	8,799
Other financial income	1,840	84	12,639	216	1,179
Financial income total	**1,982**	**308**	**21,464**	**1,047**	**10,189**
Financial expenses					
Income tax surcharge	1,123	803	2,411	1,830	2,257
Interest expense, bank loan	8,769	14,938	31,574	46,742	62,439
Interest expense, leasing	0	211	569	634	853
Exchange rate afjustments	532	1,688	9,611	6,428	7,702
Other financial expenses	0	871	75,803	6,234	9,053
Financial expenses total	**10,423**	**18,511**	**119,969**	**61,868**	**82,304**

Note 6 – Earnings per share

DKK thousands	Q3 2018	Q3 2017	YTD 2018	YTD 2017	Total 2017
Profit	78,251	43,048	112,804	100,960	141,608
Average number of shares	50,000	48,172	49,825	48,108	48,518
Average number of treasury shares	323	0	135	0	0
Average number of shares in circulation	49,677	48,172	49,691	48,108	48,518
Average number of diluted impact of outstanding restricted stock units	52	0	21	0	0
Average number of diluted shares in circulation	49,729	48,172	49,711	48,108	48,518
Earnings per share - EPS	1.58	0.89	2.27	2.10	2.92
Diluted earnings per share - EPS-D	1.57	0.89	2.27	2.10	2.92

Note 7 – Trade receivables

DKK thousands	Sep. 30 2018	Sep. 30 2017	Dec. 31 2017
Not overdue	248,906	174,709	314,867
0-30 days overdue	103,771	56,989	75,018
31-60 days overdue	19,529	14,076	22,501
61-90 days overdue	4,039	4,093	12,155
Over 90 days overdue	8,633	32,887	20,822
Total	384,878	282,754	445,363

The Group is continuously conducting individual assessments of bad debts. If this leads to an assessment that the Group will not be able to collect the amount accounted for, an allowance for bad debt is made. At 30 September 2018, the Group has recognised bad debt provision of DKK 0.0 million (30 September 2017: DKK 0.0 million), and no bad debt losses have been incurred during Q3 2018.

The credit quality of trade receivables at 30 September 2018, is considered satisfactory.

Note 8 – Contract work in progress

DKK thousands	Sep. 30 2018	Sep. 30 2017	Dec. 31 2017
Net value – stated on a contract-per-contract basis – is presented in the balance sheet as follows:			
Contract work in progress	336,150	230,031	139,166
Prepayments received from customers	-26,571	-32,558	-36,246
Total contract work in progress	309,579	197,472	102,920

Note 9 – Borrowings

DKK thousands	Currency	Maturity	Fixed or floating interest	Loan cost	Norminal value	Fair Value
Bank loan	DKK	2023	Floating	9,934	1,240,182	1,230,248
30 June 2018				9,934	1,240,182	1,230,248
Bank loan	EUR	2023	Floating	28,707	1,104,735	1,076,028
Bank loan	NOK	2023	Floating	10,326	113,966	103,640
30 June 2017				39,033	1,218,701	1,179,668
Bank loan	EUR	2023	Floating	27,559	1,105,121	1,077,562
Bank loan	NOK	2023	Floating	5,247	105,167	99,920
Bank loan	DKK	2023	Floating	4,587	92,000	87,413
31 December 2017				37,393	1,302,288	1,264,895

Note 10 – Other payables

DKK thousands	Sep. 30 2018	Sep. 30 2017	Dec. 31 2017
Interest and currency rate swap, fair value	0	28,461	28,007
Wages and salaries, payroll taxes, social security costs, etc payable	39,756	29,468	39,261
Holiday pay obligation	110,831	55,837	70,618
VAT and duties	40,756	33,043	57,607
Obligation to purchase treasury shares	50,000	0	0
Other costs payable	9,410	20,107	27,593
Total	250,752	166,916	223,087

The Group has entered into an agreement with Danske Bank to purchase 322,580 shares at a price of 155 per each equal to the IPO price for the shares, totally DKK 50 million. The agreement will be settled in April 2019 at which time the shares will be delivered to the Group. The shares will be used to honor the Group´s commitments under its RSU and LTIP programs.

Other costs include accruals for fee, administration, sales and other items. Other accruals liabilities have a remaining term of up to one year.

Note 11 – Provision

DKK thousands	Sep. 30 2018	Sep. 30 2017	Dec. 31 2017
Onerous contracts and warranty obligations beginning of period	30,396	8,899	8,899
Used in the period	-5,000	-6,353	-6,353
Provisions for the period	881	10,000	27,850
Onerous contracts and warranty obligations end of period	26,277	12,546	30,396

Note 12 – Financial figures and highlights

DKK million	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Income statement							
Revenue							
Public	277.5	267.8	285.8	244.6	187.8	145.2	152.6
Private	212.8	234.8	231.2	198.8	149.7	157.1	180.3
Revenue by segments, total	490.3	502.6	517.0	443.4	337.5	302.3	332.9
Development	260.2	217.4	223.2	211.3	162.6	132.4	140.6
Maintenance	230.1	285.2	293.8	232.1	174.9	170.0	192.3
Revenue by types, total	490.3	502.6	517.0	443.4	337.5	302.3	332.9
Organic	406.2	413.6	439.9	353.7	306.5	274.0	297.8
Acquisition	84.1	89.0	77.1	89.7	30.9	28.3	35.1
Revenue by growth, total	490.3	502.6	517.0	443.4	337.5	302.3	332.9
Special items	0.0	-26.6	-7.7	-16.3	-14.4	-2.2	0.0
EBITA	136.3	92.7	120.1	99.0	102.5	71.8	95.7
Adjusted EBITA	136.4	119.3	127.8	115.3	117.0	74.0	95.7
Operating profit (EBIT)	107.5	63.8	91.2	72.2	80.0	49.2	71.8
Net financials	-8.4	-65.4	-24.7	-11.3	-18.2	-18.8	-23.9
Net profit / loss	78.3	-16.6	51.2	40.6	43.0	22.0	35.9
Financial position							
Capex	-8.5	-5.1	-4.6	-8.5	-2.8	-13.9	-4.9
Total assets	3,537.4	3,477.5	3,426.8	3,469.5	2,973.4	2,943.4	2,841.5
Equity	1,734.8	1,652.9	1,702.6	1,643.9	1,368.0	1,324.9	1,302.3
Net increase in cash and cash equivalents	42.9	18.6	-41.2	73.8	39.5	-15.1	38.9
Free cash flow	69.2	63.9	94.7	154.8	58.9	14.7	78.9
Earnings per share							
Earnings per share (DKK)	1.6	-0.3	1.0	0.8	0.9	0.5	0.7
Diluted Earnings per share (DKK)	1.6	-0.3	1.0	0.8	0.9	0.5	0.7
Employees							
Average number of full-time employees	1,842.6	1,817.6	1,766.3	1,579.3	1,167.9	1,075.1	1,005.9

DKK million	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Financial ratios							
Gross profit margin	42.4%	39.1%	38.3%	41.1%	49.3%	40.9%	42.2%
EBITA margin	27.8%	18.4%	23.2%	22.3%	30.4%	23.7%	28.7%
Adjusted EBITA margin	27.8%	23.7%	24.7%	26.0%	34.7%	24.5%	28.8%
Operating profit margin	21.9%	12.7%	17.6%	16.3%	23.7%	16.3%	21.6%
Effective tax rate	21.0%	-986.8%	23.1%	33.2%	30.3%	27.7%	25.2%
Return on equity	5.1%	-1.1%	3.5%	2.8%	3.3%	1.7%	2.9%
Solvency ratio	49.0%	47.5%	49.7%	47.4%	46.0%	45.0%	45.8%
Financial metrics							
Revenue growth	45.3%	66.2%	55.3%	67.4%	49.3%	48.4%	62.4%
Operating profit margin	21.9%	12.7%	17.6%	16.3%	23.7%	16.3%	21.6%
Retun on invested capital (ROIC)	3.0%	-0.6%	2.0%	1.6%	1.8%	0.9%	1.5%
Cash conversion ratio	46.9%	62.1%	73.0%	127.4%	55.5%	19.5%	79.2%

Note 13 – Income Statement classified by function

DKK thousands	Q3 2018	Q3 2017	YTD 2018	YTD 2017	Total 2017
Income statement					
Revenue	490,315	337,462	1,509,940	972,726	1,416,085
Cost of services, incl. depreciation and amortisation	-282,251	-171,085	-907,235	-542,057	-803,384
Gross profit	208,064	166,378	602,705	430,669	612,701
Sales and marketing costs, incl. depreciation and amortisation	-2,387	-2,513	-9,389	-6,541	-9,707
Administrative costs, incl. depreciation and amortisation	-98,217	-83,901	-330,775	-223,158	-329,842
Operating profit (EBIT)	107,460	79,964	262,540	200,971	273,152
Financial income	1,982	308	21,464	1,047	10,189
Financial expenses	-10,423	-18,511	-119,969	-61,868	-82,304
Profit / loss before tax	99,019	61,761	164,035	140,150	201,037
Tax on the profit for the period	-20,768	-18,713	-51,231	-39,191	-59,428
Net profit / loss for the period	78,251	43,048	112,804	100,960	141,608
Depreciation and Amortisation have been presented as follows in the income statement:					
Cost of services	-3,161	-2,647	-8,945	-8,131	-10,728
Administrative costs depreciation	-8,090	-1,042	-22,102	-2,698	-22,595
Administrative costs amortisation	-28,847	-22,570	-86,542	-69,042	-95,890
Depreciation and amortisation	-40,099	-26,259	-117,588	-79,872	-129,213

Note 14 – Collateral provided and contingent liabilities

There have been no changes in collateral provided and contingent liabilities during Q3 2018 compared to the annual report for 2017.

Note 15 – Related party transactions

Related parties with a controlling interest:
FSN Capital GP IV Limited acting in its capacity as general partner for and on behalf of each of FSN Capital IV L.P., FSN Capital IV (B) L.P., FSN Capital IV Invest L.P. and FSN Capital IV Netcompany Co-Investment L.P. (Jointly referred to as the "Significant Shareholders").

Transactions with related parties:
The Group has had the following transactions with other companies controlled by the Significant Shareholders:

DKK thousands	Q3 2018	Q3 2017	YTD 2018	YTD 2017	Total 2017
Revenue	1,558	308	6,305	1,284	2,750

Note 16 – Accounting policies

Netcompany Group A/S was founded by the then majority shareholder of NC TopCo A/S on 16 April 2018 and was dormant until 7 June 2018. On 7 June 2018, all shareholders of NC TopCo A/S exchanged their shares in NC TopCo A/S for new shares in Netcompany Group A/S via a share-for-share exchange and from which date Netcompany Group A/S became the parent company of the Group. Netcompany Group A/S is regarded in reality to be a continuation of the former NC TopCo A/S Group and considering that the shareholder structure until to the completion of the IPO was identical with NC TopCo A/S, the share-for-share exchange has been regarded as a transaction between common control parties exempted from IFRS 3 "Business Combinations". On this basis, the consolidated financial statements of Netcompany Group A/S are prepared on basis of the historical financial information of NC TopCo A/S as if Netcompany Group A/S had always been the parent of the Group and hence no revaluations of the underlying identifiable assets and liabilities of the NC TopCo A/S Group has been reflected in the consolidated financial statements of Netcompany Group A/S.

The annual consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The interim consolidated financial statements included in this Q3 2018 financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. The accounting policies applied are consistent with those applied in the consolidated annual financial statements for 2017 for NC TopCo A/S.

There have been no changes in accounting principles during Q3 2018 compared to the annual report for 2017.

Disclaimer

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

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

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

Although Netcompany believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ, e.g. as the result of risks related to the industry in general or Netcompany in particular, including those described in NC TopCo A/S' Annual Report 2017 and other information made available by Netcompany.

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

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

The Annual Report 2017 of NC TopCo A/S is available at www.netcompany.com

About Netcompany

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