

# Annual General Meeting 2018

March 8, 2018

# Agenda

1. The report of the Board of Directors  
Chairman Carsten Dilling
2. Presentation of the annual report 2017  
CEO Per Kogut and CFO Carsten Krogsgaard Thomsen
3. Distribution of profits (meeting chairman)
4. Remuneration of the Board of Directors (meeting chairman)
5. Election of members for the Board of Directors (meeting chairman)
6. Appointment of auditors (meeting chairman)
7. Authorization to buy treasury shares (meeting chairman)
8. Proposals from the Board of Directors (meeting chairman)
9. Any other business (meeting chairman)

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# 2017 highlights

- 2017 at a glance
- Financial targets 2017
- Growth and strategy
- Corporate governance
- Management compensation
- Shareholder structure

# 2017 at a glance

- The IT market in general
  - Digital transformation
  - Internet of Things
  - Robotics
  - Artificial intelligence
- NNIT 2017
  - Unpredictability
  - Arbitration settlement
  - New data center
  - Acquisition of SCALES A/S

# Financial targets 2017

	Annual Report 2016	1. quarter 2017	2. quarter 2017	3. quarter 2017	Realized 2017	Long term targets
Revenue growth in constant currencies*	1-5%	4-8%	4-8%	4-6%	4.8%	≥ 5% (reported)
					4.6% (reported)	
Organic growth in constant currencies*	1-5%	1-5%	1-5%	1-3%	1.8%	-
						
Operating profit margin in constant currencies*	Approx. 10%	Approx. 10%	Approx. 10%	Approx. 9%	9.2%	≥ 10% (reported)
					9.6% (reported)	
Investment/revenue	12-14%	16-18%	15-17%	15-17%	15.0%	

\* Constant currencies measured in 2017 average exchange rates

# Growth and strategy

Danish  
IT services  
market

NNIT revenue  
DKK 1,280m  
+ 9.6 %

Novo Nordisk

NNIT revenue  
DKK 1,234m  
- 0.4 %

Other life  
sciences market  
(DK + INTL.)

NNIT revenue  
DKK 379m  
+ 5.6%

# Corporate governance

Guidelines for the overall direction of NNIT's Board of Directors and Executive Management in their definition of working procedures and principles

Ensure efficient and adequate management of NNIT within the framework defined by

- applicable legislation
- rules and recommendations for listed companies in Denmark and
- NNIT's articles of association, vision, mission and values

NNIT adheres to the recommendations provided by the Danish Committee on Corporate Governance.

Determine  
strategic  
direction

Execute  
strategy

Manage risk

Ensure  
compliance



# Compensation of management and employees

including short- and long term incentive programs

## Board of Directors

- Fixed fee
- No incentive remuneration
- Travel allowance

## Group management

- Fixed salary
- Short- and long term incentive programs

## Vice Presidents

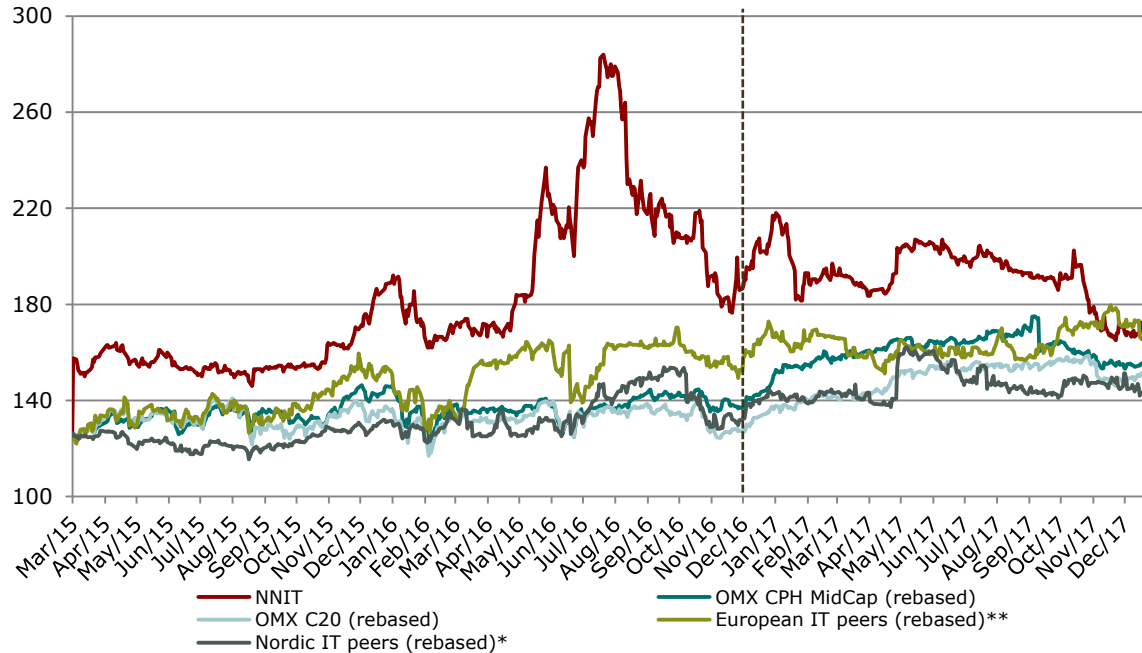
- Fixed salary
- Possible bonus
- Long term incentive program

## Employees

- Fixed salary
- Possible bonus

# NNIT share 2017

Share development March 6, 2015– December 31, 2017



Share price,  
2017 year-end:  
DKK 171.50 per share

Market capitalization,  
2017 year-end:  
DKK 4,287,500.000

Average yearly returns  
(CAGR)(capital gains and  
dividends) March 6, 2015  
– December 31, 2017:  
14.6%

\* Nordiske IT peers: Atea, Cybercom, KnowIT, HiQ, Tieto

\*\* Europæiske IT peers: Atos, Bechtle, CapGemini, Devoteam, Gfi Informatique, IndraSistemas, Ordina, Sopra Steria

# Shareholder structure, end of 2017



- Novo Holdings A/S, 25.5 %
- Novo Nordisk A/S, 25.5 %
- NNIT A/S, 2.4 %
- Chr. Augustinus Fabrikker Akts, 10.0 %
- FMR LLC, 6.3 %
- Øvrige, 30.3 %

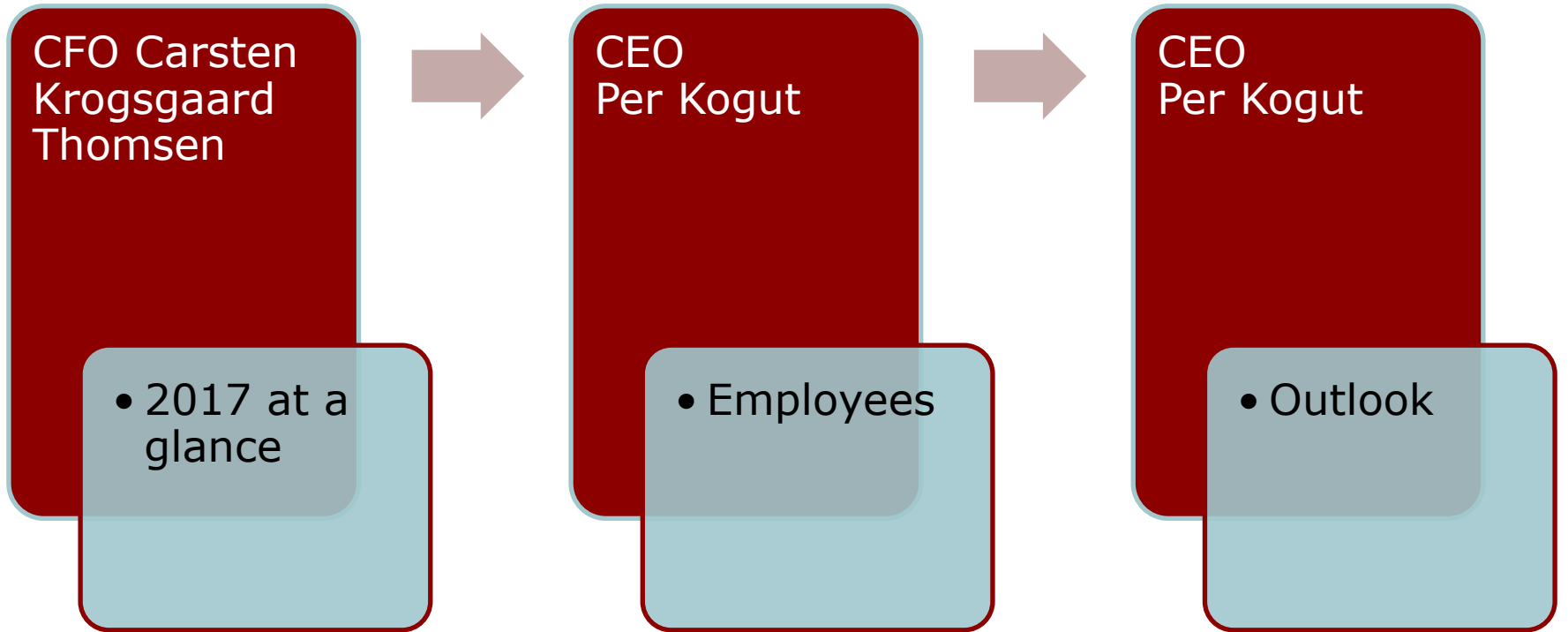


- United States, 8 %
- Nordics, 4 %
- United Kingdom, 3 %
- Rest of world, 2 %
- Not registered, 2 %
- Denmark, 82 %

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# Presentation of the annual report



# 2017 at a glance

Revenue growth  
reported currencies

**2,892 mDKK**

4.6%



Free cash flow

**-90 mDKK**

n/a

Operating profit

**277 mDKK**

-5.5%



Operating profit  
margin

**9.6%**

-1.0pp



Order backlog  
2017

**2,213 mDKK**

4.0%



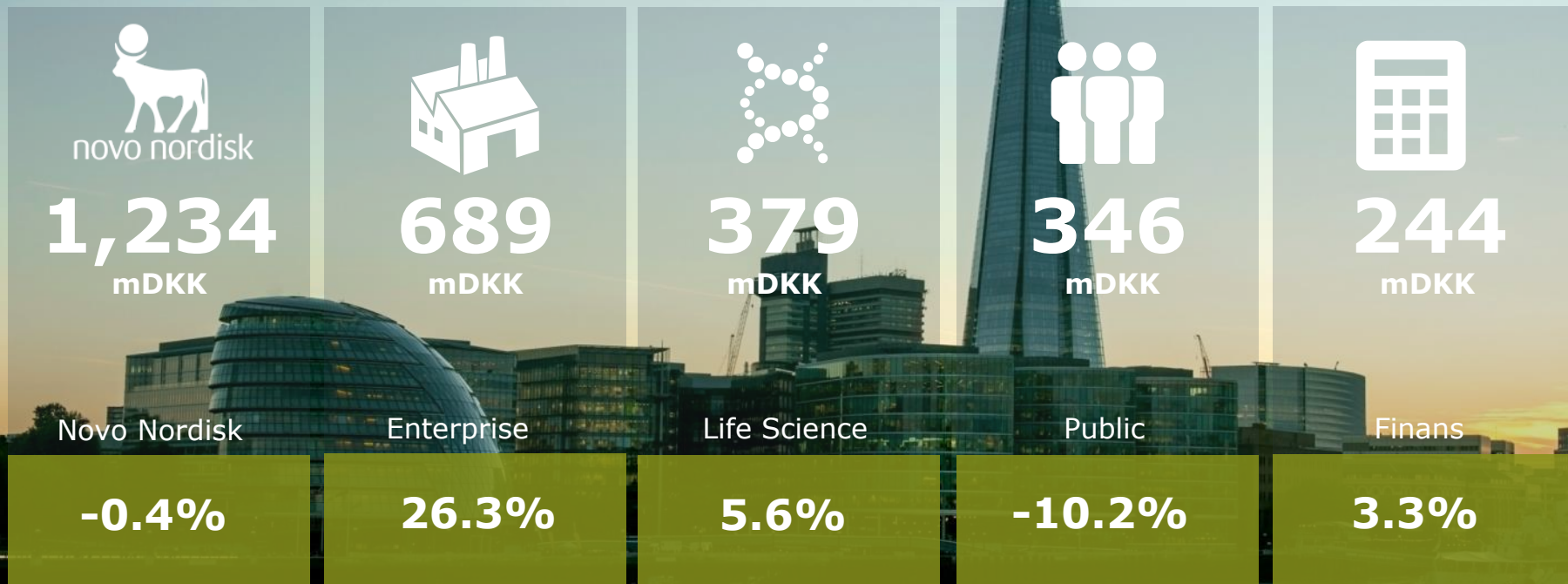
Order backlog  
2018-2019

**2,324 mDKK**

13.3%



# Revenue split per segment



Employees  
worldwide<sup>+</sup> **7.2%**  
**3,071**

**58**  
nationalities

Women  
**32%**

Men **68%**

Employees with a  
master's, PhD,  
bachelor's, or  
other professional  
degree

**80%**

Employee  
satisfaction

**4.3** out of 5



# Customer experience



End-user surveys

4.4<sub>(4.3)</sub>

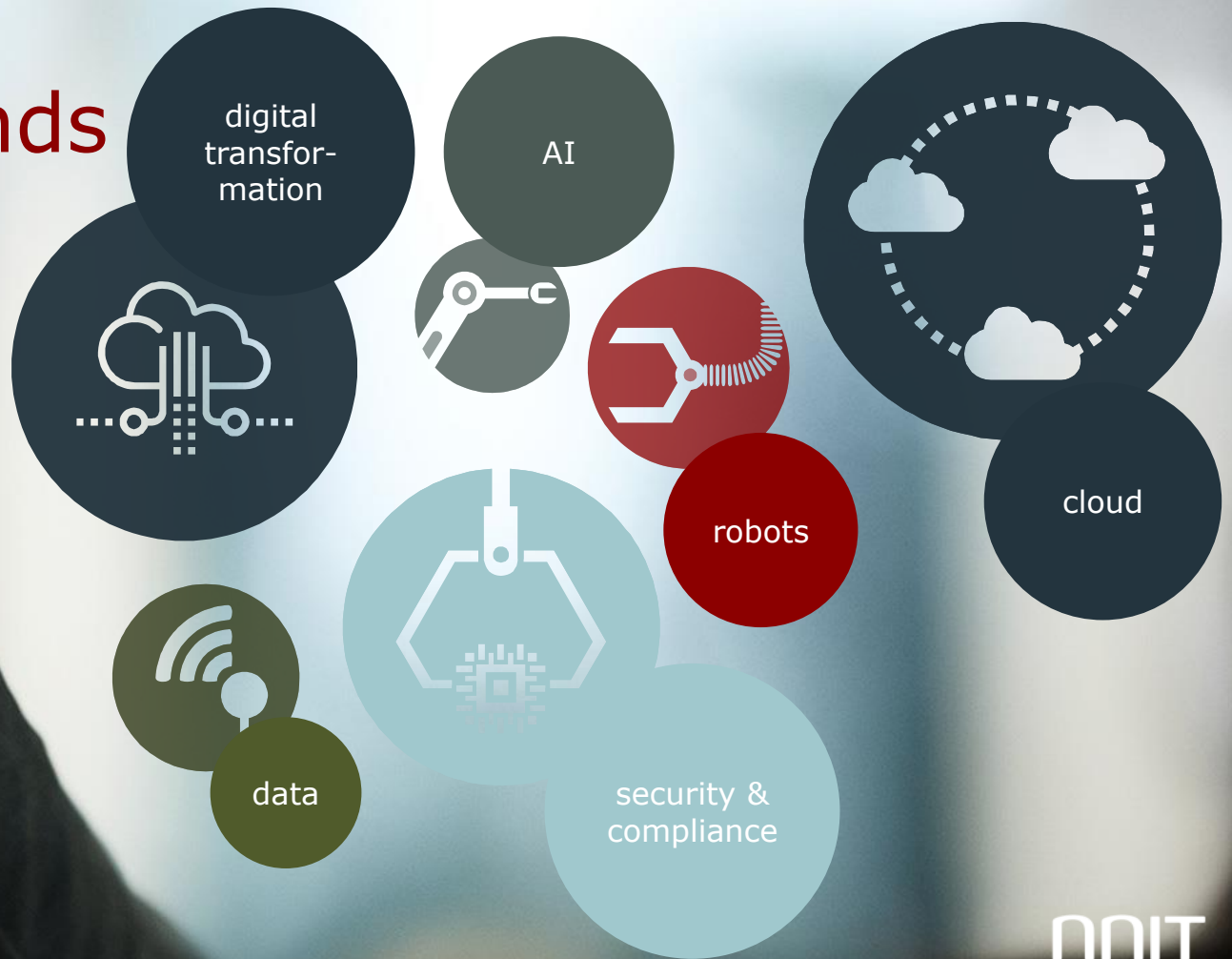
EvalGO

4.2<sub>(4.2)</sub>

Customer Satisfaction  
Survey

3.7<sub>(3.7)</sub>

# Market trends



# Data Center II

Certifying the Foundation for Digital Business

3

Connected and redundant state-of-the-art data centers with Tier III certifications



Global standards



Highest level of security



Full control



# NNIT strategy

The preferred IT outsourcing partner for customers of Danish origin



A trusted provider of regulated IT for life sciences worldwide



Support customers of Danish origin with internationalization

Win profitable market share

Increase our share of existing customers' IT spending

Advise on regulated IT for life sciences world wide

Win new customers

# Targets and outlook

	Current guidance (2018)	Long term targets
Revenue growth in constant currencies*	4-7%	≥ 5%
Profit ratio in constant currencies*	10-10.5%	≥ 10%
Investments/revenue	6-8%	

\*constant currencies measured in average 2017 exchange rates

Expectations for revenue growth are based on IFRS15 corrected revenue for 2017

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# Distribution of profits

## Proposal of distribution of profits

	DKK
Total comprehensive income (parent company)	197,893,000

## To be distributed as follows:

	DKK
Interim dividend (DKK 2,00 per share of DKK 10)	48,686,566
Ordinary dividend (DKK 2,30 per share of DKK 10)	55,989,551
Reserve for IT development projects	7,662,306
Transferred to retained earnings	85,555,030
<b>Total</b>	<b>197,893,000</b>

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# Remuneration of the Board of Directors

The Board of Directors proposes to maintain the same level of remuneration for the Board of Directors in 2018 as in 2017.

Chairman (2.5*base fee)	DKK	750,000
Deputy chairman (1.5*base fee)	DKK	450,000
Members (base fee)	DKK	300,000
Chairman of the Audit Committee (additional 0.5*base fee)	DKK	150,000
Member of the Audit Committee (additional 0.25*base fee)	DKK	75,000
Travel allowance (per meeting – members residing outside DK)	DKK	18,500

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# Election to the Board of Directors I

- The Board of Directors proposes re-election of
  - Anne Broeng
  - Carsten Dilling
  - Peter Haahr
  - Eivind Kolding



# Election to the Board of Directors II

The Board of Directors proposes

- re-election of Carsten Dilling as Chairman and
- re-election of Peter Haahr as Deputy Chairman.



# Election to the Board of Directors III

The Board of Directors proposes election of Caroline Serfass and Christian Kanstrup as new members of the Board of Directors.

## Caroline Serfass

Born 1961, French and British citizen.

- International experience
- Life sciences industry
- IT

Regarded as independent.

## Christian Kanstrup

Born 1972, Danish citizen.

- Novo Nordisk
- International experience
- Digital health

Not regarded as independent due to Novo Nordisk A/S' direct ownership of NNIT A/S.

# Election to the Board of Directors IV

NNIT's Board of Directors then consists of:

- Carsten Dilling  
(chairman)
- Anne Broeng
- Christian Kanstrup
- Henrik Vienberg  
Andersen  
(employee-elected)
- Peter Haahr  
(deputy chairman)
- Eivind Kolding
- Anders Vidstrup  
(employee-elected)
- Caroline Serfass

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# Appointment of auditors

- The Board of Directors proposes re-appointment of auditors  
PriceWaterhouseCoopers



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# Authorize purchase of treasury shares

The Board of Directors proposes

- that the general meeting authorizes the Board of Directors in the period until the annual general meeting in 2019 to approve the acquisition of treasury shares, on one or more occasions, with a total nominal value of up to 10% of the share capital of the Company, subject to the Company's holding of treasury shares after such acquisition not exceeding 10% of the share capital, at a price with a deviation of up to 10% of the share price quoted on Nasdaq Copenhagen at the time of the acquisition.

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# Proposals from the Board of Directors

- a) Proposal for the general meeting to approve an extension of the period of the authorization for the Board of Directors to increase the Company's share capital without pre-emption rights for the Company's existing shareholders from 30 April 2018 to 30 April 2021.
  
- b) Proposal for the general meeting to approve an extension of the period of the authorization for the Board of Directors to increase the Company's share capital in connection with the issue of new shares for the benefit of the Company's employees and/or employees of its subsidiaries from 30 April 2018 to 30 April 2021.

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[www.nnit.com](http://www.nnit.com)

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