

Remuneration Report

2019

NNIT A/S

CVR no. 21 09 31 06

2020-01-28

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1 Introduction

In 2018 NNIT's Board of Directors established a Remuneration Committee which has the responsibility to oversee the remuneration structure of the Executive Management and the Board of Directors to ensure that the total remuneration offered provides appropriate incentives to meet and promote the strategic short and long-term interests and long-term sustainability of NNIT and supporting NNIT's strategy. Total remuneration must be reasonable and competitive to relevant benchmarks.

The Remuneration Committee makes recommendations to the NNIT Board of Directors who is overall responsible for the remuneration structure and actual remuneration.

The Remuneration Committee is committed to maintain a high level of transparency of remuneration paid to the Board of Directors and the Executive Management and how the remuneration is linked to the performance of the company and the interests of the Company's shareholders in line with the Company's Remuneration Policy.

The Remuneration Report for 2019 is based on the Remuneration Policy in force, adopted at the Annual General Meeting in March 2019.

2 Business Performance in 2019

The negative development in 2019 particular in the business with Novo Nordisk has affected the overall business performance significantly.

The financial targets set out in both the Short-Term Incentive Program and the Long-Term Incentive Program have not been met. This has to a large extent affected the variable remuneration elements awarded to Executive Management, most notably under the Long-Term Incentive Program, which has resulted in close to zero allocation for the first time in the Company's history.

Consequently, the decline in the overall business performance, which affects shareholders, has also had substantial impact on the total remuneration offered to the Executive Management in 2019.

2.1 Performance under the Short-Term Incentive Program

The targets set out in the Short-Term Incentive Program are based on a Balanced Score Card. The Balanced Score Card comprise four Common Objectives and one Individual Objective. The Common Objectives are weighted 70% and the Individual Objective is weighted 30%. Each objective has defined sub-targets to be achieved. The four common objectives focus on Customers, Financial, Business Processes and People & Organization, whereas the Individual Objective focuses on targets that are more personal to each member of the Executive Management.

In 2019 a total of 16 sub-targets were defined under the four Common Objectives. These targets were designed to achieve company performance with a short-term perspective in line with the Company Remuneration Policy and the principles set out therein.

Achievement of targets in the Balanced Score Card is assessed by the Remuneration Committee and approved by the Board of Directors. In 2019, that targets set under the Short-Term Incentive Program have not been met in full. Especially the financial targets have been significantly affected by the overall decline in the business performance. However, other targets under the program have been achieved either in part or in full, leading to a payout of between 65-75% of the maximum possible payout under the Short-Term Incentive Program.

2.2 Performance under the Long-Term Incentive Program

In 2019 it has especially been the targets set under the Long-Term Incentive Program (EBIT, Revenue and Free Cash Flow) which have been influenced by the overall decline in business performance.

Realized adjusted EBIT was behind target with 19.9% and Revenue was behind target with 5.7%. Free cash flow was not impacted to the same extend.

Pursuant to the provisions of the program, there will be allocated shares equivalent to 14.5% of the target allocation to Executive Management and other participants.

2.3 Performance under the Retention Program

Performance under the Retention Program is measured on revenue growth and profit margin, equally weighted. The baseline for measuring performance in each performance year (2018, 2019 and 2020) is the first public guidance given by the Board of Directors in each year.

In 2019 actual performance of both criteria are below the first guidance given and consequently the performance for 2019 under the Retention Program is 70%, which affects the overall results of the entire program. Consequently, assuming target performance in 2020, the performance under the entire Retention Program is forecasted to be 90% of total allocation when the program vests in 2021.

3 Total remuneration for Executive Management in 2019

Total remuneration for Executive Management for the financial year 2019 and the four previous financial years. The method chosen to display the total remuneration differs slightly from that presented in the 2018 Remuneration Report in order to secure better transparency.

Numbers shown in tDKK

Component	Per Kogut					Carsten Krogsgaard Thomsen				
	2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
Base Salary	4,262	4,062	3,767	3,374	3,161	2,503	2,436	2,269	2,033	1,891
Cash Bonus (STI)	1,619	1,949	1,200	1,421	1,497	576	779	480	560	562
IPO Bonus	-	-	-	-	500	-	-	-	-	1,000
IPO LIP Shares*	-	454	2,722	2,722	2,268	-	267	1,604	1,604	1,337
LTIP Shares**	326	2,481	2,138	2,127	2,968	151	1,190	1,038	1,032	1,399
Retention Program Shares***	945	2,200	-	-	-	567	1,319	-	-	-
Pension	1,471	1,503	1,242	1,199	1,164	770	804	687	648	613
Benefits	170	169	165	165	165	170	169	165	165	165
TOTAL	8,793	12,818	11,234	11,008	11,723	4,737	6,664	6,243	6,042	6,967

* The value of IPO LIP shares is based on the original share price of 125 DKK when the program was launched.

** The value of shares is presented using the average share price in the first open window in each performance year.

*** The share price used to present the value of shares under the Retention Program is the share price at year end.

The total remuneration paid to our CEO in 2019 totaled 8.8mDKK, representing a decrease of 31% compared to the total remuneration in 2018. The fixed salary increased by 5.8% as of 1 April 2019. In total the base salary amounted to DKK 4.3mDKK (representing 48.5% of the total remuneration in 2019) and the cash bonus (STIP) made up 1.619mDKK (representing 18.4% of the total remuneration in 2019).

The total remuneration paid to our CFO in 2019 totaled 4.7mDKK, representing a 32% decrease compared to 2018. His fixed salary increased by 2.5% as of 1 April 2019. In total the base salary amounted to DKK 2.5mDKK (52.8% of the total remuneration in 2019) and the cash bonus (STIP) made up 0.576mDKK (12.2% of the total remuneration in 2018).

4 Share based incentives

Below is an overview of shares allocated for performance in 2019 under the Long-Term Incentive Program for Executive Management and the four preceding years.

Shares allocated under the Long-Term Incentive Program is subject to claw-back during the vesting period.

Share allocation under LTIP	Per Kogut					Carsten Krogsgaard Thomsen				
	2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
Number of shares*	1,740	13,272	11,478	12,461	19,226	808	6,585	5,571	6,047	9,063

* The number of shares listed per year is based on business performance in the year in question.

The table below shows the number of shares vested in 2019 under the Long-Term Incentive Program and thus released to Executive Management after the expiry of the 3-year vesting period.

Shares released in 2019 originates from a share allocation based on performance in 2015.

Shares released under LTIP program in 2019*	Per Kogut		Carsten Krogsgaard Thomsen	
	2019 (2015)		2019 (2015)	
Number of shares	19,226		9,063	
Value at grant (tDKK)	3,820		1,800	

* The share price at the release of shares to share custody accounts on 30 January 2019 was 198.68 DKK.

Below is an overview of shares related to the Retention Program for 2018 and 2019 respectively. The overview contains an overview of the annual expensed amount and the equivalent number of shares, based on a share price of 181.70, which the value of the program is based on.

Final allocation of shares under the program is dependent on performance in all three performance years (2018, 2019 and 2020).

Shares related to Retention Program	Per Kogut		Carsten Krogsgaard Thomsen	
	2019*	2018**	2019*	2018**
Value at year end (tDKK)	945	2,200	567	1,319
Number of allocated RSU's	8,565	12,236	5,137	7,338

* The share price used to calculate the value of shares for 2019 is the price at year end 2019, which was 110.30 DKK.

** The share price used to calculate the value of shares for 2018 is the price at year end 2018, which was 179.80 DKK.

5 Remuneration to the Board of Directors in 2019

In March 2019, the general meeting approved to keep the Board of Directors' fixed annual base fee unchanged at the previous level of DKK 300,000. The Chairmanship and the members of the various Board committees receive a multiple of the base fee for their extra work in addition to the above-mentioned base Board fee. Employee-elected board members' remuneration pursuant to their employment is not covered by this report.

Remuneration of the Board of Directors:

Chairman (2.5 * base fee)	DKK 750,000
Deputy chairman (1.5 * base fee)	DKK 450,000
Ordinary 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
Member of the Remuneration Committee	DKK 50,000
Member of Strategy Committee (ad hoc committee 2019)*	DKK 50,000
Travel allowance (for members residing outside Denmark)	DKK 18,500

* In August 2019 the Board established an ad hoc Strategy Committee to assist in the strategy work. The Committee was dissolved on December 12, 2019.

Total remuneration for the Board of Directors for the financial year 2019 and the two previous financial years.

Numbers shown in tDKK

Board of Directors	2019				2018				2017			
	Base Fee	Fee for ad hoc tasks and Committee work	Travel allowance	Total	Base Fee	Fee for ad hoc tasks and Committee work	Travel allowance	Total	Base Fee	Fee for ad hoc tasks and Committee work	Travel allowance	Total
Carsten Dilling (Chairman)	750	50	-	800	750	-	-	750	688	-	-	688
Peter H.J. Haahr (Vice Chairman)*	450	50	-	500	450	-	-	450	366	-	-	366
Anne Broeng (Chairman of AC)	300	150	-	450	300	150	-	450	300	150	-	450
Eivind Kolding (Chairman of RC)	300	125	-	425	300	75	-	375	300	-	-	300
Christian Kanstrup	300	87.5	-	387.5	300	56	-	356	-	-	-	-
Caroline Serfass	300	12.5	92.5	405	300	-	74	374	-	-	-	-
Anders Vidstrup	300	-	-	300	300	-	-	300	300	-	-	300
Henrik Vienberg Andersen	75	-	-	75	300	-	-	300	-	-	-	-
Brankica Markovic	250	12.5	-	262.5	-	-	-	-	-	-	-	-
Trine Iø Bjerregaard	250	-	-	250	-	-	-	-	-	-	-	-
Alex Stenninge Jacobsen (resigned)	-	-	-	-	-	-	-	-	300	75	-	375

John Beck (resigned)	-	-	-	-	75	19	37	131	300	75	193	568
Jesper Brandgaard (resigned)	-	-	-	-	-	-	-	-	138	-	-	138
René Stockner (resigned)	-	-	-	-	75	-	-	75	300	-	-	300
TOTAL	3,275	487.5	92.5	3,855	3,150	300	111	3,561	2,992	300	193	3,485

* Peter Haahr was appointed as Deputy Chairman of the Board in March 2017 and received pro-rated fee in 2017.

6 Deviations from the Remuneration Policy

There have been no deviations from the Remuneration Policy in 2019.

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