Company announcement
No. 14/2017

Nets A/S
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Company Registration no. 37427497

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Financial results for Q1 2017

Highlights for Q1 2017

- Strong organic growth in net revenue of 7%, driven by strong growth in both Merchant Services and Corporate Services with organic growth of 12% and 5%, respectively, and a solid growth of 5% in Financial and Network Services
- Transaction volumes showed strong growth across all business segments, particularly within merchant acquiring, issuer processing and eBilling solutions in both Denmark and Norway
- EBITDA b.s.i. was up 13.6% compared to Q1 2016, equivalent to a margin expansion of 140 basis points to 33.0%
- Adjusted net profit amounted to DKK 353 million, equivalent to an increase of 134% compared to Q1 2016
- Capital expenditures amounted to DKK 150 million, which corresponds to a capital expenditure/revenue ratio of 7.9%
- Operating free cash flow was DKK 250 million up by 110% compared to Q1 2016
- Cash conversion improved to 79% up by 50 basis points compared to Q1 2016
- The capital structure was further improved with a net interest-bearing debt / EBITDA b.s.i. of 3.1x at the end of Q1 2017
- On 5 April, Nets signed an agreement to acquire the Finnish Bank OP's merchant acquiring business, which consists of approximately 15,000 merchant contracts and underlying annual card turnover of around DKK 37 billion and includes a ten-year strategic partnership with close collaboration between OP and Nets for sales to new merchants
- Guidance for EBITDA b.s.i. margin in 2017 is lifted from above 36.0% to at or above 36.5%, based on a strong first quarter, and leverage guidance has been reiterated following the acquisition of OP's merchant acquiring business. The remaining parameters are unchanged

Bo Nilsson, CEO of Nets, said,

"With an organic revenue growth of 7%, powered by transaction- and volume increases across all business segments, we once more demonstrated the strength of our growth model. Furthermore, I am pleased with the continued margin expansion, which has lead us to raise our guidance on EBITDA b.s.i. margin for the year to at or above 36.5%.The first quarter of 2017 was a strong start of the year."

Financial performance

DKKm	Q1 2017	Q1 2016	Change	FY 2016
Revenue, net	1,897	1,743	8.8%	7,385
EBITDA before special items	626	551	13.6%	2,619
Special items	(84)	(139)	(39.6%)	(606)
Adjusted EBIT	540	460	17.4%	2,203
Net profit	202	(139)	n.a.	(584)
Adjusted net profit	353	151	133.8%	997
Organic growth	7%	6%		7%
EBITDA b.s.i. margin	33.0%	31.6%	+1.4 pp	35.5%
EBITDA margin	28.6%	23.6%	+5.0 pp	27.3%
Capital expenditure/revenue	7.9 %	7.6 %	+0.3 pp	9.0 %
Net interest-bearing debt / EBITDA b.s.i.	3.1x			3.2x

Outlook

Targets	Guidance 28 February 2017 FY 2017	Guidance 9 May 2017 FY 2017
Organic revenue growth	5-6%	5-6%
EBITDA b.s.i. margin	Above 36.0%	**At or above 36.5%**
Special items (including IPO- related retention expenses)	DKK 150 million, of which approx. DKK 30 million is IPO-related	DKK 150 million, of which approx. DKK 30 million is IPO-related
Capital expenditure incurred (% of net revenue)	Around 8% excluding M&A activities	Around 8%, excluding M&A activities
Net interest-bearing debt / EBITDA b.s.i.	Around 2.5x including effect of share buyback of approx. DKK 150 million to cover long-term incentive programme and assuming no additional M&A activities	Around 2.5x, including effect of share buyback of approx. DKK 150 million to cover long-term incentive programme and **including acquisition of OP's merchant acquiring business** and assuming no additional M&A activities

Additional information

Conference call

In connection with the publication of the results for Q1 2017, Nets will host a conference call on Tuesday, 9 May 2017, from 10:00 to 11:00 am CET. The conference call can be followed live via the company's website, https://investor.nets.eu

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Financial calendar

- 17 August 2017: Interim Report for the First Half-year of 2017
- 9 November 2017: Interim Report for the Third Quarter of 2017

Forward-looking statements

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 Nets' 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. Nets 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 Nets. Although Nets 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 to Nets in particular, including those described in Nets Annual Report 2016.

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 Nets' products, introduction of competing products, reliance on information technology, Nets' 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 for actual results. Nets undertakes no obligation to update or revise any forward-looking statements, neither because of new information, nor because of future events or otherwise, except to the extent required by law.

Information on Nets

Nets is a leading provider of digital payment services and related technology solutions across the Nordic region. Nets sits at the centre of the digital payments ecosystem and operates a deeply entrenched network, which connects merchants, corporate customers, financial institutions and consumers enabling them to make and receive payments as well as, increasingly, utilise value-added services to help them improve their respective activities.

Financial highlights and key figures

DKKm	Q1 2017	Q1 2016	Change	FY 2016
Income statement				
Revenue, gross	2,494	2,367	5.4%	10,084
Revenue, net	1,897	1,743	8.8%	7,385
EBITDA before special items	626	551	13.6%	2,619
EBITDA	542	412	31.6%	2,013
Special items	(77)	(89)	(13.5%)	(345)
Special items - IPO related costs	(7)	(50)	(86.0%)	(261)
Adjusted EBIT	540	460	17.4%	2,203
EBIT	294	162	81.5%	943
Net profit	202	(139)	n.a.	(584)
Adjusted net profit	353	151	133.8%	997
Financial position				
Total assets	27,196	28,675	(5%)	28,299
Goodwill	14,718	14,785	(0%)	14,720
Clearing-related balances, net	(516)	(961)	46%	(658)
Own cash	125	1,282	(90%)	703
Net interest-bearing debt	8,399	13,444	(38%)	8,503
Equity	9,966	4,861	105%	9,806
Cash flow				
Net cash from operating activities excl. clearing-related balances	297	99	200%	(686)
Change in clearing related balances	(143)	183	n.a.	(120)
Net cash from investing activities	(241)	(202)	(19%)	67
Net cash from financing activities	(884)	(150)	(489%)	212
Net cash flow for the period	(971)	(70)	(1287%)	(527)
Net change in own cash	(578)	(250)	(131%)	(829)
Operating free cash flow	250	119	110%	1,434
Growth in Revenue, net				
Reported	8.8%	5.3%		8.0%
Organic	7%	6%		7%
Capital structure				
LTM EBITDA before special items	2,694	2,337		2,619
Net interest-bearing debt / LTM EBITDA b.s.i.	3.1x	5.8x		3.2x
Other ratios				
EBITDA before special items margin	33.0%	31.6%	+1.4 pp	35.5%
EBITDA margin	28.6%	23.6%	+5.0 pp	27.3%
Capital expenditure/revenue	7.9%	7.6%	+0.3 pp	9.0%
Capitalised development costs (EBITDA b.s.i. impact)/revenue	3.7%	4.1%	-0.4 pp	3.9%
LTM cash conversion ratio	79%	74%	+5 pp	78%
Equity ratio	36.6%	17.0%	+19.6 pp	34.7%
Share information				
Number of shares ('000)	200,411			200,411
Earnings per share, basic, DKK	0.99			(3.00)
Earnings per share, diluted, DKK	0.99			(3.00)
Share price at the end of the period, DKK	112.5			123.6
FTE	2,473	2,447	1.1%	2,427

This report has been prepared in accordance with IAS 34 and additional Danish regulations. The interim report has been prepared in accordance with the accounting policies set out in the Annual Report 2016 for Nets A/S. The above numbers are presented on a comparable basis, i.e. historic numbers are based on Nassa Topco AS' financial statements.

Performance for Q1 2017

Revenue
Net revenue in Q1 2017 was DKK 1,897 million, up 8.8% from DKK 1,743 million in 2016. Changes in currencies had a positive net effect, primarily related to the development in Norwegian kroner.

Organic growth[1] was 7%, driven by a strong performance in Merchant Services and Corporate Services with organic growth rates of 12% and 5%, respectively, and solid organic growth in Financial & Network Services of 5%.

The growth in Merchant Services came primarily from higher value of transactions acquired and from e-commerce. Nets has as expected adjusted prices on merchant acquiring following the EU regulation that lowered interchange fees from December 2015. In Norway, the interchange fees were lowered from September 2016 and impacted the organic growth in Q1 positively. When adjusting net revenues in Q1 2017 for the positive effect from lower interchange fees in Norway and adjusting net revenues in Q1 2016 for the temporary positive effect from the lower interchange fees introduced from December 2015, the underlying organic growth amounted to 10%.

In Financial & Network Services, key growth drivers were higher number of card transactions and more volume of value added services within fraud prevention and dispute solutions. As expected, implementation revenues related to mobile solutions were lower than in Q1 last year.

Growth in Corporate Services was primarily driven by a strong growth in e-bill payment solutions and clearing services. The strong growth in clearing services was mainly driven by implementation revenue relating to the real time clearing solution delivered to ICBPI.

Operating expenses
The total operating expenses in Q1 2017 were DKK 1,271 million (67.0% of net revenue) compared to DKK 1,192 million (68.4% of net revenue) in the same period in 2016.

Cost of sales
Cost of sales amounted to DKK 254 million (13.4% of net revenue) compared to DKK 248 million (14.2% of net revenue) in Q1 2016. Cost of sales is mainly related to external vendors in Corporate Services like payments to the Danish banks for work done in connection with Betalingsservice and to the POS business in Merchant Services.

External expenses
External expenses in Q1 2017 amounted to DKK 473 million (24.9% of net revenue) compared to DKK 434 million (24.9% of net revenue) in the same period in 2016. Other external expenses include consulting fees related to IT, cost related to sourcing partners and spending on hardware/software.

The cost increase in Q1 2017 relates primarily to consulting fees and investments into mobile acceptance technology.

Staff cost
Staff cost in Q1 2017 amounted to DKK 544 million (28.7% of net revenue) compared to DKK 510 million (29.3% of net revenue) in 2016. The increase in staff cost was primarily driven by more employees compared to last year, a new labour tax in Norway and a lower level of capitalisation of staff costs.

Nets had 2,473 FTE (full-time equivalent) by the end of Q1 2017, which is 46 FTE more than in Q4 2016 and 26 FTE more than in Q1 2016. The increase was primarily related to sales related activities, including outbound sales personnel, primarily in Merchant Services. The remaining business activities have seen staff reductions.

Capitalised development costs
Capitalised development costs were 3.7% of net revenue compared to 4.1% for Q1 2016. The capitalised costs were primarily related to investments within mobile solutions and e-commerce solutions.

EBITDA before special items (b.s.i.)
EBITDA b.s.i. grew by 13.6% to DKK 626 million compared to DKK 551 million in the same period in 2016. All business segments contributed positively to the growth in EBITDA b.s.i.

The improvement resulted in an EBITDA b.s.i. margin expansion of 140 basis points to 33.0%, whereof the most significant improvement came from Corporate Services.

Special items
In total, special items were DKK 84 million compared to DKK 139 million in Q1 2016. The reduction is primarily related to IPO related costs, which were DKK 50 million in 2016 and DKK 7 million in Q1 2017.

Non-IPO-related special items were reduced by DKK 12 million compared to the same period in 2016. Special items in Q1 2017 were mainly related to the transformation programme and severance costs following adjustment of the organisation primarily within the Customer Services area.

EBITDA
The improved operating performance, together with lower special items, resulted in an improvement of DKK 130 million or an increase of 31.6% in EBITDA to DKK 542 million. Subsequently, the EBITDA margin improved by 500 basis points to 28.6%.

Depreciation and amortisation
In Q1 2017, underlying depreciation and amortisation were DKK 86 million down from DKK 91 million in Q1 2016. In 2016, depreciations were higher due to revised useful lifetime and,

[1] Organic growth is calculated on a constant business scope (e.g. excluding the effect of M&A) and a constant currency basis

consequently, accelerated amortisation on certain development assets that were fully amortised at year-end 2016.

The amortisation of business combination and impairment losses amounted to DKK 162 million compared to DKK 159 million in Q1 2016.

EBIT

EBIT amounted to DKK 294 million up by 81.5% compared to the same period in 2016 and equivalent to an EBIT margin expansion of 620 basis points to 15.5%.

Adjusted EBIT calculated as EBITDA b.s.i. minus underlying depreciation and amortisation was DKK 540 million, which is an improvement of DKK 80 million or a 17.4% increase compared to the same period 2016.

Net financials

Net financials were an expense of DKK 61 million compared to an expense of DKK 320 million in Q1 2016. The significant reduction in financial expenses is a result of both lower leverage and significantly reduced average funding costs following the refinancing completed in connection with the IPO in September 2016.

Foreign exchange adjustments contributed positively with DKK 14 million in Q1 2017 compared to a negative effect of DKK 53 million last year. In Q1 2017, net financials were positively impacted by the Visa transaction of DKK 6 million.

Adjusted net financials representing the financing cost related to the net interest-bearing debt were DKK 81 million in Q1 2017.

Tax

Taxes amounted to DKK 31 million in the quarter corresponding to an effective tax rate of 13%. The effective tax rate was positively impacted by non-taxable currency adjustments on interest-bearing debt, reducing the effective tax rate by approximately 6 ppts and use of tax losses not capitalised, which further reduced the effective tax rate by another 4 ppts. In Q1 2016, taxes amounted to an income DKK 19 million.

Net profit

Net profit in the quarter was DKK 202 million which is DKK 341 million higher than in the same period in 2016.

Adjusted net profit

Adjusted net profit was DKK 353 million in Q1 2017 which is an increase of DKK 202 million or 133.8% compared to the same period in 2016.

Balance sheet and cash flow

Cash flow

Operating free cash flow consisting of the net cash flow from operating activities and capital expenditures, but excluding clearing working capital, amounted to DKK 250 million, up by 110% compared to same period in 2016.

Net cash flow from operating activities, excluding clearing working capital of DKK 143 million, was DKK 297 million in Q1 2017 up by DKK 198 million compared to same period in 2016.

In Q1 2017, operating cash flow was negatively affected by DKK 142 million related to the change in narrow working capital (NWC) compared to a negative effect in the same period last year of DKK 161 million. The negative change primarily related to seasonality in trade and other payables.

Cash flow from investing activities amounted to DKK 241 million in Q1 2017 compared to DKK 202 million in Q1 2016. In Q1 2017, investments were impacted by payments to former shareholders in Nets related to the Visa transaction of DKK 54 million, and acquisition of the remaining shares in EDIGard AS of DKK 37 million. Investments in Q1 2016 included the acquisition of Storebox ApS of DKK 70 million.

Capital expenditures in Q1 2017 amounted to DKK 150 million compared to DKK 132 million in the same period in 2016, equivalent to a capital expenditure to revenue ratio of 7.9% and 7.6%, respectively. Capital expenditure in Q1 2017 was primarily related to development projects and investments in relation to the new data centre in Norway.

Net cash flow from financing activities, excluding clearing-related balances, was negative with DKK 661 million in Q1 2017 due to repayments on the revolving credit facility.

Cash conversion ratio

The cash conversion ratio[2] was 79% in Q1 2017 compared to 74% in Q1 2016.

Clearing working capital

On 31 March 2017, clearing-related assets (clearing debtors) amounted to DKK 3,912 million and clearing-related liabilities amounted to DKK 4,428 million leading to a clearing working capital (CWC) of minus DKK 516 million (positive funding), which represents a reduction of DKK 142 million compared to CWC at the end of 2016.

Net interest-bearing debt

As of 31 March 2017, net interest-bearing debt amounted to DKK 8,399 million or 3.1x LTM EBITDA b.s.i. down from 3.2x at end Q4 2016.

Net interest-bearing debt includes DKK 125 million of own cash, but excludes the deferred consideration of DKK 245 million related to future earn-out payments in relation to past acquisitions since this amount is non-interest-bearing. If the deferred consideration of DKK 245 million were included, net interest-bearing debt to EBITDA b.s.i. ratio would have been 3.2x.

Events in the reporting period

Senior Notes

On 30 March, Nets successfully priced an issuance of EUR 400,000,000 in aggregate principal amount of its senior notes

[2] Calculated as LTM EBITDA b.s.i. adjusted for the change in narrow working capital and capital expenditure divided by EBITDA b.s.i.

due 2024. The Notes were issued with a coupon of 2.875% at a price of 99.648. The bond was well received in the secondary market and have been trading above par.

Subject to certain contractual limitations, the Notes will be guaranteed by Nets A/S and certain other subsidiaries of the Nets Group.

Settlement date (date of recognition in the accounts) of the notes was 6 April.

Nets used the net proceeds from the offering of the Notes to refinance a portion of the 3-year term loan outstanding under the facilities agreement of the Nets Group and to pay fees and expenses in connection with the offering of the Notes.

In connection with the refinancing net financials in the income statement for Q2 2017 will be affected by extraordinary amortisations of earlier capitalised debt costs of DKK 28 million.

With the refinancing, Nets has extended the maturity profile of the debt and diversified funding sources. The weighted funding rate for 2017 is expected to increase by 30 bps.

Events after the end of the reporting period

OP Merchant acquiring business

On 5 April 2017, Nets signed an agreement to acquire OP's merchant acquiring business, which consists of approximately 15,000 merchant contracts with an underlying annual card turnover of around DKK 37 billion from Visa and MasterCard transactions in Finland.

Nets will acquire OP's merchant acquiring business through the subsidiary Nets Oy for an expected total consideration of DKK 224 million, which consists of an initial cash consideration of DKK 179 million and an expected deferred payment on a discounted basis of around DKK 45 million, dependent on how the acquired business develops over the contract period.

There are no conditions for closing of the transaction, which is expected by the end of Q2 2017. The acquisition will be funded by Nets' own cash and existing credit facilities.

Segment information

Merchant Services

Merchant Services provides in-store, online and mobile payment acceptance solutions to more than 300,000 merchants across the Nordic region, from large corporate chains to small and medium-sized enterprises (SMEs) and micro-merchants. We serve our merchants through a broad set of distribution channels, including indirect partnership relationships such as bank referrals, value-added resellers and web developers as well as through our direct sales force. Our breadth of service, payment type and geographic coverage allow us to be a one-stop shop for merchants in the countries in which we operate.

DKKm	Q1 2017	Q1 2016	Change	FY 2016
Revenue, gross	1,042	1,011	3.1%	4,519
Revenue, net	585	518	12.9%	2,317
Organic growth	*12%*	*15%*		*13%*
EBITDA b.s.i.	174	146	19.2%	792
EBITDA b.s.i. margin	*29.7%*	*28.2%*	*+1.5 pp*	*34.2%*
Value of transactions (DKK billion)	*112*	*104*	*7.1%*	*475*

Recent development
The total value of processed transactions grew by 7.1% in Q1 2017 compared to the same period last year. Growth was seen across all countries and segments.

Nets further strengthened the position in Finland. Nets announced the acquisition of merchant acquiring portfolio from the leading Finnish bank OP in which Nets will take over approximately 15,000 merchant customer relationships on acquiring and terminals. The customer base offers opportunity for further upsell and cross-sell and the deal also includes a ten-year strategic partnership with close collaboration between OP and Nets for sales to new merchants.

In addition hereto, Nets and Finnair signed a contract for acquiring services where Nets will be settling Finnair's card payment transactions both domestically and internationally. Nets has furthermore extended the contract with the Finnish retailer Kesko which is Northern Europe's third biggest retailer. This three-year agreement includes acquiring services, e-commerce and collecting PSP[3]-services.

In Q1, Nets signed an agreement with the leading Norwegian wallet Vipps (owned by 100+ Norwegian banks, incl. DNB, SpareBank 1 and Eika) to make Vipps a payment method available in Nets' e-commerce payment solution Netaxept.

In Q4 2016, Nets invested in mobile in-store acceptance technology. The roll-out of this infrastructure continued in Q1 2017 in support of the Mobile Dankort, Visa, MasterCard and bank wallets. The infrastructure is being rolled out to merchants, including the two leading retail groups Dansk Supermarked Group and Coop.

Nets' new card storage service, Save My Card, is now available at more than 20,000 online merchants across the Nordics. By the end of March, more than 1 million cards had been stored.

Revenue
Gross revenue grew by 3.1% in Q1 2017 compared to the same period last year. Compared with the 7.1% growth in value of transactions acquired, the growth in gross revenue reflects that Nets, as expected, has adjusted prices on merchant acquiring following the EU regulation that lowered interchange fees from December 2015.

Interchange fees and processing fees (incl. sales commission, network fees and handling fees) have likewise declined with 7.3% in Q1 2017 versus Q1 2016.

Net revenue in Merchant Services grew by 12.9% and amounted to DKK 585 million compared to DKK 518 million in Q1 2016. The organic growth was 12%, coming primarily from transactions acquired and e-commerce, and thus continued the strong momentum built over the last two years.

The EU regulation to lower the interchange fees introduced in Norway in September 2016 also impacted the organic growth in Q1 positively. When adjusting net revenues in Q1 2017 for the positive effect from lower interchange fees in Norway and adjusting net revenues in Q1 2016 for the temporary positive effect from the lower interchange fees introduced from December 2015, the underlying organic growth amounted to 10%.

Revenue growth from point-of-sale and related solutions was solid and was supported by the continued push towards a higher proportion of rented terminals. Consequently, the development is partly offset by a decrease in the number of terminals sold.

The difference in Q1 2017 between reported revenue growth of 12.9% and organic growth of 12% was due to changes in currencies, primarily NOK and the acquisition of Storebox.

EBITDA before special items
EBITDA b.s.i. for Q1 2017 was DKK 174 million, equivalent to a margin of 29.7% up 150 basis points compared to Q1 last year. The growth in profitability is primarily driven by the increased top line and operating leverage. Partly offsetting this is higher cost related to outbound sales activities, investments into mobile acceptance technology related to the launch of the Mobile Dankort.

[3] Payment Service Provider

Financial & Network Services

Financial & Network Services provides outsourced processing services to more than 240 issuers of payment cards, primarily banks, across the Nordic region as well as complementary services, including Consumer Management Systems (CMS), fraud and dispute solutions and mobile wallet technology. This business area also operates and processes the national debit card schemes in Denmark and Norway, branded Dankort and BankAxept, respectively.

DKKm	Q1 2017	Q1 2016	Change	FY 2016
Revenue, gross	688	645	6.7%	2,763
Revenue, net	550	516	6.6%	2,273
Organic growth	*5%*	*6%*		*10%*
EBITDA b.s.i.	191	177	7.9%	893
EBITDA b.s.i. margin	*34.7%*	*34.3%*	*+0.4 pp*	*39.3%*
Number of transactions (million)	1,281	1,162	10.2%	5,214
Whereof Dankort transactions (million)	*312*	*297*	*5.2%*	*1,300*
Whereof BankAxept transactions (million)	*370*	*345*	*7.4%*	*1,548*

Recent development

Financial & Network Services saw a strong growth of 10.2% in processed transactions in Q1 compared to the same period 2016. The increase was especially on international branded cards as well as on the two national debit card schemes in Denmark and Norway. The Dankort had a 5.2% increase while BankAxept transactions grew by 7.4%.

On 27 April 2017, Nets launched the first version of the Mobile Dankort app for iPhones, which enables all Danish consumers to use the Mobile Dankort in-store. The app will see further upgrades in the coming months including lock-screen payments. Nets has also launched a development forum, Dankort Idea Lab, in which users are invited to participate. In this forum, users can share ideas, comment on solutions and give suggestions on how the Dankort app can be further improved. Selected users from various university programmes and retail environments have already been invited to join the Dankort Idea Lab.

The Mobile Dankort is an open infrastructure and can be incorporated into other wallets. In Q1 2017, 62 Danish country-wide and local banks launched wallets for in-store payments that incorporates the Mobile Dankort.

During Q1 2017, Nets entered into a collaboration with Chainalysis. Their solutions will become part of Nets' Fraud prevention and Disputes Services portfolio by helping banks with fraud prevention and compliance services on Block-chain.

Revenue

Net revenue in Financial & Network Services in Q1 2017 grew by 6.6% to DKK 550 million, equivalent to an organic growth of 5%.

The organic growth was supported by higher revenues from issuer processing services and fraud prevention and dispute services, partly offset by lower implementation revenue especially related to the development of mobile services and a concluded contract negotiation regarding processing of Visa/Dankort transactions leading to lower prices.

The difference between reported revenue growth of 6.6% and organic growth of 5% in Q1 2016 was due to changes in currencies, primarily NOK.

The difference between gross and net revenues is mainly related to payments to the Danish banks for issuance of Dankort and amounted to DKK 138 million in Q1 2017.

EBITDA before special items

In Q1 2017, EBITDA b.s.i. was DKK 191 million compared to DKK 177 million in 2016. The margin improved by 40 basis points to 34.7%.

The increase in margin in Q1 2017 was due to the operating leverage, partly offset by lower capitalisations compared to the same period 2016.

Corporate Services

Corporate Services provides the payment platform for recurrent bill payments and credit transfer transactions for more than 240,000 corporations, primarily in Denmark and Norway. At the centre of this business is the ability to provide a seamless and integrated solution for recurring bill payments to corporations and consumers (e.g. Leverandørservice, Betalingsservice and AvtaleGiro). It also includes solutions for real-time clearing providing instant payments across bank accounts as well as the national digital ID systems in Denmark and Norway.

DKKm	Q1 2017	Q1 2016	Change	FY 2016
Revenue, gross	764	711	7.5%	2,802
Revenue, net	762	709	7.5%	2,795
Organic growth	*5%*	*0%*		*2%*
EBITDA b.s.i.	261	228	14.5%	934
EBITDA b.s.i. margin	*34.3%*	*32.2%*	*+2.1 pp*	*33.4%*
Number of e-bill transactions (million)	*239*	*222*	*7.7%*	*872*

Recent development
Q1 2017 demonstrated strong growth in volumes in Nets' e-bill payment solutions. The volume growth came from both a higher frequency and a higher proportion of statements and was strong on both Betalingsservice, AvtaleGiro and eFaktura.

Clearing services continued to see strong growth, especially within real-time clearing. The implementation project of the real-time clearing solution to ICPBI in Italy was delivered according to plan in March. Nets expects revenues from future volumes on this platform, but no significant volumes are expected short term.

The Danish digitisation authorities and Nets will start negotiation on a prolongation of the existing NemID contract. The prolongation is expected to run until the new Danish digital ID solution MitID is implemented in 2019-2020. The Danish digitisation authorities are expected to start a public tender for the contract on the new MitID solution in 2017.

In Q1 2017, Corporate Services saw solid growth in digital identification and signing services in Norway and Denmark. In addition, Corporate Services signed the first customers in Finland compatible with the new Finnish Trust Network that will be rolled out in Q2.

Nets continues to prepare for PSD2 focusing on commercial use cases that can be attractive for participants in the payments ecosystem, and to ensure PSD2-compliance. Right now Nets is running a pilot on PSD2 use cases together with several banks in the Nordic region.

Nets is developing an open account-to-account platform and benefits from existing assets like Nets' security platform that connects different e-ID schemes and instruments issued across the Nordics into one API. This will make the life of banks, merchants and third party processors (TPPs) much easier by offering them a tool to manage the many existing and future authentication instruments.

Revenue
Net revenue in Corporate Services grew by 7.5% to DKK 762 million, equivalent to an organic growth of 5%.

Approximately 1 ppts of the organic growth of 5% was related to implementation revenue, including implementation revenue related to ICBPI.

Increased volumes in e-bill payments solutions were key drivers behind the organic growth in the quarter. Revenues related to digitisation also saw solid traction in the quarter.

EBITDA before special items
EBITDA b.s.i. for Q1 2017 was DKK 261 million and the margin increased by 210 basis points to 34.3%.

The increase in margin in Q1 2017 was primarily due to the operating leverage and further digitisation of volumes.

Guidance for 2017

Targets	Guidance for 2017 28 February 2017	Guidance for 2017 9 May 2017
Organic revenue growth	5-6 %	5-6 %
EBITDA b.s.i. margin	Above 36.0%	**At or above 36.5%**
Special items (including IPO-related retention expenses)	DKK 150 million, of which approx. DKK 30 million is IPO-related	DKK 150 million, of which approx. DKK 30 million is IPO-related
Capital expenditure incurred (% of net revenue)	Around 8%, excluding M&A activities	Around 8%, excluding M&A activities
Net interest-bearing debt / EBITDA b.s.i.	Around 2.5x, including effect of share buyback of approx. DKK 150 million to cover long-term incentive programme and assuming no additional M&A activities	Around 2.5x, including effect of share buyback of approx. DKK 150 million to cover long-term incentive programme and **including acquisition of OP's merchant acquiring business** and assuming no additional M&A activities

Guidance for 2017

The guidance for organic growth remains unchanged at 5-6% for the year. Organic growth continues to be supported by strong underlying momentum in value and number of transactions across all three segments. Additionally, our strategic initiatives across mobile, outsourcing, value-chain and Nordic expansion are expected to create additional growth potential. We expect to continue our expansion in Sweden as well as further up- and cross-selling of value-added services as a result of a strengthened sales force.

The impact from regulatory changes on interchange fees will be lower compared to 2016 and will relate to Norway where the new regulation was adopted in September 2016. This will benefit results in Merchant Services for the first eight months of 2017. The benefit is expected to be partly passed through to merchants through lower merchant acquiring charges.

The guidance also reflects lower expected implementation revenues in Financial & Network Services.

EBITDA b.s.i. margin

The expectation to EBITDA b.s.i. margin is raised to at or above 36.5%, driven by a strong start for 2017. The EBITDA b.s.i. margin is expected to continue to benefit from operating leverage and benefits from the transformation programme.

Special items

Special items are expected to be around DKK 150 million, whereof DKK 120 million relate to the transformation programme and approximately DKK 30 million relate to IPO retention costs.

Capital expenditure

Capital expenditure is expected to be impacted by the completion of investments initiated in 2016, primarily related to the data centre in Norway and network segregation. In addition, investments are expected related to PSD2, mobile and product innovation.

Net interest-bearing debt / EBITDA b.s.i.

Expected net interest-bearing debt / EBITDA b.s.i. is based on an assumption of no additional M&A activity other than the acquisition of the remaining shares in EDIGard AS for a total consideration of DKK 37 million, which was completed in January 2017, and the acquisition of OP merchant acquiring business for the initial consideration of DKK 179 million, which is expected to be completed by the end of Q2 2017.

The guidance includes the effect of the share buyback programme, which has been initiated to cover the obligations under the long-term incentive programme to be issued in March 2017, amounting to approximately DKK 150 million.

Statement of the Board of Directors and Executive Management

Today, the Board of Directors and Executive Management considered and approved the interim report for Nets A/S for the period 1 January 2017 to 31 March 2017. The interim report has not been audited or reviewed by the company's independent auditors.

The interim report has been prepared in accordance with IAS 34 and additional Danish regulations for the presentation of quarterly interim reports by listed companies. Furthermore, the interim report has been prepared in accordance with the accounting policies set out in Nets' Annual Report 2016.

In our opinion, the accounting policies used are appropriate, and the overall presentation of the interim report adequate. Furthermore, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2017 and of the results of the Group's operations and cash flows for the period 1 January 2017 to 31 March 2017.

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, together with a description of the principal risks and uncertainties that the Group faces in accordance with Danish disclosure requirements for listed companies.

Ballerup, 9 May 2017

Executive Management:

Bo Nilsson
CEO

Klaus Pedersen
CFO

BOARD OF DIRECTORS:

Inge K. Hansen
Chairman

Jeff Gravenhorst
Vice Chairman

Monica Caneman

James Brocklebank

Robin Marshall

Per-Kristian Halvorsen

Ulrik Thomsen

Frank A. Olsen

Ove Kolstad

Condensed financial statements and notes

Financial statements
Consolidated income statement
Consolidated statement of other comprehensive income
Consolidated balance sheet
Consolidated statement of cash flows
Consolidated statement of changes in equity

Basis of preparation
Note 1 – Significant accounting policies

Income Statement
Note 2 – Segment information
Note 3 – Special items

Balance sheet
Note 4 – Other financial assets and liabilities

Statement of cash flow
Note 5 – Operating free cash flow

Income statement

Consolidated income statement *DKKm*	*Note*	Q1 2017	Q1 2016	FY 2016
Revenue, gross		2,494	2,367	10,084
Interchange fees and processing fees		(597)	(624)	(2,699)
Revenue, net of interchange fees and processing fees	2	**1,897**	**1,743**	**7,385**
Cost of sales		(254)	(248)	(963)
External expenses		(473)	(434)	(1,769)
Staff costs		(544)	(510)	(2,034)
Operating profit before depreciation and amortisation (EBITDA) before special items		**626**	**551**	**2,619**
Special items	3	(77)	(89)	(345)
Special items - IPO related costs		(7)	(50)	(261)
Operating profit before depreciation and amortisation (EBITDA)		**542**	**412**	**2,013**
Amortisation of business combination intangibles and impairment losses		(162)	(159)	(654)
Underlying depreciation and amortisation		(86)	(91)	(416)
Operating profit (EBIT)		**294**	**162**	**943**
Profit from associates after tax			-	4
Fair value adjustment of Visa Europe share	4	97	-	413
Fair value adjustment on liability related to Visa Europe share	4	(97)	-	(448)
Fair value adjustment of Visa Europe share related to Teller Branch Norway	4	6	-	185
Financial income and expenses, net		(67)	(320)	(1,055)
Financial expenses - refinancing costs		-	-	(738)
Net financials		**(61)**	**(320)**	**(1,639)**
Profit/(loss) before tax		**233**	**(158)**	**(696)**
Income taxes		(31)	19	112
Net profit/(loss) for the period		**202**	**(139)**	**(584)**
Profit/(loss) is attributable to:				
Owners of Nets A/S		199	(128)	(601)
Non-controlling interests		3	(11)	17
		202	**(139)**	**(584)**
Basic and diluted earnings per share		0.99		(3.00)

Non-GAAP performance measures			
Operating profit before depreciation and amortisation (EBITDA) b.s.i.	**626**	**551**	**2,619**
Underlying depreciation and amortisation	(86)	(91)	(416)
Adjusted EBIT	**540**	**460**	**2,203**
Adjusted net financials	(81)	(264)	(908)
Adjusted tax, 23%	(106)	(45)	(298)
Adjusted net profit for the period	**353**	**151**	**997**

Statement of comprehensive income

Consolidated statement of other comprehensive income *DKKm*	Q1 2017	Q1 2016	FY 2016
Net profit for the period	**202**	**(139)**	**(584)**
Other comprehensive income:			
Items that will not be reclassified subsequently to the consolidated income statement:			
Actuarial gains/(losses) on defined benefit pension plans	-	-	(6)
Tax	-	-	-
Total items not to be reclassified to the consolidated income statement			**(6)**
Items that will be reclassified subsequently to the consolidated income statement, when specific conditions are met:			
Currency translation adjustments, foreign enterprises	(56)	(2)	(33)
Reclassification of interest swap to the consolidated income statement	-	-	15
Net gains/(losses) on cash flow hedges	7	-	36
Total items that may be reclassified to the consolidated income statement subsequently	**(49)**	**(2)**	**18**
Other comprehensive income for the period, net of tax	**(49)**	**(2)**	**12**
Total comprehensive income for the period, net of tax	**153**	**(141)**	**(572)**
Total comprehensive income for the period is attributable to:			
Owners of Nets A/S	154	(130)	(580)
Non-controlling interests	(1)	(11)	8
	153	**(141)**	**(572)**

Balance sheet

Consolidated balance sheet *DKKm*	*Note*	**31 Mar 2017**	**31 Mar 2016**	**31 Dec 2016**
Assets				
Non-current assets				
Goodwill		14,718	14,785	14,720
Other intangible assets		4,088	4,599	4,198
Plant and equipment		384	259	383
Investment in associates		231	227	231
Derivative financial instruments		21	-	27
Deferred tax asset		360	211	376
Total non-current assets		**19,802**	**20,081**	**19,935**
Current assets				
Inventories		45	72	66
Trade and other receivables		806	785	801
Clearing-related assets		3,912	2,863	4,477
Prepayments		227	192	194
Tax receivables		-	11	-
Other financial assets	4	1,059	2,428	957
Cash and cash equivalent		1,345	2,243	1,869
Total current assets		**7,394**	**8,594**	**8,364**
Total assets		**27,196**	**28,675**	**28,299**
Equity and liabilities				
Equity				
Share capital		200	50	200
Reserves		9,588	4,138	9,405
Equity, owners of Nets A/S		**9,788**	**4,188**	**9,605**
Non-controlling interests		178	673	201
Total equity		**9,966**	**4,861**	**9,806**
Non-current liabilities				
Borrowings		8,434	14,460	9,106
Pension liabilities, net		66	61	66
Deferred consideration for business combinations		245	231	284
Derivative financial instruments		-	24	-
Deferred tax		820	1,451	851
Total non-current liabilities		**9,565**	**16,227**	**10,307**
Current liabilities				
Borrowings - Clearing-related balances		-	-	223
Bank overdraft - Clearing-related balances		210	-	91
Bank overdraft - Own cash		354	-	-
Trade and other payables		1,486	1,850	1,614
Clearing-related liabilities		4,428	3,824	5,135
Other financial liabilities	4	1,109	1,913	1,064
Current tax liabilities		78	-	59
Total current liabilities		**7,665**	**7,587**	**8,186**
Total liabilities		**17,230**	**23,814**	**18,493**
Total equity and liabilities		**27,196**	**28,675**	**28,299**

Statement of cash flow

Consolidated statement of cash flows for the period *DKKm*	Q1 2017	Q1 2016	FY 2016
Operating profit (EBIT)	294	162	943
Depreciation, amortisation and Impairment losses	248	251	1.070
Other non-cash items	-	-	6
Change in narrow working capital	(142)	(161)	67
Interest and similar items, net	(76)	(112)	(2,119)
Tax paid	(27)	(41)	(653)
Net cash flow from operating activities excluding clearing-related balances	**297**	**99**	**(686)**
Change in clearing-related balances	(143)	183	(120)
Net cash from operating activities	**154**	**282**	**(806)**
Purchase of intangible assets	(98)	(95)	(391)
Purchase of plant and equipment	(52)	(37)	(255)
Purchase of investments	(37)	(70)	(70)
Proceeds from Visa shares	-	-	2,070
Payment of proceeds from Visa shares	(54)	-	(1,287)
Net cash from investing activities	**(241)**	**(202)**	**67**
Proceeds from primary	-	-	5,500
Base fee in connection with primary	-	-	(70)
Proceeds from borrowings	490	-	9,040
Repayment of borrowings	(1,151)	(150)	(14,466)
Settlement of interest swap	-	-	(15)
Net cash flows from financing activities excluding clearing-related balances	**(661)**	**(150)**	**(11)**
Proceeds from borrowings (clearing-related)	-	-	223
Repayment of borrowings (clearing-related)	(223)	**-**	**-**
Net cash flows from financing activities	**(884)**	**(150)**	**212**
Net cash flow for the period	**(971)**	**(70)**	**(527)**
Cash and cash equivalents at the beginning of the period	1,778	2,310	2,310
Exchange gains/(losses) on cash and cash equivalents	(26)	3	(5)
Net cash and cash equivalents at the end of the period	**781**	**2,243**	**1,778**
Bank overdraft (clearing-related balances)	210	-	91
Bank overdraft (own cash)	354	-	-
Cash and cash equivalents at the end of the period	**1,345**	**2,243**	**1,869**

Non-GAAP performance measures			
Cash and cash equivalents at the end of the period	**781**	**2,243**	**1,778**
Clearing-related assets at the end of period	3,912	2,863	4,477
Clearing-related liabilities at the end of period	(4,428)	(3,824)	(5,135)
Cash related to pass through Visa proceeds	(140)	-	(194)
Borrowings (clearing-related balances)	-	-	(223)
Own cash at the end of the period	**125**	**1,282**	**703**
Own cash at the beginning of the period	**703**	**1,532**	**1,532**
Net cash flow from operating activities excluding clearing related balances	297	99	(686)
Net cash from investing activities in the year	(241)	(202)	67
Net cash flows from financing activities in the year excluding clearing related items	(661)	(150)	(11)
Net cash flow from pass through Visa proceeds and related tax payments	54	-	(194)
Exchange gains/(losses) on cash and cash equivalents	(27)	3	(5)
Own cash at the end of the period	**125**	**1,282**	**703**

Statement of changes in equity

Consolidated statement of changes in equity

DKKm	Share capital	Hedge reserves	Currency translation reserves	Retained earnings	**Equity, owners Nets A/S**	Non-controlling interests	**Total equity**
2017							
Equity 1 January	200	12	(251)	9,644	**9,605**	201	**9,806**
Net profit for the period	-	-	-	199	**199**	3	**202**
Currency translation adjustments, foreign enterprises	-	-	(52)	-	**(52)**	(4)	**(56)**
Net gain/(loss) on cash flow hedges	-	7	-	-	**7**	-	**7**
Settlement of interest swap	-	-	-	-	**-**		**-**
Other comprehensive income for the year	-	7	(52)	-	**(45)**	(4)	**(49)**
Total comprehensive income for the year	**-**	**7**	**(52)**	**199**	**154**	**(1)**	**153**
Non-controlling interests from business combination	**-**	**-**	-	22	**22**	(22)	**-**
Share based payments	-	-	-	9	**9**	-	**9**
Tax on share based payments	-	-	-	(2)	**(2)**	-	**(2)**
Total changes in equity	**-**	**7**	**(52)**	**228**	**183**	**(23)**	**160**
Equity as at 31 March	**200**	**19**	**(303)**	**9,872**	**9,788**	**178**	**9,966**

1. The share capital of Nets A/S was established on 5 February 2016. In 2016, four capital increases were conducted in connection with the IPO to a total number of shares of 200,411,094, with each share of a nominal value of DKK 1 giving a share capital of DKK 200 million.

Consolidated statement of changes in equity

DKKm	Share capital	Hedge reserves	Currency translation reserves	Retained earnings	**Equity, owners Nets A/S**	Non-controlling interests	**Total equity**
2016							
Equity 1 January	50	(39)	(227)	4,532	**4,316**	664	**4,980**
Net profit for the period	-	-	-	(128)	**(128)**	(11)	**(139)**
Currency translation adjustments, foreign enterprises	-	-	30	-	**30**	(10)	**20**
Other comprehensive income for the year	-	-	30	-	**30**	(10)	**20**
Total comprehensive income for the year	**-**	**-**	**30**	**(128)**	**(98)**	**(21)**	**(119)**
Non-controlling interests from business combination	**-**	**-**	-	(30)	**(30)**	30	**-**
Total changes in equity	**-**	**-**	**30**	**(158)**	**(128)**	**9**	**(119)**
Equity as at 31 March	**50**	**(39)**	**(197)**	**4,374**	**4,188**	**673**	**4,861**

Note 1 Significant accounting policies

The condensed consolidated interim financial statements of Nets A/S for the period 1 January - 31 March 2017 comprise Nets A/S and its subsidiaries (together referred to as "the group") and associates.

Statement of compliance
The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and additional Danish disclosure requirements.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2016. A full description of the Group's accounting policies is included in the consolidated financial statements for 2016 for Nets A/S.

Key accounting estimates and judgements
The preparation of the Group's interim financial statements requires Executive Management to make assumptions that affect the reported amount of assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the financial period.

Estimates and judgements used in the determination of reported results are continuously evaluated and are based on historical experience and on various other factors that are believed to be reasonable in the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Except for the judgements and estimates commented upon in the notes of this interim report, the significant judgements made by Executive Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2016.

Note 2 - Segment information

Description of segments

Nets is a leading provider of digital payment services and related technology solutions across the Nordic region. Nets sits at the centre of the digital payments ecosystem and operates a deeply entrenched network, which connects merchants, corporate customers, financial institutions and consumers enabling them to make and receive payments as well as, increasingly, utilise value-added services to help them improve their respective activities

Segment information provided to the Executive Management

The segment information provided to the Executive Management for the reportable segments for Q1 2017 is as follows:

Q1 2017

DKKm	Merchant Services	Financial & Network Services	Corporate Services	Group
Income statement				
Revenue, gross	1,042	688	764	2,494
Revenue, net	585	550	762	1,897
Reported growth	12.9%	6.6%	7.5%	8.8%
Organic growth	12%	5%	5%	7%
EBITDA before special items	174	191	261	626
EBITDA before special items margin	29.7%	34.7%	34.3%	33.0%
Reconciliation of EBITDA before special items to profit before tax:				
Special items				(84)
Amortisations, depreciation and impairment losses				(248)
Finance items - net				(61)
Profit before tax				**233**

Q1 2016

DKKm	Merchant Services	Financial & Network Services	Corporate Services	Group
Income statement				
Revenue, gross	1,011	645	711	2,367
Revenue, net	518	516	709	1,743
Reported growth	27.3%	-1.9%	-1.9%	5.3%
Organic growth	15%	6%	0%	6%
EBITDA before special items	146	177	228	551
EBITDA before special items margin	28.2%	34.3%	32.2%	31.6%
Reconciliation of EBITDA before special items to profit before tax:				
Special items				(139)
Amortisations, depreciation and impairment losses				(250)
Finance items - net				(320)
Profit before tax				**(158)**

The Executive Management uses revenue, organic growth and EBITDA before special items as measures to assess the performance of the segments. This excludes significant items of costs and income that cannot be attributed directly to the ordinary activities in the segments.

Note 3 Special items

DKKm			Q1 2017			Q1 2016
Special items	*External expenses*	*Staff costs*		*External expenses*	*Staff costs*	
Reorganisation and restructuring costs	-	34	**34**	-	58	**58**
Costs associated with business setups, acquisitions and disposals	12	-	**12**	1	-	**1**
Transformation programme	24	7	**31**	26	2	**28**
Other costs and income, net	-	-	**-**	2	-	**2**
Special items, excluding IPO-related costs	**36**	**41**	**77**	**29**	**60**	**89**
IPO-related costs	-	7	**7**	50	-	**50**
Total special items	**36**	**48**	**84**	**79**	**60**	**139**

Special items are costs or income that are recognised in the income statement, which cannot be attributed directly to the Group’s ordinary activities. Such costs and income include the cost of extensive restructuring or processes and fundamental structural adjustment and IPO-related costs. They are therefore separately disclosed to allow a more comparable view of underlying trading performance.

Note 4 Other financial assets and liabilities

DKKm	Q1 2017	Q1 2016	FY 2016
Consolidated income statement			
Fair value adjustment on Visa shares (financial income)	97	-	413
Fair value adjustment on liability related to Visa shares (financial expense)	(97)	-	(448)
Adjustment related to previous years' tax on pass through proceeds	-	-	115
Tax on pass through proceeds	-	-	-80
Net profit for the year on pass through proceeds	**-**	**-**	**0**
Fair value adjustments of Visa shares related to Teller Branch Norway (financial income)	6	-	185
Tax on proceeds related to Teller Branch Norway	-	-	(1)
Net profit for the year	**6**	**-**	**184**

DKKm	31-mar-17	31-mar-16	31-dec-16
Other financial assets			
Restricted shares in Visa Inc. and contingent consideration held by Teller Branch Norway	65	-	59
Restricted shares in Visa Inc. and contingent consideration held by Teller A/S	622	-	562
Restricted shares in Visa Inc. and contingent consideration held by Nets Oy	372	-	336
Other financial assets as at 31 March / 31 December	**1,059**	**-**	**956**

DKKm	31-mar-17	31-mar-16	31-dec-16
Other financial liabilities			
Visa proceeds to be paid to former owners of Nets Holding A/S	(729)	-	(721)
Visa proceeds to be paid to former owners of Nets Oy	(380)	-	(343)
Other financial liabilities as at 31 March / 31 December	**(1,109)**	**-**	**(1,064)**
Current tax liability			
Current tax on net fair value gain	(28)	-	(28)
Current tax liability as at 31 March / 31 December	**(28)**	**-**	**(28)**

DKKm	Q1 2017	Q1 2016	FY 2016
Cash flow			
Received cash consideration related to Visa shares held by Teller Branch Norway	-	-	127
Received cash consideration related to Visa shares held by Teller A/S	-	-	1,216
Received cash consideration related to Visa shares held by Nets Oy	-	-	727
Proceeds from Visa shares	**-**	**-**	**2,070**
Payment of Visa proceeds to former owners of Nets Holding A/S	(54)	-	(662)
Payment of Visa proceeds to former owners of Nets Oy	-	-	(625)
Payment of proceeds from Visa shares	**(54)**	**-**	**(1,287)**
Tax paid on pass through proceeds Teller A/S	-	-	(388)
Tax paid on pass through proceeds Nets Oy	-	-	(64)
Tax paid on pass through proceeds	-	**-**	**(452)**

In addition, the Group could potentially receive a share of proceeds payable by Visa Inc. to Visa Sweden, through the Group's branch in Sweden. These proceeds are subject to a number of uncertainties and therefore not recognised in the balance sheet as at 31 December 2016.

Note 5 - Operating free cash flow	Q1 2017	Q1 2016	FY 2016
Operating profit before depreciation and amortisation (EBITDA)	542	412	2,013
Change in net working capital excl. CWC	(142)	(161)	67
Purchase of intangible assets	(98)	(95)	(391)
Purchase of plant and equipment	(52)	(37)	(255)
Operating free cash flow	**250**	**119**	**1,434**