

# INTERIM REPORT

## JANUARY – SEPTEMBER 2024

### July – September 2024

- Net sales amounted to SEK 155.9 (144.0) million, an increase of 8.3% year-on-year. In comparable currencies net sales increased by 12.1%.
- Operating earnings amounted to SEK 24.7 (19.6) million, corresponding to an operating margin of 15.9% (13.6%). Excluding currency exchange rate differences, operating earnings amounted to SEK 22.9 (21.5) million.
- Net income for the period amounted to SEK 17.1 (16.2) million, corresponding to a net margin of 10.9% (11.2%).
- Earnings per share diluted was SEK 0.05 (0.05).
- Total cash flow was SEK 4.9 (-3.6) million. Cash flow excluding share-related transactions was SEK 27.7 (12.7) million.

### Januari – September 2024

- Net sales amounted to SEK 474.5 (396.9) million, an increase of 19.5% year-on-year. In comparable currencies net sales increased by 20.7%.
- Operating earnings amounted to SEK 73.7 (41.5) million, corresponding to an operating margin of 15.5% (10.4%). Excluding items affecting comparability and currency exchange rate differences, operating earnings amounted to SEK 74.9 (45.8) million.
- Net income for the period amounted to SEK 61.7 (37.5) million, corresponding to a net margin of 13.0% (9.4%).
- Earnings per share diluted was SEK 0.18 (0.10).
- Total cash flow was SEK -26.3 (-45.9) million. Cash flow excluding share-related transactions was SEK 9.8 (-16.7) million.

### Q3 in brief

- Net sales growth of 8.3% (12.1% in comparable currencies) following strong performance in Americas
- 15.9% in operating margin and cash flow of SEK 27.7 million excluding share-related transactions
- Product launches as key steps to meet the future media landscape
- Strong interest in the Zyntai product from leading telecom operators and ITU standardization process progressing as planned

## FINANCIAL HIGHLIGHTS

SEK millions	Jul-Sep			Jan-Sep			Oct 2023-	Jan-Dec	Change
	2024	2023	Change	2024	2023	Change	Sep 2024	2023	
Net sales	155.9	144.0	8.3%	474.5	396.9	19.5%	636.9	559.4	13.9%
Operating earnings	24.7	19.6	26.3%	73.7	41.5	77.7%	103.1	70.9	45.5%
Operating margin	15.9%	13.6%		15.5%	10.4%		16.2%	12.7%	
EBITDA	46.6	38.2	22.1%	131.9	96.3	36.9%	178.1	142.5	24.9%
EBITDA margin	29.9%	26.5%		27.8%	24.3%		28.0%	25.5%	
EBITDAC	26.2	19.3	35.4%	59.0	27.4	115.4%	80.7	49.1	64.4%
EBITDAC margin	16.8%	13.4%		12.4%	6.9%		12.7%	8.8%	
Net Income	17.1	16.2	5.5%	61.7	37.5	64.4%	84.3	60.1	40.2%
Net margin	10.9%	11.2%		13.0%	9.4%		13.2%	10.7%	
Total cash flow	4.9	-3.6		-26.3	-45.9		-22.1	-41.7	

For definitions and calculation of KPI's, see pages 15-20.

# CEO statement

## Focus on technological leadership drives growth

Our focus on delivering high quality and flexible media transport solutions continues to drive revenue growth. Compared to the corresponding period last year, net sales increased by 8.3 percent following a strong performance in Americas, where we continue to see a positive trend. The underlying operations are returning solid profitability while we are simultaneously investing in our unique solution for GPS-independent time synchronization, where the standardization process of our technology is progressing according to plan.

### Solid growth and positive profitability trajectory

At the close of the third quarter, I am proud to conclude that we continue to demonstrate solid growth and a positive profitability trajectory while also making long-term investments and strengthening the organization ahead of future expansion. Net sales increased by 8.3 percent year-on-year and operating margin strengthened by 2.3 percentage points, despite continued increased investments in the organization and product development.

### Continued focus on technological leadership and strong partnerships in Media

As the obvious choice of partner in live media, we continued to establish new relationships and strengthen existing partnerships in the quarter, including through our participation at the global and well-attended International Broadcasting Convention (IBC). It was also pleasing to see our Nimbra 400 recognized as the Innovation Award winner, in partnership with Verizon and alongside National Hockey League (NHL).

Another successful delivery of the Summer Games is now behind us. The financial impact of individual events is less noticeable today than historically, as our revenue base is more diversified. However, they affirm our strong position as a provider of premium media transport. The third quarter tends to be strong due to the start of sports leagues and in general, short-term revenue variations continue to be influenced by the timing of major deals with key customers.

We are proactively developing our sales organization, particularly in Americas, where we see good growth prospects. At the same time, we are focusing on improving our competitiveness in IP and Cloud. We have broadened our offerings during the quarter by upgrading our 400 platform and launching the compact and cost-efficient Nimbra 204 which enables fast and easy broadcasting of smaller events from various locations.

When it comes to more complex live media transport of highly regarded events, we are seeing increased demand for significantly higher capacity. In this area, we look forward to demonstrating our technological leadership with the launch of 400G IP at the turn of 2025/2026. This important step to offer the world's first media capable 400G IP solution will reduce costs for our customers and consolidate our strong market position.

With the rapid advancement of AI, we note that our suppliers' product life cycles concerning programmable circuits (FPGA) have shortened. To ensure delivery of our high-volume products, we are proactively working to secure the necessary supply of FPGA circuits. A consequence of this is that capital tied up in inventory of these high-value components will increase over the coming years.

### Extensive interest in Zyntai from leading telecom operators

We are continuing the commercialization of our unique time synchronization product Zyntai, and currently have around 10 commercial customers. Our flexible and cost-efficient solution is in high demand, particularly among network operators with a substantial share of leased capacity in large heterogeneous 5G networks based on existing 4G infrastructure. The roll-out of standalone 5G networks that enable new critical enterprise services has only just begun, and the need for resilient time synchronization is even greater in this area. With Zyntai, we are well-positioned to support network operators in both today's 5G networks and tomorrow's 6G networks.

Our Zyntai-order book extends several years into the future and amounted to approximately SEK 175 million at the end of the quarter. A significant proportion of this is related to the agreement with Türk Telekom, where revenues have started to be realized, and final delivery is expected in 2027. We have a significant number of ongoing Proof-of-Concepts (PoCs) and are pleased to see sustained high interest from the market, including leading telecom operators. Among the completed PoCs, a substantial majority have successfully advanced to the next phase.

The ITU standardization of our time synchronization technology that started in December last year is progressing according to plan and will make Zyntai even more commercially viable. The first document was approved in the quarter, and I look forward with confidence to the process being completed around the turn of 2025/2026.

### Broad product portfolio and expanded reach across the value chain

Our core operations continue to grow with solid profitability, clear evidence of the confidence shown in our products and the strength of our business model. The fourth quarter tends to be more volatile, depending on our customers' remaining budget capacity. This year we also face tough comparables. However, I am confident that our broad product portfolio will continue to drive demand from a wider range of the value chain, and that we are well positioned to meet increasingly advanced requirements for content distribution, both through upgrades in our existing customer base and new sales. We reiterate our target of average organic revenue growth of over 15 percent annually to 2027, and the operating margin reaching 20 percent in the same period, and alongside the rest of the management team I look to the future with confidence.

I would like to conclude by expressing my heartfelt thanks to my colleagues for their hard work during the past quarter.

Crister Fritzon, CEO  
Solna, 7 November 2024



## REVENUES

### July-September

Net sales in the third quarter of 2024 were SEK 155.9 (144.0) million, an increase of 8.3% year-on-year. Adjusted for currency effects, in comparable currencies, net sales increased by 12.1%.

The revenue in the quarter is mainly derived from business from existing customers, but we have also received additional orders from customers who placed their first orders in the first quarter as well as revenues related to the summer games.

Revenues from time synchronization for 5G and critical networks amounted to SEK 10.2 million in the quarter, compared to SEK 8.7 million in the previous year. This year's revenue was primarily attributable to the pre-launch of the time synchronization product Zyntai, while the previous year's revenue was primarily attributable to the NRE (non-recurring engineering) fee linked to the development of this product.

### January-September

Net sales in the nine-month period of 2024 amounted to SEK 474.5 (396.9) million, an increase of 19.5% year-on-year. Adjusted for currency effects, in comparable currencies, net sales increased by 20.7%.

The long uninterrupted growth trend is a result of the investments made in product development and competence over the past few years, strengthening our offering and resulting in both new customers and expanded business with existing ones. The growth during the year is attributable to the Americas region, with two strong quarters in a row, while turnover in EMEA was unchanged and APAC decreased.

Revenues from time synchronization for 5G and critical networks amounted to SEK 29.3 million in the nine-month period, compared to SEK 26.1 million in the previous year. This year's revenue was primarily attributable to the pre-launch of the time synchronization product Zyntai, while the previous year's revenue was primarily attributable to the NRE (non-recurring engineering) fee linked to the development of this product. The orderbook for the time synchronization offer at the end of the period amounted to approximately SEK 175 million, which is in line with the previous quarter. The decrease from the end of the previous quarter's approximately SEK 190 million is attributable to deliveries during the quarter and strengthened SEK against EUR and USD.

The company is not affected by significant seasonal variations, rather, the largest variations are driven by timing in larger orders and varying product mix. However, the third quarter tends to be somewhat stronger due to the start of sports leagues, while the fourth quarter is often more volatile depending on our customers' remaining budget capacity.

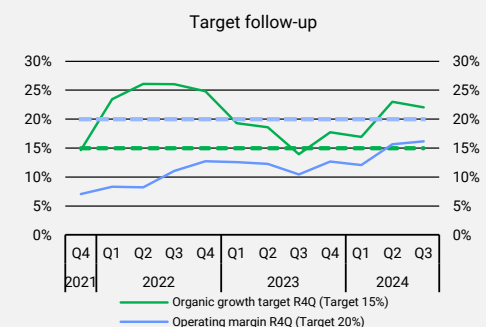
## EARNINGS

### July-September

Gross profit for the third quarter amounted to SEK 91.2 (86.0) million, an increase of 6.0%, driven by increased revenues. Gross profit included amortization of capitalized development expenditure of SEK -17.8 (-14.4) million. Gross margin, excluding and including, amortization of capitalized development expenditure was 69.9% (69.7%) and 58.5% (59.7%) respectively.

Sales and marketing expenses were SEK -40.4(-37.8) million, where the increase was primarily driven by the strengthening of the organization in time synchronization as well as investments in cloud and IP expertise. In addition, the increased sales results in increased variable sales-related compensation. Administration expenses were SEK -17.8 (-14.5) million, where the increase is primarily attributable to strengthened organization and variable remunerations. Development expenses were SEK -10.1 (-12.3) million and total development expenditures, i.e. before capitalizations, amounted to SEK -30.5 million (-31.2). The decrease in total development expenditures is attributable to lower expenses following the move in the first quarter of the year, where certain development in Camarillo, California, was moved to Stockholm, which resulted in both lower costs and higher efficiency.

Overall, operating expenses in the third quarter amounted to SEK -68.3 (-64.7) million, an increase of 5.6% year-on-year.



#### Financial targets 2023-2027:

- An organic average annual growth of at least 15%
- An operating margin (EBIT%) that within the period will reach 20%

Other operating income and expenses were SEK 1.8 (-1.8) million, of which currency exchange rate differences account for SEK 1.8 (-1.9) million.

Operating earnings amounted to SEK 24.7 (19.6) million, corresponding to an operating margin of 15.9% (13.6%). Excluding exchange rate differences of SEK 1.8 (-1.9) million, operating earnings were SEK 22.9 (21.5) million, corresponding to an operation margin of 14.7% (14.9%). For more information, see the table "Material profit and loss items" on page 20.

EBITDA and EBITDAC (EBITDA including reversal of capitalization of development expenditures) amounted to SEK 49.6 (38.2) million and SEK 26.2 (19.3) million, respectively, corresponding to an EBITDA margin of 29.9% (26.5%) and an EBITDAC margin of 16.8% (13.4%). The improvements in EBITDA and the EBITDAC margin are attributable to the increased sales. Although operating expenses and the capitalization of development expenditures have increased compared to the same period last year, operating expenses in relation to turnover have decreased from 44.9% last year to 43.8% this year while the capitalization of development expenditure in relation to turnover is unchanged 13.1% (13.1%).

In the third quarter, net financial items amounted to SEK -3.1 (1.1) million, of which foreign exchange rate differences of SEK -5.3 (-0.7) million and net interest income of SEK 2.0 (2.0) million.

Profit before tax was SEK 21.6 (20.7) million, and net income was SEK 17.1 (16.2) million, corresponding to a net margin of 10.9% (11.2%).

### January-September

Gross profit for the first nine-month period amounted to SEK 291.3 (239.2) million, an increase of 21.8%, primarily driven by increased revenues. Gross profit included amortization of capitalized development expenditure of SEK -45.9 (-42.2) million. Gross margin, excluding and including, amortization of capitalized development expenditure was 71.1% (70.9%) and 61.4% (60.3%) respectively. The gross margin is affected by product mix and economies of scale, as part of the costs are fixed. During the first quarter of 2024, several new customers made their initial investments in infrastructure, i.e. primarily hardware, which resulted in a lower gross margin. During the second quarter, a customer made a large software investment to be used on Net Insight hardware delivered in previous quarters, which contributed to higher gross margin. During the third quarter, as mentioned above, there was more a combination of deals, which also resulted in a gross margin that is between the gross margin of the two previous quarters. See also the description of the business model in the Annual Report for 2023 page 21.

Sales and marketing expenses were SEK -129.6 (-111.8) million, where the increase was primarily driven by the strengthening of the organization for time synchronization as well as investments in cloud and IP expertise. The high sales have also led to increased variable remuneration at the same time as customer and market activities have been higher this year than in the previous year. Administration expenses were SEK -53.0 (-45.8) million. The increase is mainly driven by personnel-related factors, such as strengthening of the organization and variable remuneration. Development expenses were SEK -36.3 (-36.4) million. The first quarter was affected by restructuring costs affecting comparability of SEK -2.5 million relating to the move of certain development from Camarillo in California to Stockholm, which then had a positive effect on the following quarters. Total development expenditures, i.e. before capitalization, amounted to SEK -109.1 (-105.3) million, where the increase is attributable to component purchases during the first quarter. Total development expenditures in relation to sales were 23.0% (26.5%).

Overall, operating expenses in the nine-month period amounted to SEK -218.8 (-194.0) million, an increase of 12.8% year-on-year. Operating expenses in relation to sales decreased from 48.9% in the same period last year to 46.1% this year.

Other operating income and expenses were SEK 1.2 (-3.7) million, of which currency exchange rate differences account for SEK 1.2 (-4.9) million.

Operating earnings amounted to SEK 73.7 (41.5) million, corresponding to an operating margin of 15.5% (10.4%). Excluding items affecting comparability of SEK -2.5 (0.6) million and exchange rate differences of SEK 1.2 (-4.9) million, operating earnings were SEK 74.9 (45.8) million, corresponding to an operation margin of 15.8% (11.5%). For more information, see the table "Material profit and loss items" on page 20.

EBITDA and EBITDAC (EBITDA including reversal of capitalization of development expenditures) amounted to SEK 131.9 (96.3) million and SEK 59.0 (27.4) million, respectively, corresponding to an EBITDA margin of 27.8% (24.3%) and an EBITDAC margin of 12.4% (6.9%). The improvements in the EBITDA and the EBITDAC margins are attributable to the

increased sales, including a larger share of software in the second quarter due to the large order of SEK 30 million. Although operating expenses and the capitalization of development expenditures have increased compared to the same period last year, they have decreased in relation to turnover from 48.9% to 46.1% and from 17.4% to 15.3% respectively.

In the nine-month period, net financial items amounted to SEK 4.6 (6.9) million, of which foreign exchange rate differences of SEK -2.9 (1.5) million and net interest income of SEK 6.2 (5.2) million.

Profit before tax amounted to SEK 78.3 (48.4) million, and net income was SEK 61.7 (37.5) million, corresponding to a net margin of 13.0% (9.4%).

Key Ratios	Jul-Sep		Jan-Sep		Oct 2023-	Jan-Dec
	2024	2023	2024	2023	Sep 2024	2023
Net sales, SEK millions	155.9	144.0	474.5	396.9	636.9	559.4
Net sales YoY, change in %	8.3%	10.5%	19.5%	13.4%	22.0%	17.7%
Gross earnings	91.2	86.0	291.3	239.2	393.9	341.8
Gross margin	58.5%	59.7%	61.4%	60.3%	61.8%	61.1%
Operating earnings	24.7	19.6	73.7	41.5	103.1	70.9
Operating margin	15.9%	13.6%	15.5%	10.4%	16.2%	12.7%
EBITDA	46.6	38.2	131.9	96.3	178.1	142.5
EBITDA margin	29.9%	26.5%	27.8%	24.3%	28.0%	25.5%
EBITDAC	26.2	19.3	59.0	27.4	80.7	49.1
EBITDAC margin	16.8%	13.4%	12.4%	6.9%	12.7%	8.8%

## INVESTMENTS

The investments in the third quarter were SEK 20.4 (19.2) million, of which SEK 20.4 (18.8) million were related to capitalization of expenditure for development. In the nine-month period, the investments were SEK 74.6 (71.0) million, of which SEK 72.8 (68.9) million were related to capitalization of expenditure for development.

Depreciation and amortization in the third quarter amounted to SEK -21.9 (-18.6) million, of which SEK -17.8 (-14.4) million related to amortization of capitalized expenditure for development. In the nine-month period, depreciation and amortization amounted to SEK -58.2 (-54.9) million, of which SEK -45.9 (-42.2) million related to amortization of capitalized expenditure for development.

Changes in capitalized development expenditure and amortization are driven by the level of activity in development projects in combination with the timing of launches of fully developed products.

Net value of capitalized expenditure for development was SEK 263.4 million at end of the period, against SEK 236.5 million as of December 31, 2023.

## CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities in the third quarter amounted to SEK 50.9 (34.8) million. The improvement is attributable to both the improved earnings and reduced working capital tied-up. Capital tied-up in inventory has continued to decline. The positive effect of last quarter's record high sales, with high invoicing at the end of the quarter, has been offset by reduced prepaid income.

The total cash flow for the third quarter amounted to SEK 4.9 (-3.6). Excluding the cash impact from share-related transactions, the cash flow for the third quarter was SEK 27.7 (12.7) million. For more information, see pages 12 and 20.

Cash flow from operating activities in the first nine-month period amounted to SEK 92.7 (62.1) million. The positive impact of the improved earnings on the cash flow has been partially offset by the increased working capital tied-up the increased sales has resulted in. As the company has been profitable for some time, the tax loss carryforwards accumulated during previous years has been utilized, resulting in income tax payments affecting the cash flow by SEK -14.0 million compared to the previous year. The positive impact of the improved earnings on the cash flow has been partially offset by the increased working capital tie-up increased sales brought about.

The total cash flow in the first nine-month period amounted to SEK -26.3 (-45.9). Excluding the cash impact from share-related transactions, the cash flow was SEK 9.8 (-16.7) million. For more information, see pages 12 and 20.

Cash and cash equivalents at the end of the period was SEK 240.2 million, compared to SEK 266.4 million as of 31 December 2023.

Equity at the end of the period was SEK 647.8 million, compared to SEK 622.2 million as of 31 December 2023. The equity/assets ratio was 76.9%, compared to 74.2% as of 31 December 2023. The increase in equity falls short of the result, primarily driven by the buyback of own shares. For additional information, see the section "Contributed equity" on page 12.

## **EMPLOYEES**

The average number of employees and consultants at Net Insight during the third quarter and the nine-month period was 200 (194) and 198 (190), respectively, of which 170 (160) and 167 (157), respectively, in the Parent Company Net Insight AB (publ.). The increase is primarily attributable to the investment in time synchronization organization.

## **PARENT COMPANY**

Net sales for the Parent Company amounted to SEK 155.9 (144.0) million in the third quarter, and net income to SEK 16.3 (15.1) million. Intra-group sales were SEK 0.0 (0.0) million during the quarter, and intra-group purchases were SEK -18.8 (-21.7) million.

Net sales for the Parent Company amounted to SEK 474.5 (396.9) million in the first nine-month period, and net income to SEK 59.1 (35.1) million. In the first nine-month period, intra-group sales were SEK 0.0 (0.0) million, and intra-group purchases were SEK -66.0 (-62.6) million.

Development of the Parent Company for the year and its financial position essentially followed that of the Group as presented above.

## **RISK AND SENSITIVITY ANALYSIS**

Net Insight's operations and results of operations are affected by a number of external and internal factors. There is a continuous process to identify risks, and to assess how each such risk should be mitigated.

The primary risks to which the company is exposed include market-related risks (including but not limited to competition, technological developments, and political risks), operational risks (including product liability, intellectual property, disputes, customer dependence, and contractual risks), as well as financial and sustainability-related risks.

With the rapid advancement of AI, we note that our suppliers' product life cycles concerning programmable circuits (FPGA) have shortened. To mitigate and ensure delivery of our high-volume products, we are proactively working to secure the necessary supply of FPGA circuits. A consequence of this is that capital tied up in inventory of these high-value components will increase over the coming years.

The component shortage that arose in connection with the pandemic was partly mitigated during 2023. However, the war in Ukraine and the ongoing Israel-Palestine conflict have resulted in longer lead times, increased shipping costs and generally increased uncertainty. The company's direct exposure to these markets is very limited, and compliance with the current sanctions is therefore deemed not to have any material impact on the company's operations, assets or earnings. However, it is currently difficult to assess the potential future impact of the conflicts on the availability and prices of components.

Apart from this, there are no significant risks and uncertainties changed in comparison with those described in the 2023 annual report.

The risks and uncertainties are essentially the same for the Parent Company and the Group as a whole.

For a comprehensive review of the company's risk and sensitivity analysis, and its risk management process, see pages 54-56, 58-60 and 76-77 of the Annual Report for 2023.

## CONSOLIDATED INCOME STATEMENT, IN SUMMARY

SEK thousands	Jul-Sep		Jan-Sep		Oct 2023-	Jan-Dec
	2024	2023	2024	2023	Sep 2024	2023
Net sales	155,871	143,986	474,468	396,894	636,942	559,368
Cost of sales	-64,693	-57,966	-183,169	-157,658	-243,090	-217,579
<b>Gross earnings</b>	<b>91,178</b>	<b>86,021</b>	<b>291,299</b>	<b>239,237</b>	<b>393,851</b>	<b>341,789</b>
Sales and marketing expenses	-40,428	-37,795	-129,586	-111,795	-169,897	-152,106
Administration expenses	-17,801	-14,546	-52,987	-45,812	-69,606	-62,431
Development expenses	-10,050	-12,346	-36,275	-36,433	-51,657	-51,815
Other operating income and expenses	1,838	-1,753	1,233	-3,737	425	-4,545
<b>Operating earnings</b>	<b>24,737</b>	<b>19,581</b>	<b>73,684</b>	<b>41,459</b>	<b>103,117</b>	<b>70,892</b>
Net financial items	-3,094	1,084	4,569	6,938	4,117	6,486
<b>Profit before tax</b>	<b>21,644</b>	<b>20,665</b>	<b>78,254</b>	<b>48,397</b>	<b>107,235</b>	<b>77,378</b>
Tax	-4,577	-4,487	-16,594	-10,902	-22,968	-17,276
<b>Net Income</b>	<b>17,067</b>	<b>16,179</b>	<b>61,660</b>	<b>37,495</b>	<b>84,267</b>	<b>60,102</b>
<b>Net income for the period attributable to the shareholders of the parent company</b>	<b>17,067</b>	<b>16,179</b>	<b>61,660</b>	<b>37,495</b>	<b>84,267</b>	<b>60,102</b>

Earnings per share, based on net income attributable to the parent company's shareholders during the period	Jul-Sep		Jan-Sep		Oct 2023-	Jan-Dec
	2024	2023	2024	2023	Sep 2024	2023
<b>Earnings per share</b>						
-Basic, SEK	0.05	0.05	0.18	0.11	0.24	0.17
-Diluted, SEK	0.05	0.05	0.18	0.10	0.24	0.17
<b>Average number of outstanding shares in thousands</b>						
-Basic	345,907	354,149	347,520	355,360	348,414	354,266
-Diluted	347,687	356,069	349,288	359,847	350,007	357,309

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK thousands	Jul-Sep		Jan-Sep		Oct 2023-	Jan-Dec
	2024	2023	2024	2023	Sep 2024	2023
Net income	17,067	16,179	61,660	37,495	84,267	60,102
<b>Other comprehensive income</b>						
Translation differences	-580	-27	105	422	-811	-494
<b>Total other comprehensive income, after tax</b>	<b>-580</b>	<b>-27</b>	<b>105</b>	<b>422</b>	<b>-811</b>	<b>-494</b>
<b>Total other comprehensive income for the period attributable to the shareholders of the parent company</b>	<b>16,487</b>	<b>16,152</b>	<b>61,765</b>	<b>37,917</b>	<b>83,456</b>	<b>59,608</b>

## CONSOLIDATED BALANCE SHEET, IN SUMMARY

SEK thousands	30 Sep 2024	30 Jun 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalized expenditure for development	263,385	260,765	236,461
Goodwill	38,751	38,751	38,751
Other intangible assets	619	769	1,057
Right-of-use assets	17,028	19,677	24,844
Equipment	10,460	11,801	12,687
Deferred tax asset	2,754	2,675	2,576
Deposits	5,131	5,132	5,123
<b>Total non-current assets</b>	<b>338,128</b>	<b>339,570</b>	<b>321,499</b>
<b>Current assets</b>			
Inventories	66,763	71,689	88,638
Accounts receivable	166,244	201,683	139,707
Other receivables	31,598	35,741	22,150
Cash and cash equivalents	240,204	235,602	266,404
<b>Total current assets</b>	<b>504,809</b>	<b>544,715</b>	<b>516,899</b>
<b>TOTAL ASSETS</b>	<b>842,937</b>	<b>884,285</b>	<b>838,398</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to parent company's shareholders</b>			
Share capital	13,930	14,362	14,362
Other paid-in capital	1,200,443	1,200,443	1,200,443
Translation reserve	1,115	1,695	1,010
Accumulated deficit	-567,649	-562,386	-593,656
<b>Total shareholders' equity</b>	<b>647,839</b>	<b>654,114</b>	<b>622,159</b>
<b>Non-current liabilities</b>			
Lease liabilities	4,150	6,865	12,185
Other liabilities	33,964	47,409	51,582
<b>Total non-current liabilities</b>	<b>38,114</b>	<b>54,274</b>	<b>63,767</b>
<b>Current liabilities</b>			
Lease liabilities	11,892	11,994	12,105
Accounts payable	30,874	36,262	38,130
Other liabilities	114,218	127,641	102,237
<b>Total current liabilities</b>	<b>156,984</b>	<b>175,897</b>	<b>152,472</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>842,937</b>	<b>884,285</b>	<b>838,398</b>



## CHANGES IN CONSOLIDATED EQUITY, IN SUMMARY

SEK thousands	Attributable to parent company's shareholders				
	Share capital	Other paid-in capital	Translation reserve	Accumulated deficit	Total shareholders' equity
<b>January 1, 2023</b>	<b>14,750</b>	<b>1,192,727</b>	<b>1,504</b>	<b>-603,892</b>	<b>605,089</b>
Transfer of quota value upon cancellation of repurchased shares	-511	-	-	511	-
Exercised warrants	87	5,962	-	-	<b>6,049</b>
Repurchase of own shares	-	-	-	-35,235	<b>-35,235</b>
Total comprehensive income	-	-	422	37,495	<b>37,917</b>
<b>September 30, 2023</b>	<b>14,326</b>	<b>1,198,689</b>	<b>1,926</b>	<b>-601,121</b>	<b>613,820</b>
<b>January 1, 2024</b>	<b>14,362</b>	<b>1,200,443</b>	<b>1,010</b>	<b>-593,656</b>	<b>622,159</b>
Transfer of quota value upon cancellation of repurchased shares	-432	-	-	432	-
Repurchase of own shares	-	-	-	-36,085	<b>-36,085</b>
Total comprehensive income	-	-	105	61,660	<b>61,765</b>
<b>September 30, 2024</b>	<b>13,930</b>	<b>1,200,443</b>	<b>1,115</b>	<b>-567,649</b>	<b>647,839</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

SEK thousands	Jul-Sep		Jan-Sep		Oct 2023-	Jan-Dec
	2024	2023	2024	2023	Sep 2024	2023
<b>Operating activities</b>						
Operating earnings	24,737	19,581	73,684	41,459	103,117	70,892
Depreciation, amortization & impairment	21,869	18,588	58,178	54,855	74,948	71,625
Other items not affecting liquidity	447	3,744	2,018	6,556	6,345	10,883
<b>Sub-total</b>	<b>47,053</b>	<b>41,913</b>	<b>133,880</b>	<b>102,870</b>	<b>184,410</b>	<b>153,400</b>
Interest received	2,201	2,231	6,812	5,978	9,042	8,208
Interest paid	-181	-237	-608	-734	-834	-960
Other financial income and expenses	-5,113	-910	-1,634	1,694	-4,090	-762
Income tax paid	-4,449	-2,937	-18,853	-4,870	-23,691	-9,708
<b>Cash flow from operating activities before changes in working capital</b>	<b>39,511</b>	<b>40,060</b>	<b>119,597</b>	<b>104,938</b>	<b>164,837</b>	<b>150,178</b>
<b>Changes in working capital</b>						
Increase-/decrease+ in inventories	13,535	-201	18,910	-16,036	21,262	-13,684
Increase-/decrease+ in receivables	30,633	4,386	-35,468	-12,580	-27,878	-4,990
Increase+/decrease- in liabilities	-32,799	-9,468	-10,379	-14,224	-20,339	-24,184
<b>Total changes in working capital</b>	<b>11,369</b>	<b>-5,283</b>	<b>-26,937</b>	<b>-42,840</b>	<b>-26,955</b>	<b>-42,858</b>
<b>Cash flow from operating activities</b>	<b>50,880</b>	<b>34,777</b>	<b>92,660</b>	<b>62,098</b>	<b>137,882</b>	<b>107,320</b>
<b>Investment activities</b>						
Capitalized expenditure	-20,440	-18,832	-72,830	-68,895	-97,337	-93,402
Investment in intangible assets	-	-	-3	-	-68	-65
Investment in tangible assets	-	-413	-1,742	-2,072	-2,267	-2,597
Increase-/decrease+ in financial assets, net	-	-227	-	-227	-	-227
<b>Cash flow from investment activities</b>	<b>-20,440</b>	<b>-19,472</b>	<b>-74,575</b>	<b>-71,194</b>	<b>-99,672</b>	<b>-96,291</b>
<b>Financing activities</b>						
Amortization leasing	-2,778	-2,556	-8,281	-7,601	-10,857	-10,177
Exercised warrants	-	5,741	-	6,049	1,789	7,838
Repurchase of own shares	-22,763	-22,129	-36,085	-35,235	-51,226	-50,376
<b>Cash flow from financing activities</b>	<b>-25,541</b>	<b>-18,944</b>	<b>-44,366</b>	<b>-36,787</b>	<b>-60,294</b>	<b>-52,715</b>
<b>Net change in cash and cash equivalents</b>	<b>4,899</b>	<b>-3,639</b>	<b>-26,281</b>	<b>-45,883</b>	<b>-22,084</b>	<b>-41,686</b>
Exchange differences in cash and cash equivalents	-297	29	81	205	-381	-257
Cash and cash equivalents at the beginning of the period	235,602	266,279	266,404	308,347	262,669	308,347
<b>Cash and cash equivalents at the end of the period</b>	<b>240,204</b>	<b>262,669</b>	<b>240,204</b>	<b>262,669</b>	<b>240,204</b>	<b>266,404</b>

## DISAGGREGATION OF REVENUE

SEK thousands	Jul-Sep		Jan-Sep		Oct 2023-	Jan-Dec
	2024	2023	2024	2023	Sep 2024	2023
<b>Net sales by product group</b>						
Hardware	60,941	69,734	171,672	173,903	231,218	233,449
Software licenses	55,584	32,174	189,159	98,114	257,351	166,306
Support and Services*	39,346	42,078	113,637	124,877	148,373	159,613
<b>Total</b>	<b>155,871</b>	<b>143,986</b>	<b>474,468</b>	<b>396,894</b>	<b>636,942</b>	<b>559,368</b>
<b>Net sales by region</b>						
EMEA	64,815	84,975	209,385	217,759	305,589	313,963
AM	81,189	41,093	198,483	109,084	247,913	158,514
APAC	9,867	17,918	66,600	70,050	83,440	86,890
<b>Total</b>	<b>155,871</b>	<b>143,986</b>	<b>474,468</b>	<b>396,894</b>	<b>636,942</b>	<b>559,368</b>
<b>Timing of revenue recognition</b>						
Products and services transferred at a point in time	115,133	98,558	354,328	262,573	476,548	384,793
Products and services transferred over time*	40,738	45,428	120,140	134,321	160,394	174,575
<b>Total</b>	<b>155,871</b>	<b>143,986</b>	<b>474,468</b>	<b>396,894</b>	<b>636,942</b>	<b>559,368</b>

\*) Of which NRE fee; SEK 0.0 (7.1) million Jul-Sep; SEK 0.0 (28.2) million Jan-Sep; SEK 2.4 million Oct 2023-Sep 2024; SEK 23.4 million Jan-Dec 2023.

## FINANCIAL ASSETS AND LIABILITIES

### Group's financial instruments by category - Assets

SEK thousands	Sep 30, 2024			31 Dec 2023		
	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss
<b>Assets in Balance Sheet</b>						
Derivative instruments	2		3,087	2		682
Accounts receivable and other receivables, excluding non-financial assets		176,683			148,828	
Cash and cash equivalents		240,204			266,404	
<b>Total</b>		<b>416,887</b>	<b>3,087</b>		<b>415,232</b>	<b>682</b>

### Group's financial instruments by category - Liabilities

SEK thousands	Sep 30, 2024			31 Dec 2023		
	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss
<b>Liabilities in Balance Sheet</b>						
Derivative instruments	2		-	2		-
Accounts payable and other liabilities, excluding non-financial liabilities		38,159			45,974	
Lease liabilities		16,042			24,290	
<b>Total</b>		<b>54,202</b>	<b>-</b>		<b>70,264</b>	<b>-</b>

The carrying value of account receivables, other receivables, cash and cash equivalents, account payables and other liabilities constitutes a reasonable approximation of fair value.

## Financial instruments in tier 2

The fair value of derivative instruments is determined using exchange rates of currency forwards on the reporting date.

## PARENT COMPANY INCOME STATEMENT, IN SUMMARY

SEK thousands	Jul-Sep		Jan-Sep		Oct 2023-	Jan-Dec
	2024	2023	2024	2023	Sep 2024	2023
Net sales	155,871	143,986	474,468	396,894	636,942	559,368
Cost of sales	-62,371	-57,863	-181,098	-157,438	-240,979	-217,319
<b>Gross earnings</b>	<b>93,500</b>	<b>86,123</b>	<b>293,370</b>	<b>239,456</b>	<b>395,963</b>	<b>342,049</b>
Sales and marketing expenses	-41,804	-38,932	-132,271	-114,377	-174,061	-156,167
Administration expenses	-20,298	-14,461	-55,248	-45,635	-71,749	-62,136
Development expenses	-10,294	-12,666	-37,134	-37,557	-52,928	-53,351
Other income expenses	2,412	-2,221	1,132	-4,306	675	-4,763
<b>Operating earnings</b>	<b>23,515</b>	<b>17,843</b>	<b>69,848</b>	<b>37,581</b>	<b>97,899</b>	<b>65,632</b>
Net financial items	-2,937	1,316	5,115	7,678	4,871	7,434
<b>Profit before tax</b>	<b>20,579</b>	<b>19,158</b>	<b>74,964</b>	<b>45,258</b>	<b>102,772</b>	<b>73,066</b>
Tax	-4,316	-4,088	-15,867	-10,180	-21,803	-16,116
<b>Net income</b>	<b>16,263</b>	<b>15,071</b>	<b>59,097</b>	<b>35,079</b>	<b>80,968</b>	<b>56,950</b>

## PARENT COMPANY BALANCE SHEET, IN SUMMARY

SEK thousands	30 Sep 2024	31 Dec 2023	30 Sep 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalized expenditure for development	263,385	236,461	224,853
Other intangible assets	619	1,057	1,208
Equipment	9,722	11,438	12,395
Participations in group companies	3,198	3,173	3,173
Deferred tax asset	1,590	1,044	1,030
Deposits	4,855	4,855	4,855
<b>Total non-current assets</b>	<b>283,369</b>	<b>258,028</b>	<b>247,514</b>
<b>Current assets</b>			
Inventories	66,763	88,638	95,369
Accounts receivable	167,131	140,467	141,152
Receivables from group companies	395	346	346
Other receivables	33,766	24,541	30,980
Cash and cash equivalents	228,762	258,014	257,654
<b>Total current assets</b>	<b>496,817</b>	<b>512,006</b>	<b>525,501</b>
<b>TOTAL ASSETS</b>	<b>780,186</b>	<b>770,034</b>	<b>773,015</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity	354,466	327,488	314,511
Non-restricted equity	245,519	249,485	253,941
<b>Total equity</b>	<b>599,985</b>	<b>576,973</b>	<b>568,452</b>
<b>Non-current liabilities</b>			
Other liabilities	32,230	50,269	57,964
<b>Total non-current liabilities</b>	<b>32,230</b>	<b>50,269</b>	<b>57,964</b>
<b>Current liabilities</b>			
Accounts payable	30,759	38,066	38,206
Liabilities to group companies	9,563	8,763	13,012
Other liabilities	107,649	95,963	95,381
<b>Total current liabilities</b>	<b>147,971</b>	<b>142,792</b>	<b>146,599</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>780,186</b>	<b>770,034</b>	<b>773,015</b>

## ACCOUNTING POLICIES

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations of the Swedish Annual Accounts Act. The Interim Report of the parent company complies with chapter 9 of the Swedish Annual Accounts Act, Interim Financial Reporting, and RFR 2 Accounting for Legal Entities.

Disclosures in accordance with IAS 34 are presented in the interim financial statements and the associated notes as well as elsewhere in the interim financial report. There are no new or amended International Financial Reporting Standards (IFRS) in 2024 that have had a material impact on the Company's financial reporting.

The Group and the Parent Company have applied the same accounting principles and calculation methods as in the latest annual report. A description of these accounting principles can be found in the Annual Report for 2023.

The preparation of the Interim Report requires management to make assessments and make assumptions that affect the company's earnings and position as well as the information provided. Estimates and assessments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. For a description of estimates and assumptions, please refer to the Annual Report for 2023.

Figures in parentheses in this report refer to comparison with the corresponding period or date in the previous year, unless stated otherwise. Discrepancies due to rounding may occur in this report.

### Tax

The group reported tax of total SEK -4.6 (-4.5) million for the period July-September 2024, corresponding to an effective tax rate of 21.1 (21.7) percent. The group reported tax of total SEK -16.6 (-10.9) million for the period January-September 2024, corresponding to an effective tax rate of 21.2 (22.5) percent. The effective tax rate is affected by tax adjustments and the relative effects of foreign tax rates.

### Contributed equity

The share buyback program, decided by the Board with the support of the mandate from the 2023 AGM, was active from July 2023 to

The division of shares	30 Sep, 2024			31 Dec, 2023		
	A-shares	B-shares	Total	A-shares	B-shares	Total
Outstanding shares	1,000,000	342,903,009	343,903,009	1,000,000	348,668,009	349,668,009
Repurchased own shares	-	4,340,000	4,340,000	-	9,370,000	9,370,000
<b>Issued shares</b>	<b>1,000,000</b>	<b>347,243,009</b>	<b>348,243,009</b>	<b>1,000,000</b>	<b>358,038,009</b>	<b>359,038,009</b>

## TRANSACTIONS WITH RELATED PARTIES

The Parent Company engaged a company related to a member of the management for consulting services. Fees incurred during the year amounted to SEK 0.1 (0.8) million.

February 2024. Within the program, the Parent company repurchased a total of 10,693,000 of its own Class B shares on Nasdaq Stockholm for SEK 50.1 million, including transaction costs, of which 1,425,000 shares were acquired for SEK 8.2 million during the period January-February 2024.

The 2024 AGM resolved to authorize the board of directors to resolve to repurchase, on one or several occasions until the next AGM, as many own shares as may be purchased without the company's holding at any time exceeding ten per cent of the total number of shares in the company. Further, the AGM resolved to authorize the board of directors to resolve on one or several occasions until the next annual general meeting, to transfer (sell) own shares.

At the Board meeting in May 2024, the board of Directors of Net Insight AB decided to utilize the repurchase mandate given at the AGM in 2024. The repurchase program commenced on June 3, 2024, and will last until the next AGM and will amount to maximum SEK 50 million.

During June-September 2024, the parent company repurchased 4,340,000 of its own B shares on Nasdaq Stockholm for SEK 27.9 million, including transaction costs.

The 2024 AGM resolved that the company's share capital shall be reduced by SEK 431,800 for allocation to unrestricted equity through cancellation of 10,795,000 own B shares held by the company. The cancellation was completed on August 6.

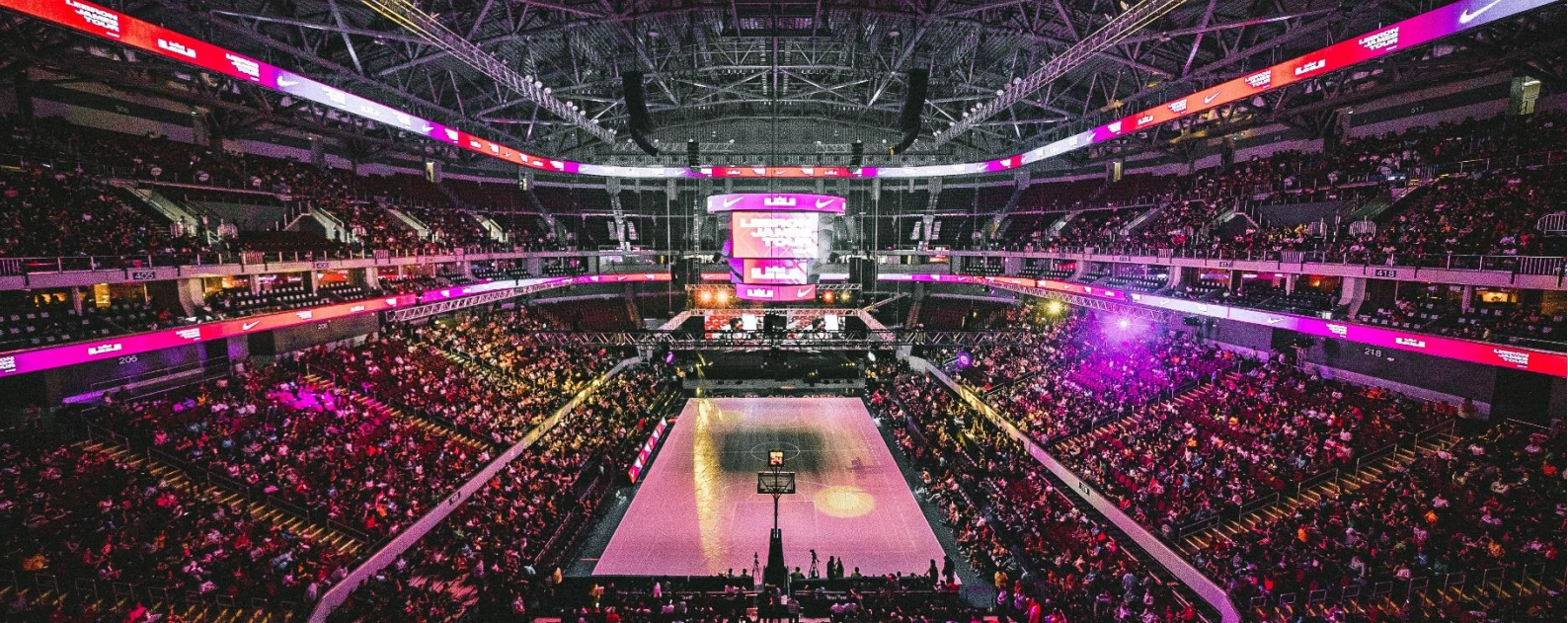
At the end of the period, the Parent Company held a total of 4,340,000 of its own Class B shares, at an average acquisition cost of SEK 6.42 per share with a par value of SEK 0.04 per share. The shares are held as treasury/own shares. The parent company has the right to reissue these shares at a later date.

The Company has two active warrant programs (LTI 2022 in series 1 and 2) with a total of 1,805,000 warrants. When calculating earnings per share, a dilution effect arises when the average price for the period exceeds the exercise price for the warrants. For more information about the programs and the accounting principles, see Note 7 on pages 84-85 in the 2023 Annual Report.

All shares issued by the parent company were fully paid.

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after the end of the reporting period.



## THIS IS NET INSIGHT

For over 25 years, Net Insight has provided innovative solutions for efficient and reliable real-time transport of media content to customers worldwide. Net Insight develops and sells high-quality solutions primarily for live sports as well as entertainment and news reporting. The company has also established itself as a provider of time synchronization within 5G and other critical networks. Net Insight continues to push the boundaries of what is possible in both media and time synchronization, always with the customer's needs in focus.

### Business model

With the Media product area, Net Insight delivers innovative and flexible solutions for high-quality, secure and cost-effective transport of live media. Revenue is generated through the sale of hardware, licensing of software as well as subscriptions and support agreements to four main customer groups (see "Customers" below). Sales are conducted through direct sales and through close partnerships with resellers and integrators worldwide, always with the customer's unique needs and long-term relationships in focus. Significant emphasis is placed on research and development to offer market-leading technology solutions for media networks. The Time synchronization product area enables a cost-effective, safer and faster rollout of 5G networks and other critical networks. Revenue is generated through the sale of hardware and software solutions as well as services.

### Customers

Within Media, Net Insight targets service providers, broadcasters, production companies and rights holders. In the Time synchronization business customers include telecom operators and service providers of 5G networks that use Time Division Duplex (TDD) for data transmission, critical infrastructure networks and organizations in need of reliable time and positioning services as well as major utility companies and power grids.

### For more information, please contact

Crister Fritzson, CEO, Net Insight AB (publ)  
 Phone: +46 (0)8-685 04 00  
 Email: [crister.fritzson@netinsight.net](mailto:crister.fritzson@netinsight.net)

Cecilia Höjgård Höök, CFO, Net Insight AB (publ)  
 Phone: +46 (0)8-685 04 00  
 Email: [investor.relations@netinsight.net](mailto:investor.relations@netinsight.net)

### Strategy

Net Insight's strategy aims for long-term sustainable growth and includes establishing an internal foundation, developing core operations, and expanding into adjacent technology and market segments. This involves increasing sales within existing and new customer segments, a larger share of recurring license revenue, and a focus on time synchronization.

The following strategic areas provide insight into how Net Insight plans to navigate a rapidly changing technology industry.

- Growth in existing customer relationships
- Strengthened market position in IP and Cloud
- Expanded operations within the new customer segment – rights holders
- Product consolidation and targeted R&D investment
- Recruitment and integration within the synchronization team
- Enhanced global presence regarding time synchronization
- Strengthened leadership and culture along with clear values

### Reporting dates

Year-end report January – December 2024	February 19, 2025
Interim report January – March 2025	April 29, 2025
Interim report January – June 2025	July 18, 2025
Interim report January – September 2025	November 6, 2025

Solna, Sweden, November 7, 2024

Crister Fritzson  
 CEO

This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish interim report and the English translation the former shall have precedence.

Net Insight AB (publ), corp.id.no. 556533-4397  
 Box 1200, 171 23 Solna, Sweden  
 Phone: +46 (0)8 – 685 04 00  
[www.netinsight.net](http://www.netinsight.net)

This information is information that Net Insight AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 7:30 am CET on November 7, 2024.

# REVIEW REPORT

## Introduction

We have reviewed the condensed interim financial information (interim report) of Net Insight AB (publ.) as of September 30, 2024, and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm November 7, 2024  
KPMG AB

Henrik Lind  
Authorized Public Accountant

Translation from the Swedish original

## FINANCIAL INFORMATION

SEK millions (if not defined differently)	Jul-Sep		Jan-Sep		Oct 2023-	Jan-Dec
	2024	2023	2024	2023	Sep 2024	2023
<b>Earnings</b>						
Net sales	155.9	144.0	474.5	396.9	636.9	559.4
Gross earnings	91.2	86.0	291.3	239.2	393.9	341.8
Operating expenses	68.3	64.7	218.8	194.0	291.2	266.4
Total development expenditure	30.5	31.2	109.1	105.3	149.0	145.2
EBITDA	46.6	38.2	131.9	96.3	178.1	142.5
EBITDAC	26.2	19.3	59.0	27.4	80.7	49.1
Operating earnings	24.7	19.6	73.7	41.5	103.1	70.9
Profit before tax	21.6	20.7	78.3	48.4	107.2	77.4
Net income	17.1	16.2	61.7	37.5	84.3	60.1
<b>Balance sheet and cash flow</b>						
Cash and cash equivalents	240.2	262.7	240.2	262.7	240.2	266.4
Working capital	133.2	121.9	123.1	114.4	123.3	113.6
Total cash flow	4.9	-3.6	-26.3	-45.9	-22.1	-41.7
<b>The share</b>						
Dividend per share, SEK	-	-	-	-	-	-
Earnings per share, basic, SEK	0.05	0.05	0.18	0.11	0.24	0.17
Earnings per share, diluted, SEK	0.05	0.05	0.18	0.10	0.24	0.17
Cash flow per share, basic, SEK	0.01	-0.01	-0.08	-0.13	-0.06	-0.12
Cash flow per share, diluted, SEK	0.01	-0.01	-0.08	-0.13	-0.06	-0.12
Equity per share basic, SEK	1.87	1.73	1.86	1.73	1.87	1.76
Equity per share diluted, SEK	1.86	1.72	1.85	1.71	1.86	1.74
Average number of outstanding shares basic, thousands	345,907	354,149	347,520	355,360	348,414	354,266
Average number of outstanding shares diluted, thousands	347,687	356,069	349,288	359,847	350,007	357,309
Number of outstanding shares at the end of the period, basic, thousands	343,903	352,006	343,903	352,006	343,903	349,668
Number of outstanding shares at the end of the period, diluted, thousands	345,708	352,901	345,708	352,901	345,708	351,423
Share price at end of period, SEK	7.67	4.16	7.67	4.16	7.67	5.20
<b>Employees and consultants</b>						
Average number of employees and consultants	200	194	198	190	197	191
<b>KPI</b>						
Net sales YoY, change in %	8.3%	10.5%	19.5%	13.4%	22.0%	17.7%
Gross margin	58.5%	59.7%	61.4%	60.3%	61.8%	61.1%
Total development expenditure/Net sales	19.6%	21.7%	23.0%	26.5%	23.4%	26.0%
Operating margin	15.9%	13.6%	15.5%	10.4%	16.2%	12.7%
EBITDA margin	29.9%	26.5%	27.8%	24.3%	28.0%	25.5%
EBITDAC margin	16.8%	13.4%	12.4%	6.9%	12.7%	8.8%
Net margin	10.9%	11.2%	13.0%	9.4%	13.2%	10.7%
Return on capital employed	12.2%	6.6%	12.3%	6.6%	12.4%	8.0%
Equity/asset ratio	76.9%	73.1%	76.9%	73.1%	76.9%	74.2%
Return on equity	13.3%	7.7%	13.3%	7.7%	13.3%	9.8%

## ALTERNATIVE PERFORMANCE MEASURES AND OTHER DEFINITIONS

Non-IFRS financial measures are presented to enhance investors and management possibility to evaluate the ongoing operating results, to aid in forecasting future periods and to facilitate meaningful comparison of result between periods. The APMs in this report may differ from similar-titled measures used by other companies. The section has also been supplemented with some other definitions.

Any key figures in text, diagrams or tables that include periods earlier than 1 April 2021, refer to continued operations, i.e. excluding the effect from divested operations. For more information, see interim reports and annual report for 2022.

### Calculation of performance measures not included in IFRS framework, and some other definitions.

Performance measures	Various types of performance measures and margin measures as a percentage of sales.	
Non-IFRS performance measures	Description	Reason for use of the measure
Gross margin	Gross earnings as a percentage of net sales.	The gross margin is of major importance, showing the margin for covering the operating expenses., supplemented by the margin to cover the operating expenses as well as the cost of amortization of capitalized development expenditures.
Gross margin excl. amortization of capitalized development	Gross earnings excl. amortization of capitalized development as a percentage of net sales.	
Operating expenses	Sales and marketing expenses, administration expenses and development expenses.	Shows the company's total operating expenses. Putting them in relation to net sales shows the company's cost efficiency.
Operating expenses/net sales	Operating expenses as a percentage of net sales.	
Operating earnings (EBIT)	Calculated as operating earnings before financial items and tax.	Operating earnings provides an overall picture of earnings generated in the operating activities.
Operating margin (EBIT%)	Operating earnings as a percentage of net sales.	The operating margin is a key measure together with sales growth and capital employed for monitoring value creation.
Net sales YoY, change in %	The relation between net sales for the period and the corresponding sales for the comparative period in previous year.	The sales growth is a key measure together with operating margin and capital employed for monitoring value creation.
Change in Net sales in comparable currencies	The relation between the net sales for the period, recalculated using the foreign currency exchange rates from the comparative period, and the corresponding sales for the comparative period in previous year. Only sales from business combinations that has been part of the Group for the whole comparative period are recalculated.	This measure is of major importance for management in its monitoring of underlying sales growth driven by changes in volume, price and product mix for comparable exchange rates between different periods.
Net margin	Net Income as a percentage of net sales.	The net margin shows the remaining share of net sales after all the company's costs have been deducted.
Total development (R&D) expenditure	Development expenses and capitalized expenditures for development.	The measure is a good complement to development expenses, as it shows the company's total expenditure in development. The development expenditures effect on income, financial position, and presentation in the statement of cashflow is affected by the periods level of capitalized development expenditures.
Capitalization rate	Capitalized development expenditures as a percentage of total development expenditures.	
Total development (R&D) expenditure/net sales	Total development expenditure as percentage of net sales.	
EBITDA	Operating earnings before depreciation and amortization.	Complementing EBITDA with EBITDAC, where capitalized development expenditures are reversed, provides a good complement to operating earnings and margin as it, simplified, shows the earnings-generated cash flow in the operation and it shows operating earnings without influence of variations in the level of capitalized development expenditures in the company's development projects.
EBITDAC	Operating earnings before depreciation and amortization and capitalization of development expenditure. The performance measure EBITDA-2 has, in 2023, changed its conceptual name to EBITDAC, the definition is unchanged.	
EBITDA & EBITAC margin	EBITDA & EBITDAC as a percentage of net sales.	
Regions	Definition of regions for designation of revenue: <ul style="list-style-type: none"> <li>• EMEA – Europe, the Middle East and Africa.</li> <li>• Americas (AM) - North and South America.</li> <li>• APAC – Asia and Pacific.</li> </ul>	Definition of regions for designation of revenue.



Change in net sales in comparable currencies SEK millions (if not defined differently)	Jul-Sep		Jan-Sep		Oct 2023- Sep 2024	Jan-Dec 2023
	2024	2023	2024	2023		
Net sales	155.9	144.0	474.5	396.9		559.4
Net currency effect of comparable currencies	5.5	-6.0	4.7	-21.5		-23.9
<b>Net sales in comparable currencies</b>	<b>161.4</b>	<b>137.9</b>	<b>479.2</b>	<b>375.4</b>		<b>535.5</b>

**Change in net sales in comparable currencies** 12.1% 5.9% 20.7% 7.2% 12.7%

KPI Income Statement SEK millions (if not defined differently)	Jul-Sep		Jan-Sep		Oct 2023- Sep 2024	Jan-Dec 2023
	2024	2023	2024	2023		
Net sales	155.9	144.0	474.5	396.9	636.9	559.4
Net sales YoY, change in %	8.3%	10.5%	19.5%	13.4%	22.0%	17.7%
Cost of sales ex. amortization of capitalized development	-46.9	-43.6	-137.3	-115.4	-184.3	-162.4
<b>Gross earnings ex. amortization of capitalized development</b>	<b>109.0</b>	<b>100.4</b>	<b>337.2</b>	<b>281.5</b>	<b>452.7</b>	<b>396.9</b>
Gross margin ex. amortization of capitalized development	69.9%	69.7%	71.1%	70.9%	71.1%	71.0%
development	-17.8	-14.4	-45.9	-42.2	-58.8	-55.1
<b>Gross earnings</b>	<b>91.2</b>	<b>86.0</b>	<b>291.3</b>	<b>239.2</b>	<b>393.9</b>	<b>341.8</b>
Gross margin	58.5%	59.7%	61.4%	60.3%	61.8%	61.1%
Sales and marketing expenses	-40.4	-37.8	-129.6	-111.8	-169.9	-152.1
Administration expenses	-17.8	-14.5	-53.0	-45.8	-69.6	-62.4
Development expenses	-10.1	-12.3	-36.3	-36.4	-51.7	-51.8
<b>Operating expenses</b>	<b>-68.3</b>	<b>-64.7</b>	<b>-218.8</b>	<b>-194.0</b>	<b>-291.2</b>	<b>-266.4</b>
Operating expenses/net sales	43.8%	44.9%	46.1%	48.9%	-45.7%	47.6%
Other operating income and expenses	1.8	-1.8	1.2	-3.7	0.4	-4.5
<b>Operating earnings</b>	<b>24.7</b>	<b>19.6</b>	<b>73.7</b>	<b>41.5</b>	<b>103.1</b>	<b>70.9</b>
Operating margin	15.9%	13.6%	15.5%	10.4%	16.2%	12.7%
Net financial items	-3.1	1.1	4.6	6.9	4.1	6.5
<b>Profit before tax</b>	<b>21.6</b>	<b>20.7</b>	<b>78.3</b>	<b>48.4</b>	<b>107.2</b>	<b>77.4</b>
Tax	-4.6	-4.5	-16.6	-10.9	-23.0	-17.3
<b>Net income</b>	<b>17.1</b>	<b>16.2</b>	<b>61.7</b>	<b>37.5</b>	<b>84.3</b>	<b>60.1</b>
Net margin	10.9%	11.2%	13.0%	9.4%	13.2%	10.7%

EBITDA margin SEK millions (if not defined differently)	Jul-Sep		Jan-Sep		Oct 2023- Sep 2024	Jan-Dec 2023
	2024	2023	2024	2023		
Net sales	155.9	144.0	474.5	396.9	636.9	559.4
Operating earnings	24.7	19.6	73.7	41.5	103.1	70.9
Amortization of capitalized development expenditure	17.8	14.4	45.9	42.2	58.8	55.1
Other depreciation & amortization	4.0	4.2	12.3	12.6	16.1	16.5
<b>EBITDA</b>	<b>46.6</b>	<b>38.2</b>	<b>131.9</b>	<b>96.3</b>	<b>178.1</b>	<b>142.5</b>
<b>EBITDA margin</b>	<b>29.9%</b>	<b>26.5%</b>	<b>27.8%</b>	<b>24.3%</b>	<b>28.0%</b>	<b>25.5%</b>
Capitalization of development expenditure	-20.4	-18.8	-72.8	-68.9	-97.3	-93.4
<b>EBITDAC</b>	<b>26.2</b>	<b>19.3</b>	<b>59.0</b>	<b>27.4</b>	<b>80.7</b>	<b>49.1</b>
<b>EBITDAC margin</b>	<b>16.8%</b>	<b>13.4%</b>	<b>12.4%</b>	<b>6.9%</b>	<b>12.7%</b>	<b>8.8%</b>

Development expenditure SEK millions (if not defined differently)	Jul-Sep		Jan-Sep		Oct 2023- Sep 2024	Jan-Dec 2023
	2024	2023	2024	2023		
Development expenses	10.1	12.3	36.3	36.4	51.7	51.8
Capitalization of development expenditure	20.4	18.8	72.8	68.9	97.3	93.4
<b>Total development expenditure</b>	<b>30.5</b>	<b>31.2</b>	<b>109.1</b>	<b>105.3</b>	<b>149.0</b>	<b>145.2</b>
Capitalization rate	67.0%	60.4%	66.8%	65.4%	65.3%	64.3%
Net Sales	155.9	144.0	474.5	396.9	636.9	559.4
<b>Total development expenditure/net sales</b>	<b>19.6%</b>	<b>21.7%</b>	<b>23.0%</b>	<b>26.5%</b>	<b>23.4%</b>	<b>26.0%</b>

**CAPITAL AND RETURN MEASURES**

SHOWS HOW CAPITAL IS UTILIZED AND THE COMPANY'S FINANCIAL STRENGTH. RETURN IS A FINANCIAL TERM THAT DESCRIBES HOW MUCH THE VALUE OF AN ASSET CHANGES FROM AN EARLIER POINT IN TIME.

**Non-IFRS performance measure**

Non-IFRS performance measure	Description	Reason for use of the measure
<b>Working capital</b>	Current assets less cash and cash equivalents, accounts payable and other interest-free current liabilities. The Company has no interest-bearing liabilities, excluding lease liabilities. Changes in working capital in the cash flow statement also includes adjustments for items not affecting liquidity and changes in non-current operating assets and liabilities.	This measure shows how much working capital that is tied up in the operations and can be put in relation to sales to understand how effectively tied up working capital is used.
<b>Capital employed</b>	The Company capital employed is calculated as an average of total assets, less total liabilities, excluding interest-bearing liabilities. The Company has no interest-bearing liabilities, excluding lease liabilities.	Return on capital employed is the central ratio for measuring the return on the capital tied up in operations.
<b>Return on capital employed</b>	Operating earnings plus interest income, in relation to average capital employed, rolling four quarters.	
<b>Equity/asset ratio</b>	Shareholders' equity divided by the balance sheet total.	A traditional measure for showing financial risk, expressing the ratio of the assets that is financed by the owners.
<b>Return on equity</b>	Net income as a percentage of average shareholders' equity, rolling four quarters (R4Q).	Return on equity shows the total return on shareholders' capital and reflects the effect of the company's profitability as well as the financial leverage.
<b>Investments</b>	Investments in intangible and tangible assets.	
<b>Total cash flow</b>	Change in cash and cash equivalents during the period, excluding exchange differences in cash and cash equivalents.	Definitions to rows in the cash flow statement.

<b>Working capital</b> <b>SEK millions</b>	<b>Jul-Sep</b>		<b>Jan-Sep</b>		<b>Oct 2023-</b>	<b>Jan-Dec</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>Sep 2024</b>	<b>2023</b>
Current assets	525.6	533.9	521.5	537.6	522.7	533.5
Cash and cash equivalents	-237.9	-264.5	-248.5	-278.9	-251.3	-276.4
No interest-bearing short term liabilities	-154.5	-147.5	-149.9	-144.2	-148.1	-143.5
<b>Working capital</b>	<b>133.2</b>	<b>121.9</b>	<b>123.1</b>	<b>114.4</b>	<b>123.3</b>	<b>113.6</b>

<b>Return on capital employed</b> <b>SEK millions (if not defined differently)</b>	<b>Jul-Sep</b>		<b>Jan-Sep</b>		<b>Oct 2023-</b>	<b>Jan-Dec</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>Sep 2024</b>	<b>2023</b>
<b>Capital employed</b>						
Total balance	863.6	844.6	854.8	842.4	851.7	841.6
No interest-bearing liabilities	-195.3	-203.8	-196.5	-203.9	-197.1	-201.0
<b>Capital employed</b>	<b>668.3</b>	<b>640.8</b>	<b>658.4</b>	<b>638.5</b>	<b>654.6</b>	<b>640.6</b>
<b>Operating earnings less interest income R4Q</b>						
Operating earnings R4Q	103.1	54.7	103.1	54.7	103.1	70.9
Interest income R4Q	21.9	12.6	21.9	12.6	21.9	19.6
<b>Operating earnings less interest income R4Q</b>	<b>81.2</b>	<b>42.1</b>	<b>81.2</b>	<b>42.1</b>	<b>81.2</b>	<b>51.3</b>
<b>Return on capital employed</b>	<b>12.2%</b>	<b>6.6%</b>	<b>12.3%</b>	<b>6.6%</b>	<b>12.4%</b>	<b>8.0%</b>

<b>Equity/asset ratio</b> <b>SEK millions (if not defined differently)</b>	<b>Jul-Sep</b>		<b>Jan-Sep</b>		<b>Oct 2023-</b>	<b>Jan-Dec</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>Sep 2024</b>	<b>2023</b>
Equity	647.8	613.8	647.8	613.8	647.8	622.2
Total equity and liabilities	842.9	839.2	842.9	839.2	842.9	838.4
<b>Equity/asset ratio</b>	<b>76.9%</b>	<b>73.1%</b>	<b>76.9%</b>	<b>73.1%</b>	<b>76.9%</b>	<b>74.2%</b>

Return on equity SEK millions (if not defined differently)	Jul-Sep		Jan-Sep		Oct 2023-	Jan-Dec
	2024	2023	2024	2023	Sep 2024	2023
Net income - R4Q	84.3	47.4	84.3	47.4	84.3	60.1
Average equity - R4Q	633.4	611.8	633.4	611.8	633.4	612.4
<b>Return on equity</b>	<b>13.3%</b>	<b>7.7%</b>	<b>13.3%</b>	<b>7.7%</b>	<b>13.3%</b>	<b>9.8%</b>

SHAREHOLDERS' INFORMATION		MEASURES RELATED TO THE SHARE.	
Non-IFRS performance measure	Description	Reason for use of the measure	
Average number of outstanding shares	Total number of shares in the Parent company, less the number of group companies' holdings of shares in the Parent company (own/treasury shares).	Definitions of IFRS performance measures. Measures showing the return of the business to the owners, per share.	
Dividend per share	Dividend divided by the average number of outstanding shares during the period.		
Earnings per share (EPS)	Net income divided by the average number of outstanding shares during the period.		
Cash flow per share	Total cash flow, divided by average number of outstanding shares during the period.	Measures showing the return of the business to the owners, per share.	
Equity per share	Shareholders' equity divided by number of outstanding shares at the end of the period.		

Employees		Measures related to employees.	
Non-IFRS performance measure	Description	Reason for use of the measure	
Average number of employees and consultants/co-workers	The average number of employees and consultants for non-temporary positions (longer than nine months) and who do not replace absent employees, in FTE (Full-time equivalent).	To supplement the number of employees with consultants gives a better measure of the Company's cost.	

Average number of employees and consultants	Jul-Sep		Jan-Sep		Oct 2023-	Jan-Dec
	2024	2023	2024	2023	Sep 2024	2023
Average number of employees	152	148	151	144	151	146
Average number of consultants	48	46	47	46	46	45
<b>Total average number of employees and consultants</b>	<b>200</b>	<b>194</b>	<b>198</b>	<b>190</b>	<b>197</b>	<b>191</b>

## MATERIAL PROFIT AND LOSS ITEMS

The group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the group:

Material profit and loss items		Jul-Sep		Jan-Sep		Oct 2023-	Jan-Dec
SEK millions	Note	2024	2023	2024	2023	Sep 2024	2023
<b>Exchange rate differences</b>							
Part of Other operating income & expenses		1.8	-1.9	1.2	-4.9	0.3	-5.8
Part of Net Financial Items		-5.3	-0.7	-2.9	1.5	-5.1	-0.8
<b>Total Exchange rate differences</b>		<b>-3.5</b>	<b>-2.6</b>	<b>-1.7</b>	<b>-3.4</b>	<b>-4.8</b>	<b>-6.5</b>
<b>Items affecting comparability</b>							
Restructuring	(a)	-	-	-2.5	-	-2.5	-
Government grants electricity support, other operating income		-	-	-	0.6	-	0.6
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-2.5</b>	<b>0.6</b>	<b>-2.5</b>	<b>0.6</b>
<b>Operating earnings excluding items affecting comparability</b>							
Operating earnings		24.7	19.6	73.7	41.5	103.1	70.9
Items affecting comparability, as per above		-	-	2.5	-0.6	2.5	-0.6
<b>Total</b>		<b>24.7</b>	<b>19.6</b>	<b>76.2</b>	<b>40.9</b>	<b>105.6</b>	<b>70.3</b>
<b>Operating earnings excluding exchange rate differences</b>							
Operating earnings		24.7	19.6	73.7	41.5	103.1	70.9
Exchange rate differences, as per above		-1.8	1.9	-1.2	4.9	-0.3	5.8
<b>Total</b>		<b>22.9</b>	<b>21.5</b>	<b>72.5</b>	<b>46.3</b>	<b>102.8</b>	<b>76.7</b>
<b>Operating earnings excluding exchange rate differences &amp; items affecting comparability</b>							
Operating earnings		24.7	19.6	73.7	41.5	103.1	70.9
Exchange rate differences, as per above		-1.8	1.9	-1.2	4.9	-0.3	5.8
Items affecting comparability, as per above		-	-	2.5	-0.6	2.5	-0.6
<b>Total</b>		<b>22.9</b>	<b>21.5</b>	<b>74.9</b>	<b>45.8</b>	<b>105.3</b>	<b>76.1</b>
<b>Cash flow excluding share-base transactions</b>							
Net change in cash and cash equivalents	(b)	4.9	-3.6	-26.3	-45.9	-22.1	-41.7
Repurchase of own shares		22.8	22.1	36.1	35.2	51.2	50.4
Exercised warrants		-	-5.7	-	-6.0	-1.8	-7.8
<b>Total</b>		<b>27.7</b>	<b>12.7</b>	<b>9.8</b>	<b>-16.7</b>	<b>27.4</b>	<b>0.9</b>

All items in the table above effects operating earnings, except for (b) that affects cash flow.

(a) Severance pay in due to structural changes.

(b) Presenting the cash flow without effects from the repurchase program of own shares and exercised warrants provides a better understanding and comparison of the underlying operations' cash flow.



Net Insight AB (publ), corp.id.no. 556533-4397

Telephone: +46 (0)8 685 04 00, [info@netinsight.net](mailto:info@netinsight.net), [www.netinsight.net](http://www.netinsight.net)

The information presented in this document may be subject to change without notice.  
For further information on product status and availability, please contact [info@netinsight.net](mailto:info@netinsight.net) or visit [www.netinsight.net](http://www.netinsight.net) ©Copyright 2024. Net Insight AB (publ), Sweden.  
All rights reserved. Net Insight and Nimbra are trademarks of Net Insight AB, Sweden.  
All other registered trademarks are the property of their respective owners.

