

INTERIM REPORT

JANUARY – MARCH 2024



January – March 2024

- Net sales amounted to SEK 142.5 (126.6) million, an increase of 12.5% year-on-year. In comparable currencies net sales increased by 12.0%.
- Operating earnings amounted to SEK 10.6 (12.0) million, corresponding to an operating margin of 7.4% (9.5%).
Excluding items affecting comparability and foreign exchange rate differences, operating earnings amounted to SEK 15.8 (13.3) million, corresponding to an operation margin of 11.1% (10.5%).
- Net income for the period amounted to SEK 14.2 (10.4) million, corresponding to a net margin of 9.9% (8.2%).
- Earnings per share diluted was SEK 0.04 (0.03).
- Total cash-flow was SEK -15.1 (-29.9) million. Cash-flow, excluding share-related transactions, was SEK -6.9 (-21.4) million.

Q1 in brief

- 14th consecutive quarter of growth
- Strategic customer wins have contributed to a strong quarter
- Expanded cloud offering for media
- Deliveries of Zyntai to current and new customers

FINANCIAL HIGHLIGHTS

SEK millions	Jan-Mar		Change	Apr 2023-	Jan-Dec	Change
	2024	2023		Mar 2024	2023	
Net sales	142.5	126.6	12.5%	575.2	559.4	2.8%
Operating earnings	10.6	12.0	-11.5%	69.5	70.9	-2.0%
Operating margin	7.4%	9.5%		12.1%	12.7%	
EBITDA	26.4	29.6	-10.7%	139.3	142.5	-2.2%
EBITDA margin	18.6%	23.4%		24.2%	25.5%	
EBITDAC	-2.2	4.9		42.0	49.1	-14.6%
EBITDAC margin	-1.6%	3.9%		7.3%	8.8%	
Net Income	14.2	10.4	35.6%	63.8	60.1	6.2%
Net margin	9.9%	8.2%		11.1%	10.7%	
Total cash flow	-15.1	-29.9		-26.9	-41.7	

For definitions and calculation of KPI's, see pages 13-18.

CEO statement

Strong start to 2024

Net Insight had a strong start to 2024 by winning several strategic customers, which shows that the efforts we have made to strengthen our product portfolio have been successful. We are well positioned to capture business opportunities in the growth areas created within IP and cloud as the industry transitions to new formats and production methods. The rollout of our new synchronization product, Zyntai, to existing and new customers is on track.

Strengthened market position in media

The first quarter of the year has been largely about realizing opportunities while laying the foundation for future profitable growth. I am delighted to see so many of our existing customers expanding their engagement with us, while we have also welcomed new strategic customers, two of whom are based in APAC region. The choice to partner with Net Insight was made after extensive testing and comparisons with competing products, which is an indication of our strength in this strategically important market. Additionally, we have initiated a collaboration with our partner DMC Production for remote production of the Danish football leagues. The Americas continues to exhibit caution, but we see some positive signals.

Our customers' lifecycle typically starts with an initial hardware installation, which yields a lower margin than the software products delivered as customers upgrade to increase capacity or require new services. In addition, there are support and licensing revenues. The gross margin for this quarter therefore is within the range of fluctuations seen in previous years, varying from quarter to quarter based on the mix of products ordered.

Continued growth

Net Insight continued its journey of growth. The revenue for the quarter amounted to SEK 142.5 million, which is 12.5% higher than that of the same period last year. The reported operating result amounted to SEK 10.6 (12.0) million, while the operating result, adjusted for items affecting comparability and currency differences, amounted to SEK 15.8 (13.3) million.

Product launches

Our focus is to meet the increasing demand for cloud-based services in existing as well as new markets. We recently launched our new cloud product, Nimbra Connect iT, thereby expanding our cloud portfolio where we integrate IP, cloud, and internet to offer customized solutions for media.

At the Mobile World Congress 2024, we conducted a commercial launch of our time synchronization solution Zyntai, which was well received and led to many business-driving customer meetings.

Zyntai has been developed and launched as planned, and during the quarter we have increased deliveries to several of our existing and new customers. Furthermore, we have won a new customer, Three Denmark. Our initiatives at the end of last year in APAC region, have resulted in several ongoing PoC:s, and we have expanded our presence, particularly in India.

At the end of the quarter, the order book for our time synchronization offering, Zyntai, remained approximately at the same level as at year-end, around SEK 195 million.

I am convinced that our strong start in the year provides a foundation for continued positive development. The investments we have made over the past few years have positioned Net Insight at the forefront of new technology, with a broad offering that is driving our growth today.

Crister Fritzson, CEO

Solna, April 23, 2024



REVENUES

January-March

Net sales in the fourth quarter of 2024 were SEK 142.5 (126.6) million, an increase of 12.5%. Adjusted for currency effects, in comparable currencies, net sales increased by 12.0%.

The long uninterrupted growth trend (14th consecutive quarter of growth) 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. Growth in the media business in the first quarter amounted to 12.0% year-on-year compared to the same period last year. Revenues from time synchronization for 5G and critical networks amounted to SEK 10.2 million in the quarter, compared to SEK 8.5 million 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 quarter amounted to approximately SEK 195 million, which is in line with the end of 2023.

The company is not driven by clear seasonal variations, but there are some fluctuations between quarters driven by the size of the deals and varying product mix. to the concentration of larger deals in certain quarters.

EARNINGS

January-March

Gross profit for the first quarter amounted to SEK 85.5 (74.8) million, an increase of 14.3%, primarily driven by increased revenues. Gross profit included amortization of capitalized development expenditure of SEK -11.7 (-13.5) million. Gross margin, excluding and including, amortization of capitalized development expenditure was 68.3% (69.7%) and 60.0% (59.1%) respectively. The lower gross margin, excluding depreciation on capitalized development expenditures, compared to the previous year is attributable to product mix, where new customers made initial investments in infrastructure, i.e. primarily hardware (see also the CEO's statement above and a more detailed description of the business model in the Annual Report for 2023 page 21).

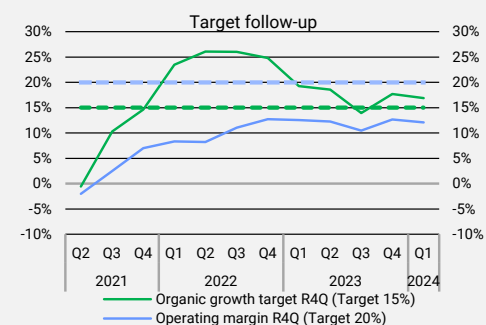
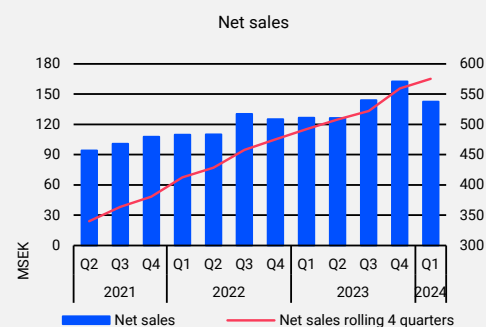
Operating expenses in the first quarter amounted to SEK -72.2 (-61.8) million, an increase of 16.8% year-on-year. The increase is attributable to a strengthening of the organization (primarily in time synchronization) as well as one-time restructuring costs affecting comparability.

Sales and marketing expenses were SEK -41.3 (-35.5) million, where the increase was primarily driven by the strengthening of the sync-organization as well as investments in cloud and IP expertise. Administration expenses were SEK -17.4 (-15.0) million. Adjusted for project costs and accounting revaluations of endowment insurance, the company's administrative expenses are basically at the same level as the corresponding quarter last year. Development expenses were SEK -13.5 (-11.2). Adjusted for one-time restructuring costs affecting comparability of -2.5 MSEK relating to, what long term will be a profitable move of certain development from Camarillo in California to Stockholm, the underlying operations reflect costs of -11.0 MSEK (-11.2). At the same time, total development expenditures, i.e. before capitalizations, amounted to -42.2 MSEK (-35.9), where approximately half of the increase, excluding restructuring costs, is attributable to component purchases.

Other operating income and expenses were SEK -2.7 (-1.0) million, of which currency exchange rate differences account for SEK -2.7 (-1.3) million.

Operating earnings amounted to SEK 10.6 (12.0) million, corresponding to an operating margin of 7.4% (9.5%). Excluding items affecting comparability of SEK -2.5 (-) million and exchange rate differences of SEK -2.7 (-1.3) million, operating earnings were SEK 15.8 (13.3) million, corresponding to an operation margin of 11.1% (10.5%). For more information, see the table "Material profit and loss items" on page 18.

EBITDA and EBITDAC (EBITDA including reversal of capitalization of development expenditures) amounted to SEK 26.4 (29.6) million and SEK -2.2 (4.9) million, respectively, corresponding to an EBITDA margin of 18.6% (23.4%) and an EBITDAC margin of -1.6% (3.9%). Increased investments in time synchronization in the development and sales organization, along with costs for relocating certain development activities from the US to Sweden have negatively impacted EBITDAC. The capitalization of development expenditures increased to SEK -28.7 million from SEK -24.7 million in the corresponding period last year, and while the reported operating profit fell by SEK -1.4 million from SEK 12.0 million in the first quarter of



Financial targets 2023-2027:

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

2023 to SEK 10.6 million, of which SEK-2.5 million is attributable to the restructuring within development.

In the first quarter, net financial items amounted to SEK 7.4 (1.5) million, of which foreign exchange rate differences of SEK 5.3 (-0.0) million and net interest income of SEK 2.0 (1.5) million.

Profit before tax was SEK 18.0 (13.4) million, and net income was SEK 14.2 (10.4) million, corresponding to a net margin of 9.9% (8.2%).

Key Ratios	Jan-Mar		Apr 2023-	Jan-Dec
	2024	2023	Mar 2024	2023
Net sales, SEK millions	142.5	126.6	575.2	559.4
Net sales YoY, change in %	12.5%	15.4%	16.9%	17.7%
Gross earnings	85.5	74.8	352.5	341.8
Gross margin	60.0%	59.1%	61.3%	61.1%
Operating earnings	10.6	12.0	69.5	70.9
Operating margin	7.4%	9.5%	12.1%	12.7%
EBITDA	26.4	29.6	139.3	142.5
EBITDA margin	18.6%	23.4%	24.2%	25.5%
EBITDAC	-2.2	4.9	42.0	49.1
EBITDAC margin	-1.6%	3.9%	7.3%	8.8%

INVESTMENTS

The investments in the first quarter were SEK 29.6 (26.2) million, of which SEK 28.7 (24.7) million were related to capitalization of expenditure for development. The increase in capitalized development expenditure relates to the investment in time synchronization.

Depreciation and amortization in the first quarter amounted to SEK -15.8 (-17.6) million, of which SEK -11.7 (-13.5) million related to amortization of capitalized expenditure for development. The decline in amortization, in combination with the increase in capitalized development expenditure, was driven by the completion status of development projects at the end of the quarter, combined with the timing of launches of fully developed products.

Net value of capitalized expenditure for development was SEK 253.4 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 first quarter amounted to SEK 25.4 (7.3) million. The improvement is primarily attributable to this year's changes in working capital, SEK 1.8 million compared to SEK -24.5 million the previous year. 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 -9.8 million compared to the previous year.

The total cash flow for the first quarter amounted to SEK -15.1 (-29.9). Excluding the cash impact from share-related transactions (repurchase of own shares, see page 18), the cash flow for the first quarter was SEK -6.9 (-21.4) million. Additional information about the buyback program can be found on page 11.

Cash and cash equivalents at the end of the period was SEK 251.7 million, compared to SEK 266.4 million as of 31 December 2023.

Equity at the end of the period was SEK 628.8 million, compared to SEK 622.2 million as of 31 December 2023. The equity/assets ratio was 73.7%, compared to 72.7% as of 31 December 2023. The decrease in equity corresponds to the value of share buybacks. For additional information, see the section "Contributed equity" on page 11.

EMPLOYEES

The average number of employees and consultants at Net Insight during the first quarter was 199 (187), of which 165 (150) in the Parent Company Net Insight AB (publ.). The increase is primarily attributable to the investment in time synchronization.

PARENT COMPANY

Net sales for the Parent Company amounted to SEK 142.5 (126.6) million in the first quarter, and net income to SEK 13.2 (9.8) million. Intra-group sales were SEK 0.0 (0.0) million during the quarter, while intra-group purchases were SEK -26.8 (-19.8) million.

Development of the Parent Company for the year and its financial position essentially followed that of the Group as presented above (excluding intra-group transactions).

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 main risks the company is primarily exposed to include market-related risks (including, but not limited to, competition, technological progress, and political risks), operational risks (including product liability, intellectual property, disputes, customer dependence and contract risks), as well as financial and sustainability-related risks.

The situation with component shortages that arose in connection with the pandemic has led to increased uncertainty in recent years. The company has taken several measures to manage the shortage situation, and since the half of 2023 a gradual improvement in the situation has been noted. The war in Ukraine, which began in the first quarter 2022, has brought increased uncertainty and risk related to operations and the implementation of events, primarily in Ukraine, Russia, and Belarus. However, the company's exposure to these markets is extremely limited, and compliance with the sanctions is therefore not expected to have any material impact on the company's operations, assets, or earnings. The ongoing conflict in the Middle East has generally increased uncertainty, and it is currently difficult to assess any potential impact this may have on, for example, the availability and prices of components. The company's direct exposure to this region, however, is limited.

The ongoing conflict in the Middle East has generally increased uncertainty, and it is currently difficult to assess any potential impact this may have on, for example, the availability and prices of components. The company's direct exposure to this region. However, the company's direct exposure to this region is limited.

Beyond the above, no additional significant risks and uncertainties, other than those reviewed in the Annual Report for 2023, have arisen, or are expected to arise during or are anticipated in 2024.

The risks and uncertainties 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	Jan-Mar		Apr 2023-	Jan-Dec
	2024	2023	Mar 2024	2023
Net sales	142,456	126,629	575,195	559,368
Cost of sales	-56,926	-51,830	-222,675	-217,579
Gross earnings	85,530	74,799	352,520	341,789
Sales and marketing expenses	-41,344	-35,533	-157,917	-152,106
Administration expenses	-17,375	-15,037	-64,769	-62,431
Development expenses	-13,479	-11,222	-54,072	-51,815
Other operating income and expenses	-2,728	-1,021	-6,252	-4,545
Operating earnings	10,604	11,987	69,509	70,892
Net financial items	7,380	1,453	12,413	6,486
Profit before tax	17,984	13,440	81,922	77,378
Tax	-3,820	-2,995	-18,101	-17,276
Net Income	14,164	10,445	63,821	60,102
Net income for the period attributable to the shareholders of the parent company	14,164	10,445	63,821	60,102

Earnings per share, based on net income attributable to the parent company's shareholders during the period	Jan-Mar		Apr 2023-	Jan-Dec
	2024	2023	Mar 2024	2023
Earnings per share				
-Basic, SEK	0.04	0.03	0.18	0.17
-Diluted, SEK	0.04	0.03	0.18	0.17
Average number of outstanding shares in thousands				
-Basic	345,717	356,312	350,744	353,291
-Diluted	347,472	361,122	353,176	356,334

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK thousands	Jan-Mar		Apr 2023-	Jan-Dec
	2024	2023	Mar 2024	2023
Net income	14,164	10,445	63,821	60,102
Other comprehensive income				
Translation differences	754	-63	323	-494
Total other comprehensive income, after tax	754	-63	323	-494
Total other comprehensive income for the period company	14,918	10,382	64,144	59,608

CONSOLIDATED BALANCE SHEET, IN SUMMARY

SEK thousands	31 Mar 2024	31 Dec 2023
ASSETS		
Non-current assets		
Capitalized expenditure for development	253,391	236,461
Goodwill	38,751	38,751
Other intangible assets	911	1,057
Right-of-use assets	22,309	24,844
Equipment	12,348	12,687
Deferred tax asset	2,897	2,576
Deposits	5,134	5,123
Total non-current assets	335,741	321,499
Current assets		
Inventories	80,772	88,638
Accounts receivable	147,941	139,707
Other receivables	37,621	22,150
Cash and cash equivalents	251,651	266,404
Total current assets	517,985	516,899
TOTAL ASSETS	853,726	838,398
EQUITY AND LIABILITIES		
Equity attributable to parent company's shareholders		
Share capital	14,362	14,362
Other paid-in capital	1,200,443	1,200,443
Translation reserve	1,764	1,010
Accumulated deficit	-587,725	-593,656
Total shareholders' equity	628,844	622,159
Non-current liabilities		
Lease liabilities	9,557	12,185
Other liabilities	52,889	51,582
Total non-current liabilities	62,446	63,767
Current liabilities		
Lease liabilities	12,077	12,105
Accounts payable	35,905	38,130
Other liabilities	114,454	102,237
Total current liabilities	162,436	152,472
TOTAL EQUITY AND LIABILITIES	853,726	838,398

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
January 1, 2023	14,750	1,192,727	1,504	-603,892	605,089
Repurchase of own shares	-	-	-	-8,464	-8,464
Total comprehensive income	-	-	-63	10,445	10,382
March 31, 2023	14,750	1,192,727	1,441	-601,912	607,006
January 1, 2024	14,362	1,200,443	1,010	-593,656	622,159
Repurchase of own shares	-	-	-	-8,232	-8,232
Total comprehensive income	-	-	754	14,164	14,918
March 31, 2024	14,362	1,200,443	1,764	-587,725	628,844

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK thousands	Jan-Mar		Apr 2023-	Jan-Dec
	2024	2023	Mar 2024	2023
Operating activities				
Operating earnings	10,604	11,987	69,509	70,892
Depreciation, amortization & impairment	15,823	17,614	69,834	71,625
Other items not affecting liquidity	-266	720	9,897	10,883
Sub-total	26,161	30,321	149,240	153,400
Interest received	2,259	1,706	8,761	8,208
Interest paid	-223	-244	-939	-960
Other financial income and expenses	5,344	-9	4,591	-762
Income tax paid	-9,884	-11	-19,581	-9,708
Cash flow from operating activities before changes in working capital	23,657	31,763	142,072	150,178
Changes in working capital				
Increase-/decrease+ in inventories	7,350	-7,884	1,550	-13,684
Increase-/decrease+ in receivables	-21,242	-5,238	-20,994	-4,990
Increase+/decrease- in liabilities	15,680	-11,387	2,883	-24,184
Total changes in working capital	1,788	-24,509	-16,561	-42,858
Cash flow from operating activities	25,445	7,254	125,511	107,320
Investment activities				
Capitalized expenditure	-28,672	-24,678	-97,396	-93,402
Investment in intangible assets	-	-	-65	-65
Investment in tangible assets	-907	-1,475	-2,029	-2,597
Increase-/decrease+ in financial assets, net	-	-	-227	-227
Cash flow from investment activities	-29,579	-26,153	-99,717	-96,291
Financing activities				
Amortization leasing	-2,739	-2,513	-10,403	-10,177
Exercised warrants	-	-	7,838	7,838
Repurchase of own shares	-8,232	-8,464	-50,144	-50,376
Cash flow from financing activities	-10,971	-10,977	-52,709	-52,715
Net change in cash and cash equivalents	-15,105	-29,876	-26,915	-41,686
Exchange differences in cash and cash equivalents	352	8	87	-257
Cash and cash equivalents at the beginning of the period	266,404	308,347	278,479	308,347
Cash and cash equivalents at the end of the period	251,651	278,479	251,651	266,404

DISAGGREGATION OF REVENUE

SEK thousands	Jan-Mar		Apr 2023-	Jan-Dec
	2024	2023	Mar 2024	2023
Net sales by product group				
Hardware	57,020	53,850	236,619	233,449
Software licenses	46,995	32,926	180,375	166,306
Support and Services*	38,441	39,853	158,201	159,613
Total	142,456	126,629	575,195	559,368
Net sales by region				
EMEA	74,245	62,842	325,366	313,963
AM	29,081	32,966	154,629	158,514
APAC	39,130	30,821	95,199	86,890
Total	142,456	126,629	575,195	559,368
Timing of revenue recognition				
Products and services transferred at a point in time	99,587	83,903	400,478	384,793
Products and services transferred over time*	42,869	42,726	174,717	174,575
Total	142,456	126,629	575,195	559,368

*) Of which NRE fee; SEK 0.0 (7.1) million Jan-Mar; SEK 16.3 million Apr 2023-Mar 2024; SEK 23.4 million. Jan-Dec 2023.

FINANCIAL ASSETS AND LIABILITIES

Group's financial instruments by category - Assets	Mar 31, 2024			31 Dec 2023			
	SEK thousands	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
Assets in Balance Sheet							
Derivative instruments	2		-	2		682	
Accounts receivable and other receivables, excluding non-financial assets			161,158		148,828		
Cash and cash equivalents			251,651		266,404		
Total			412,809		415,232		682

Group's financial instruments by category - Liabilities	Mar 31, 2024			31 Dec 2023			
	SEK thousands	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
Liabilities in Balance Sheet							
Derivative instruments	2			2			-
Accounts payable and other liabilities, excluding non-financial liabilities			45,974		45,974		
Lease liabilities			21,634		24,290		
Total			67,608	4,207		70,264	-

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	Jan-Mar		Apr 2023-	Jan-Dec
	2024	2023	Mar 2024	2023
Net sales	142,456	126,629	575,195	559,368
Cost of sales	-57,055	-51,791	-222,583	-217,319
Gross earnings	85,401	74,838	352,612	342,049
Sales and marketing expenses	-42,466	-36,300	-162,333	-156,167
Administration expenses	-17,184	-15,019	-64,301	-62,136
Development expenses	-14,002	-11,698	-55,655	-53,351
Other income expenses	-2,728	-1,021	-6,470	-4,763
Operating earnings	9,021	10,801	63,852	65,632
Net financial items	7,587	1,717	13,304	7,434
Profit before tax	16,608	12,517	77,157	73,066
Tax	-3,449	-2,762	-16,803	-16,116
Net income	13,159	9,755	60,354	56,950

PARENT COMPANY BALANCE SHEET, IN SUMMARY

SEK thousands	31 Mar 2024	31 Dec 2023
ASSETS		
Non-current assets		
Capitalized expenditure for development	253,391	236,461
Other intangible assets	911	1,057
Equipment	11,233	11,438
Participations in group companies	3,173	3,173
Deferred tax asset	1,309	1,044
Deposits	4,855	4,855
Total non-current assets	274,872	258,028
Current assets		
Inventories	80,772	88,638
Accounts receivable	148,745	140,467
Receivables from group companies	346	346
Other receivables	40,123	24,541
Cash and cash equivalents	246,042	258,014
Total current assets	516,028	512,006
TOTAL ASSETS	790,900	770,034
EQUITY AND LIABILITIES		
Equity		
Restricted equity	344,592	327,488
Non-restricted equity	237,307	249,485
Total equity	581,899	576,973
Non-current liabilities		
Other liabilities	51,436	50,269
Total non-current liabilities	51,436	50,269
Current liabilities		
Accounts payable	35,798	38,066
Liabilities to group companies	14,619	8,763
Other liabilities	107,148	95,963
Total current liabilities	157,565	142,792
TOTAL EQUITY AND LIABILITIES	790,900	770,034

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.

The division of shares	31 Mar, 2024			31 Dec, 2023		
	A-shares	B-shares	Total	A-shares	B-shares	Total
Outstanding shares	1,000,000	347,243,009	348,243,009	1,000,000	348,668,009	349,668,009
Repurchased own shares	-	10,795,000	10,795,000	-	9,370,000	9,370,000
Issued shares	1,000,000	358,038,009	359,038,009	1,000,000	358,038,009	359,038,009

TRANSACTIONS WITH RELATED PARTIES

The Parent Company engaged a company related to a member of the management for consulting services. Fees incurred during the reporting period amounted to SEK 0.0 (0.5) million.

Tax

The group reported tax of total SEK -3.8 (-3.0) million for the period January–March 2024, corresponds to an effective tax rate of 21.2 (22.3) 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 February 2024. Within the program, As part of 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.

At the end of the period, the Parent Company held a total of 10,795,000 of its own Class B shares, at an average acquisition cost of SEK 4.70 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 Board has proposed to the 2024 AGM to resolve on a reduction of the share capital through a cancellation of previously repurchased shares as well as a new mandate for the board to repurchase own shares.

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.

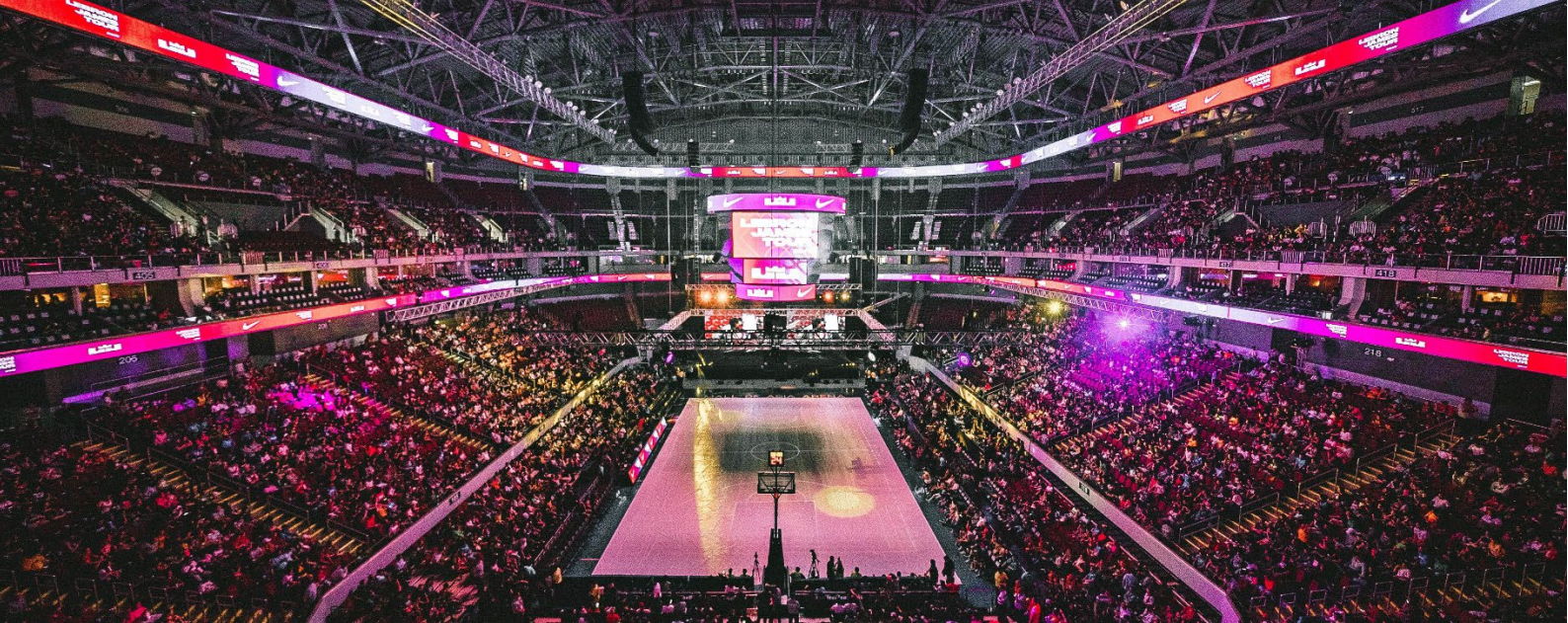
All shares issued by the parent company were fully paid.

AUDITORS' REVIEW

This Report has not been reviewed by the company's auditors.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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



THIS IS NET INSIGHT

Business concept and model

Net Insight is defining new ways to deliver media. Net Insight is driving the transformation of video networks with open IP, virtualized and cloud solutions that enable our customers to simply and cost-effectively create live experiences.

With the product area Media Networks, Net Insight is opening up new routes for customers to produce and deliver content to viewers anywhere. Revenues are generated through sales of hardware and software solutions and services.

The product area time synchronization enables cost-effective, more secure and faster roll-out of 5G networks or other critical networks.

Strategy

Net Insight wants to set the benchmark for media transport and help broadcasters, production companies, service providers and enterprises to transform their media businesses – enabling them to benefit from new software defined, virtual and distributed media workflows, without discarding their existing hardware investments. Net Insight wants to empower customers to work smarter through remote/distributed production and flexible networks.

Net Insight is technology agnostic and has built the market's most open and cloud-ready video centric media delivery platform, allowing customers to deliver content on any network, their way.

The main strategic objective is to accelerate growth, in both existing and closely related market and customer segments. This will be achieved through a combination of leveraging our unique portfolio and our industry expertise, strengthened solutions competitiveness, and improved internal execution.

Value creators

The solutions are deployed by the world's leading media brands to keep their mission-critical media networks running smoothly. New technology is enabling these players to adopt new, more cost-efficient and flexible ways to produce and deliver content. Net Insight can play an important role in supporting our customers making this gradual transition.

Net Insight benefits from underlying market trends like the general increase in video traffic, live streaming, and file-based transfers. Other trends supporting the company's growth prospects include the broader coverage of live events, move towards remote production and increased use of Internet and cloud for media production and transport.

Reporting dates

Annual General Meeting	May 7, 2024
Interim report January – June	July 18, 2024
Interim report January – September	November 7, 2024

Solna, Sweden, April 23, 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.

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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 CEST on April 23, 2024.

FINANCIAL INFORMATION

SEK millions (if not defined differently)	Jan-Mar		Apr 2023-	Jan-Dec
	2024	2023	Mar 2024	2023
Earnings				
Net sales	142.5	126.6	575.2	559.4
Gross earnings	85.5	74.8	352.5	341.8
Operating expenses	72.2	61.8	276.8	266.4
Total development expenditure	42.2	35.9	151.5	145.2
EBITDA	26.4	29.6	139.3	142.5
EBITDAC	-2.2	4.9	42.0	49.1
Operating earnings	10.6	12.0	69.5	70.9
Profit before tax	18.0	13.4	81.9	77.4
Net income	14.2	10.4	63.8	60.1
Balance sheet and cash flow				
Cash and cash equivalents	251.7	278.5	251.7	266.4
Working capital	113.1	106.9	117.8	113.6
Total cash flow	-15.1	-29.9	-26.9	-41.7
The share				
Dividend per share, SEK	-	-	-	-
Earnings per share, basic, SEK	0.04	0.03	0.18	0.17
Earnings per share, diluted, SEK	0.04	0.03	0.18	0.17
Cash flow per share, basic, SEK	-0.04	-0.08	-0.08	-0.12
Cash flow per share, diluted, SEK	-0.04	-0.08	-0.08	-0.12
Equity per share basic, SEK	1.82	1.70	1.82	1.76
Equity per share diluted, SEK	1.81	1.68	1.81	1.75
Average number of outstanding shares basic, thousands	345,717	356,312	350,744	353,291
Average number of outstanding shares diluted, thousands	347,472	361,122	353,176	356,334
Number of outstanding shares at the end of the period, basic, thousands	345,188	355,881	345,188	346,613
Number of outstanding shares at the end of the period, diluted, thousands	346,943	360,691	346,943	348,368
Share price at end of period, SEK	5.92	5.81	5.92	5.20
Employees and consultants				
Average number of employees and consultants	199	187	195	191
KPI				
Net sales YoY, change in %	12.5%	15.4%	16.9%	17.7%
Gross margin	60.0%	59.1%	61.3%	61.1%
Total development expenditure/Net sales	29.6%	28.4%	26.3%	26.0%
Operating margin	7.4%	9.5%	12.1%	12.7%
EBITDA margin	18.6%	23.4%	24.2%	25.5%
EBITDAC margin	-1.6%	3.9%	7.3%	8.8%
Net margin	9.9%	8.2%	11.1%	10.7%
Return on capital employed	7.6%	9.1%	7.7%	8.0%
Equity/asset ratio	73.7%	72.7%	73.7%	74.2%
Return on equity	10.2%	9.1%	10.2%	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"> • EMEA – Europe, the Middle East and Africa. • Americas (AM) - North and South America. • APAC – Asia and Pacific. 	Definition of regions for designation of revenue.

Change in net sales in comparable currencies SEK millions (if not defined differently)	Jan-Mar		Jan-Dec
	2024	2023	2023
Net sales	142.5	126.6	559.4
Net currency effect of comparable currencies	-0.6	-10.2	-23.9
Net sales in comparable currencies	141.9	116.4	535.5
Change in net sales in comparable currencies	12.0%	6.1%	12.7%

KPI Income Statement SEK millions (if not defined differently)	Jan-Mar		Apr 2023- Mar 2024	Jan-Dec
	2024	2023	Mar 2024	2023
Net sales	142.5	126.6	575.2	559.4
Net sales YoY, change in %	12.5%	15.4%	16.9%	17.7%
Cost of sales ex. amortization of capitalized development	-45.2	-38.4	-169.2	-162.4
Gross earnings ex. amortization of capitalized development	97.3	88.2	406.0	396.9
Gross margin ex. amortization of capitalized development	68.3%	69.7%	70.6%	71.0%
Cost of sales amortization of capitalized development	-11.7	-13.5	-53.4	-55.1
Gross earnings	85.5	74.8	352.5	341.8
Gross margin	60.0%	59.1%	61.3%	61.1%
Sales and marketing expenses	-41.3	-35.5	-157.9	-152.1
Administration expenses	-17.4	-15.0	-64.8	-62.4
Development expenses	-13.5	-11.2	-54.1	-51.8
Operating expenses	-72.2	-61.8	-276.8	-266.4
Operating expenses/net sales	50.7%	48.8%	-48.1%	47.6%
Other operating income and expenses	-2.7	-1.0	-6.3	-4.5
Operating earnings	10.6	12.0	69.5	70.9
Operating margin	7.4%	9.5%	12.1%	12.7%
Net financial items	7.4	1.5	12.4	6.5
Profit before tax	18.0	13.4	81.9	77.4
Tax	-3.8	-3.0	-18.1	-17.3
Net Income	14.2	10.4	63.8	60.1
Net margin	9.9%	8.2%	11.1%	10.7%

EBITDA margin SEK millions (if not defined differently)	Jan-Mar		Apr 2023- Mar 2024	Jan-Dec
	2024	2023	Mar 2024	2023
Net sales	142.5	126.6	575.2	559.4
Operating earnings	10.6	12.0	69.5	70.9
Amortization of capitalized development expenditure	11.7	13.5	53.4	55.1
Other depreciation & amortization	4.1	4.2	16.4	16.5
EBITDA	26.4	29.6	139.3	142.5
EBITDA margin	18.6%	23.4%	24.2%	25.5%
Capitalization of development expenditure	-28.7	-24.7	-97.4	-93.4
EBITDAC	-2.2	4.9	42.0	49.1
EBITDAC margin	-1.6%	3.9%	7.3%	8.8%

Development expenditure SEK millions (if not defined differently)	Jan-Mar		Apr 2023- Mar 2024	Jan-Dec
	2024	2023	Mar 2024	2023
Development expenses	13.5	11.2	54.1	51.8
Capitalization of development expenditure	28.7	24.7	97.4	93.4
Total development expenditure	42.2	35.9	151.5	145.2
Capitalization rate	68.0%	68.8%	64.3%	64.3%
Net Sales	142.5	126.6	575.2	559.4
Total development expenditure/net sales	29.6%	28.4%	26.3%	26.0%

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
Working capital	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.
Capital employed	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.
Return on capital employed	Operating earnings plus interest income, in relation to average capital employed, rolling four quarters.	
Equity/asset ratio	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.
Return on equity	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.
Investments	Investments in intangible and tangible assets.	
Total cash flow	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.

Working capital SEK millions	Jan-Mar		Apr 2023-	Jan-Dec
	2024	2023	Mar 2024	2023
Current assets	517.4	541.3	527.1	533.5
Cash and cash equivalents	-259.0	-293.4	-265.1	-276.4
No interest-bearing short term liabilities	-145.4	-141.0	-144.2	-143.5
Working capital	113.1	106.9	117.8	113.6

Return on capital employed SEK millions (if not defined differently)	Jan-Mar		Apr 2023-	Jan-Dec
	2024	2023	Mar 2024	2023
Capital employed				
Total balance	846.1	840.2	843.3	841.6
No interest-bearing liabilities	-197.6	-202.8	-200.1	-201.0
Capital employed	648.5	637.4	643.2	640.6
Operating earnings less interest income R4Q				
Operating earnings R4Q	69.5	61.8	69.5	70.9
Interest income R4Q	20.2	4.0	20.2	19.6
Operating earnings less interest income R4Q	49.3	57.8	49.3	51.3
Return on capital employed	7.6%	9.1%	7.7%	8.0%

Equity/asset ratio SEK millions (if not defined differently)	Jan-Mar		Apr 2023-	Jan-Dec
	2024	2023	Mar 2024	2023
Equity	628.8	607.0	628.8	622.2
Total equity and liabilities	853.7	835.3	853.7	838.4
Equity/asset ratio	73.7%	72.7%	73.7%	74.2%

Return on equity SEK millions (if not defined differently)	Jan-Mar		Apr 2023-	Jan-Dec
	2024	2023	Mar 2024	2023
Net income - R4Q	63.8	56.3	63.8	60.1
Average equity - R4Q	625.5	616.3	625.5	612.4
Return on equity	10.2%	9.1%	10.2%	9.8%

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	Jan-Mar		Apr 2023-	Jan-Dec
	2024	2023	Mar 2024	2023
Average number of employees	153	141	149	146
Average number of consultants	46	46	46	45
Total average number of employees and consultants	199	187	195	191

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		Jan-Mar		Apr 2023-	Jan-Dec
SEK millions	Note	2024	2023	Mar 2024	2023
Exchange rate differences					
Part of Other operating income & expenses		-2.7	-1.3	-6.4	-5.0
Part of Net Financial Items		5.3	-0.0	4.6	-0.8
Total Exchange rate differences		2.6	-1.3	-1.8	-5.7
Items affecting comparability					
Restructuring	(a)	-2.5	-	-2.5	-
Government grants electricity support, other operating income		-	-	0.6	0.6
Total		-2.5	-	-1.9	0.6
Operating earnings excluding items affecting comparability					
Operating earnings		10.6	12.0	69.5	70.9
Items affecting comparability, as per above		2.5	-	1.9	-0.6
Total		13.1	12.0	71.4	70.3
Operating earnings excluding exchange rate differences					
Operating earnings		10.6	12.0	69.5	70.9
Exchange rate differences, as per above		2.7	1.3	6.4	5.0
Total		13.3	13.3	75.9	75.9
Operating earnings excluding exchange rate differences & items affecting comparability					
Operating earnings		10.6	12.0	69.5	70.9
Exchange rate differences, as per above		2.7	1.3	6.4	5.0
Items affecting comparability, as per above		2.5	-	1.9	-0.6
Total		15.8	13.3	77.8	75.3
Cash flow excluding share-base transactions					
Net change in cash and cash equivalents	(b)	-15.1	-29.9	-26.9	-41.7
Repurchase of own shares		8.2	8.5	50.1	50.4
Exercised warrants		-	-	-7.8	-7.8
Total		-6.9	-21.4	15.4	0.9

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.



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