

YEAR-END REPORT

JANUARY – DECEMBER 2023



October – December 2023

- Net sales amounted to SEK 162.5 (125.0) million, an increase of 30.0% year-on-year. In comparable currencies net sales increased by 27.2%.
- Operating earnings amounted to SEK 29.4 (13.2) million, corresponding to an operating margin of 18.1% (10.6%). Excluding foreign exchange rate differences of SEK -0.1 (-2.7) million, operating earnings were SEK 29.5 (15.9) million.
- Net income for the period was SEK 22.6 (9.9) million.
- Earnings per share diluted was SEK 0.06 (0.03).
- Total cash was SEK 4.2 (14.0) million. Excluding the cash impact from share-related transactions, the cash flow was SEK 17.5 (37.5) million.

January – December 2023

- Net sales amounted to SEK 559.4 (475.1) million, an increase of 17.7% year-on-year. In comparable currencies net sales increased by 12.4%.
- Operating earnings amounted to SEK 70.9 (60.5) million, corresponding to an operating margin of 12.7% (12.7%). Excluding foreign exchange rate differences of SEK -5.0 (-1.9) million, operating earnings were SEK 75.9 (62.4) million.
- Net income for the period was SEK 60.1 (54.0) million.
- Earnings per share diluted was SEK 0.17 (0.15).
- Total cash was SEK -41.7 (-47.0) million. Excluding the cash impact from share-related transactions, the cash flow was SEK 0.9 (51.3) million.

Q4 in brief

- Strongest quarter in the company's history concludes a record year
- Product launches throughout the year resulting in strong growth
- Framework agreement signed with Teracom for time synchronization of critical mobile networks
- Expanded collaboration with a major American operator in time synchronization

FINANCIAL HIGHLIGHTS

SEK millions	Oct-Dec			Jan-Dec		
	2023	2022	Change	2023	2022	Change
Net sales	162.5	125.0	30.0%	559.4	475.1	17.7%
Operating earnings	29.4	13.2	123.1%	70.9	60.5	17.2%
Operating margin	18.1%	10.6%		12.7%	12.7%	
EBITDA	46.2	28.7	60.9%	142.5	122.7	16.2%
EBITDA margin	28.4%	23.0%		25.5%	25.8%	
EBITDAC	21.7	4.1	431.4%	49.1	35.1	40.0%
EBITDAC margin	13.4%	3.3%		8.8%	7.4%	
Net Income	22.6	9.9	129.0%	60.1	54.0	11.3%
Net margin	13.9%	7.9%		10.7%	11.4%	
Total cash flow	4.2	14.0		-41.7	-47.0	

For definitions and calculation of KPI's, see pages 15-19.

CEO statement

Record quarter concludes 2023

The fourth quarter was the strongest in the company's history. The long-term trend of improved growth and profitability is a result of many strategic initiatives, where two important components are a stronger product portfolio and expanded expertise, focusing on the growth areas of IP and cloud. Key advancements within time synchronization included product launch, a new framework agreement with Teracom, and the initiation of standardization for our synchronization technology.

Despite an ongoing challenging market within the media industry, the technology transformation continues to create an underlying investment need among our customers. The shift towards IP and cloud brings both technical advantages and increased cost-effectiveness. The investments in product development within IP and cloud that we have made in recent years have resulted in us expanding our offering to existing customers and attracting new customers, which contributed to the strong growth. In the quarter, we have seen particularly strong development in the EMEA region, driven by several major deals.

Revenue in the fourth quarter amounted to SEK 162.5 million, which is an increase of 30.0% compared to the same period the previous year (currency-adjusted 27.2%). The gross margin for the quarter was 63.1% (62.1%).

Operating profit for the quarter amounted to SEK 29.4 (13.2) million. The increase compared to the comparative period was largely driven by the strong growth.

Revenue for the full year 2023 amounted to SEK 559.4 million, an increase of 17.7% year-on-year, surpassing our long-term goal of average growth above 15%. The operating margin (EBIT%) was 12.7% for the full year 2023, and 18.1% in Q4, compared to our long-term goal of a 20% operating margin by 2027. We maintained a high investment pace throughout the year, in line with our strategy for long-term growth and increased profitability.

A reliable partner in the ongoing technological transformation of the market

We continued to develop and enhance our media solutions throughout the year. Our extensive product portfolio now supports even

more industry standards and protocols, and our open approach to technology and our new software solutions enables customers to maximize their existing infrastructure investments while seamlessly integrating new features. We also strengthened our expertise in IP and cloud and deepened our collaboration with new and existing customers and partners, which resulted in an increased average order value and more stable sales.

Successful rollout of our new time synchronization solution Zyntai.

We are proud to announce the commercial launch of our time synchronization solution, Zyntai. The orderbook increased from SEK 180 million to SEK 195 million in the quarter, and deliveries

will gradually take place as customers expand and upgrade their networks. During the quarter, we also signed a framework agreement with Teracom with a project value of over SEK 10 million for 2023 and 2024. We expanded our collaboration with a major US operator, who is expanding their network after successful testing.

The recently initiated standardization of our time synchronization technology marks an important milestone for us, as it creates increased reliability for our customers.

With significant progress in both media and time synchronization, we are determined to continue executing our strategy with full force. After a highly successful quarter and year, we are now eagerly looking forward to 2024.

Crister Fritzson, CEO

Solna, February 16, 2024



REVENUES

October-December

Net sales in the fourth quarter of 2023 were SEK 162.5 (125.0) million, an increase of 30.0%. In comparable currencies, sales increased by 27.2%.

Despite continued macroeconomic uncertainty, customers' willingness to invest has remained good. The ongoing transformation in the media market involving a move towards IP and the cloud means both technical advantages and increased cost efficiency, which in turn creates investment needs for our customers. The growth in the media business in the fourth quarter amounted to 42.2% year-on-year. All regions show growth compared to the previous year, but most of the increase is driven by strong sales in the EMEA region with a number of large deals. The long unbroken growth trend (13th consecutive quarter of growth) is a result of recent years' investments in product development and competence, which strengthened our offer and meant both new customers and expanded business with existing customers. Revenues from time synchronization for 5G and critical networks amounted to SEK 8.7 million in the quarter, compared to SEK 16.9 million the previous year. The previous year's fourth quarter included higher revenues linked to delivery of the initial time synchronization product. The new synchronization product Zyntai has been launched during the quarter and the first deliveries have been completed, which also means that the NRE (non-recurring engineering) fee linked to the development of this product has been reduced compared to the previous year. The orderbook increased from SEK 180 million to over SEK 195 million in the quarter, and deliveries will gradually take place as customers expand and upgrade their networks. Initially, we focus on telecom operators who use the product for time synchronization of 5G networks, but we also see a need and an interest for our time synchronization solution among customers with other critical networks.

January-December

Net sales for 2023 amounted to SEK 559.4 (475.1) million, an increase of 17.7%. In comparable currencies, sales increased by 12.4%.

During 2023, we have seen continued good growth which accelerated during the second half of the year. As previously mentioned, the ongoing transformation in the media market has continued to create a need for investment among our customers, which has formed the basis for growth. Investments in product development in recent years have resulted in a series of launches of new and expanded functionality during the year, which strengthened our offer and increased our competitiveness. In combination with increased local presence, this has meant an increased number of new customers as well as deepened collaborations and expanded business with existing customers. Growth within the media business during 2023 amounted to 23.2% year-on-year. Revenue from time synchronization for 5G and critical networks during 2023 amounted to SEK 34.8 million, compared to SEK 49.2 million the previous year. The decrease in sales compared to the previous year is a consequence of the decrease in sales of the previous version of the synchronization product as the launch of the new product approached (which took place at the end of 2023).

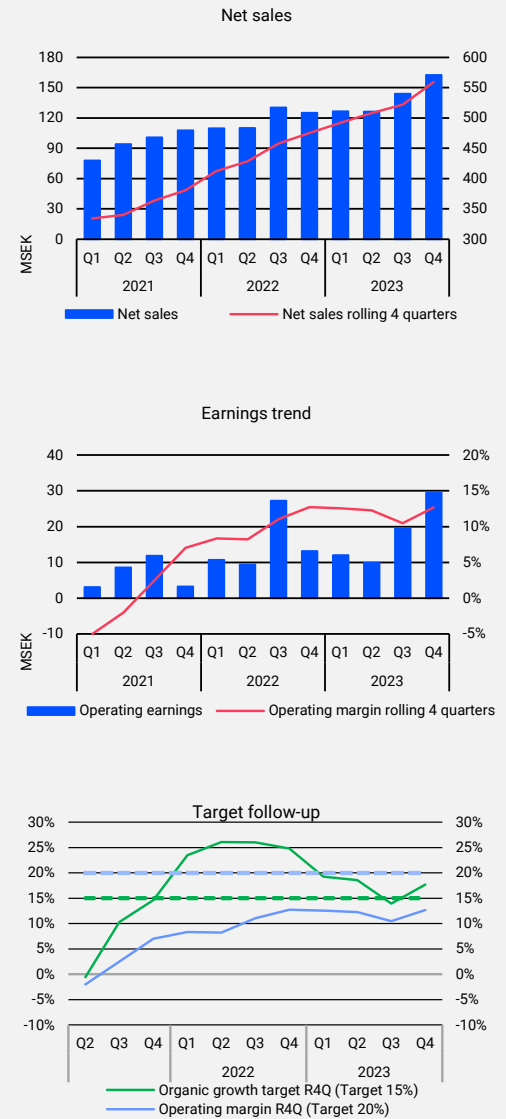
The company has no direct seasonal variation, however there is a certain variation in revenue between quarters due to the concentration of larger deals in certain quarters.

EARNINGS

October-December

Gross profit for the third quarter was SEK 102.6 (77.6) million, an increase by 32.2%. The increase is primarily driven by the increased revenue, but also by a slightly increased gross margin. Gross profit included amortization of capitalized development expenditure of SEK -12,9 (-11.9) million. Gross margin excluding and including amortization of capitalized development expenditure was 71.1% (71.6%) and 63.1% (62.1%) respectively. The gross margin is in line with the previous year despite cost increases and increased amortization of capitalized development expenditures. Increased support revenue as well as increased software content in the products, thus increased license revenue, contribute to maintaining and strengthening the margin.

Operating expenses in the fourth quarter of SEK -72.3 (-61.6) million, an increase of 17.3% year-on-year. The increase is driven by strengthening of the organization (primarily in time synchronization). The increase is also due to cost increases driven by inflation, increased sales costs linked to the increased sales and the weakening of the Swedish Krona. Operating



Financial targets 2023-2027:

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

costs in the quarter are also affected by costs related to the implementation of a new ERP system.

Sales and marketing expenses were SEK -40,3 (-35,3) million, and administration expenses to SEK -16.6 (-13.4) million. Development expenses were SEK -15.4 (-12.9) million and the total development expenditures, i.e., before capitalization, were SEK -39.9 (-37.6) million. The increase in sales and marketing costs relates to building up the organization for the offer within time synchronization for 5G, increased costs for customer and marketing activities, and increased local presence. Part of the cost increase in the quarter is linked to increased variable compensation due to the high turnover which. The increase in administration costs is partly due to an ongoing project regarding the implementation of a new ERP system of SEK -0.7 (-) million, partly due to recruitment cost regarding new chairman of the board and CFO.

Other operating income and expenses were SEK -0.8 (-2.8) million, of which foreign exchange rate differences of SEK -0.1 (-2.8) million.

Operating earnings amounted to SEK 29.4 (13.2) million, corresponding to an operating margin of 18.1% (10.6%). Excluding foreign exchange rate differences of SEK -0.1 (-2.7) million, operating earnings were SEK 29.5 (15.9) million. See also table Material profit and loss items on page 19.

EBITDA and EBITDAC (including reversal of capitalization of development expenditures) amounted to SEK 46.2 (28.7) million and SEK 21.7 (4.1) million, respectively, which corresponded to an EBITDA margin of 28.4% (23.0%) and an EBITDAC margin of 13.4% (3.3%).

In the fourth quarter, net financial items amounted to SEK -0.5 (-0.4) million, of which foreign exchange rate differences of SEK -2.5 (-1.3) million and net interest income of SEK 2.0 (0.9) million. The increased net interest income is due to increased interest income due to higher market interest rates.

Profit before tax was SEK 29.0 (12.8) million, and net income was SEK 22.6 (9.9) million, corresponding to a net margin of 13.9% (7.9%).

January-December

Gross profit for the first nine-month period was SEK 341.8 (297.7) million, an increase by 14.8%. The increase is due to the increased revenue and a favorable revenue mix, where a gradual increase of software-related revenue with a higher margin partially compensates for increased costs for components etc. Gross profit included amortization of capitalized development expenditure of SEK -55.1 (-46.2) million. Gross margin excluding and including amortization of capitalized development expenditure was 71.0% (72.4%) and 61.1% (62.7%) respectively. The increase in license and support revenue during 2023 has not fully compensated for lower event-base services revenue compared to the previous year.

Operating expenses were SEK -266,4 (-234,2) million, an increase of 13.8% year-on-year. The increase includes cost increases driven by e.g. inflation, a strengthening of the organization, increased marketing-related costs, implementation of a new ERP system and the weakening of the Swedish Krona against the USD. Last year's operating expenses included costs for restructuring of SEK -1.2 million.

Sales and marketing expenses were SEK -152.1 (-130.0) million, and administration expenses to SEK -62.4 (-52.8) million. Development expenses were SEK -51.8 (-51.4) million and the total development expenditure, i.e., before capitalization, were SEK -145.2 (-139.0) million. The increase in sales and marketing costs as well as development expenditure relates primarily to building up the organization for the offer within time synchronization as well as increased costs for customer and marketing activities. The sales and marketing costs are also affected by a negative currency effect as a significant part of these costs are in USD. The increase in administration costs is attributable to a certain strengthening of central functions to ensure continued growth and to the replacement of ERP systems of SEK -3.3 (-) million.

Other operating income and expenses were SEK -4.5 (-3.0) million, of which foreign exchange rate differences of SEK -5.0 (-1.9) million. During the year, the parent company received a government electricity subsidy of SEK 0.6 million (-). Last year included impairment of development projects of SEK -1.5 million

Operating earnings amounted to SEK 70.9 (60.5) million, corresponding to an operating margin of 12.7% (12.7%). Excluding foreign exchange rate differences of SEK -5.0 (-1.9) million and items affecting comparability of SEK 0.6 (-2.6), operating earnings were SEK 75.3 (65.0) million. See also table Material profit and loss items on page 19.

EBITDA and EBITDAC (including reversal of capitalization of development expenditures) amounted to SEK 142.5 (122.7) million and SEK 49.1 (35.1) million, respectively, which corresponded to an EBITDA margin of 25.5% (25.8%) and an EBITDAC margin of 8.8% (7.4).

Net financial items amounted to SEK 6.5 (8.4) million, of which foreign exchange rate differences of SEK -0.8 (6.9) million and net interest income of SEK 7.2 (1.4) million. The increased net interest income is due to increased interest income due to higher market interest rates.

Profit before tax was SEK 77.4 (68.9) million, and net income was SEK 60.1 (54.0) million, corresponding to a net margin of 10.7% (11.4%).

Key Ratios	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Net sales, SEK millions	162.5	125.0	559.4	475.1
Net sales YoY, change in %	30.0%	15.9%	17.7%	24.8%
Gross earnings	102.6	77.6	341.8	297.7
Gross margin	63.1%	62.1%	61.1%	62.7%
Operating earnings	29.4	13.2	70.9	60.5
Operating margin	18.1%	10.6%	12.7%	12.7%
EBITDA	46.2	28.7	142.5	122.7
EBITDA margin	28.4%	23.0%	25.5%	25.8%
EBITDAC	21.7	4.1	49.1	35.1
EBITDAC margin	13.4%	3.3%	8.8%	7.4%

INVESTMENTS

The investments in the fourth quarter were SEK 25.1 (25.4) million, of which SEK 24.5 (24.6) million related to capitalization of expenditure for development. The investments in 2023 were SEK 93.4 (87.6) million, of which SEK 93.4 (87.6) million related to capitalization of expenditure for development. The increase in capitalized development expenditure relates to the investment in 5G time synchronization.

Depreciation and amortization in the fourth quarter totaled SEK -16.8 (-15.5) million, of which SEK -12.9 (-11.9) million related to amortization of capitalized expenditure for development. Depreciation and amortization in 2023 totaled SEK -71.6 (-62.2) million, of which SEK -55.1 (-46.2) million related to amortization of capitalized expenditure for development. Launches of new products have increased the amortization. The previous year also included an impairment of development projects during the third quarter, as a consequence of closer integration of the Nimbra and Aperi platforms, of -1.5 MSEK.

Net value of capitalized expenditure for development was SEK 236.5 million at end of the year, against SEK 198.2 million as of December 31, 2022.

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities in the fourth quarter amounted to SEK 45.2 (65.2) million and for 2023 to SEK 107.3 (148.8) million. The increase in inventory during 2022 and the first six-month period of 2023 is a consequence of securing components with longer foresight than normal due to the prevailing component shortage. The continued growth, especially in the APAC region, has led to increased accounts receivable in 2022 and 2023. During the first quarter 2022, SEK 28.2 million was received for the second half the NRE (non-recurring engineering fee) from the 5G time synchronization business with Türk Telekom, a prepaid revenue that was recognized as revenue during the development of the new products for 5G synchronization until the launch in Q4 2023.

The total cash flow for the fourth quarter amounted to SEK 4.2 (14.0) million and for 2023 to SEK -41.7 (-47.0) million. The increased investments in development projects 2023, compared to the previous year, are offset by a reduced repurchase of own shares and exercised warrants. Excluding the cash impact from share-related transactions (repurchase of own shares and exercised warrants, see page 19), cash flow for the fourth quarter was SEK 17.5 (37.5) million and for 2023 SEK 0.9 (51.2) million. More information about the buyback program and warrants can be found on page 12.

Cash and cash equivalents were SEK 266.4 million at year-end, against SEK 308.3 million as of 31 December 2022.

The remaining tax loss carryforwards of SEK 12.9 million that the group companies had as of December 31, 2022, has been utilized during the year. For more information, see the section Tax on page 12.

Equity was SEK 622.2 million at year-end, against SEK 605.1 million as of 31 December 2022. The equity/assets ratio was 74.2%, against 71.6% as of 31 December 2022. That equity did not increase in line with the earnings during the year is due to the repurchase of own shares. For information about warrants, share repurchases and share structure, see the section Contributed equity on page 12.

EMPLOYEES

The average number of employees and consultants at Net Insight during the fourth quarter and for the year was 196 (183) and 191 (176), respectively, of which 160 (149) and 158 (143), respectively, in the parent company Net Insight AB (publ.). The increase is primarily attributable to the investment in time synchronization.

CFO Joakim Schedvins who, as previously communicated, is leaving Net Insight during the first quarter of 2024. Annika Muskantor will hold the position of CFO and be member of the management team from March 13.

PARENT COMPANY

Net sales for the parent company were SEK 162.5 (124.8) million in the fourth quarter, and net income was SEK 21.9 (10.3) million. In the fourth quarter, intra-group sales totaled SEK 0.0 (0.0) million, and intra-group purchases SEK -23.5 (-21.2) million. Last year, the net financials included a dividend from a subsidiary of SEK 3.1 million.

Net sales for the parent company were SEK 559.4 (474.7) million in 2023, and net income was SEK 56.9 (49.7) million. In 2023, intra-group sales totaled SEK 0.0 (0.0) million, and intra-group purchases SEK -86.0 (-71.5) million. Previous years' net financials included a capital loss of -4.3 MSEK, when consolidating of the number of legal entities, and a dividend from a subsidiary of SEK 3.1 million

Progress in the parent company during the year and its financial position largely shadowed group progress as indicated above (except for 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. The company conducts a continuous process to identify all risks present, and to assess how each risk should be managed.

Primarily, the risks the company is exposed to are market-related risks (including competition, technological progress, and political risks), operational risks (including product liability, intellectual property, disputes, customer dependency and contract risks) as well as financial and sustainability-related risks.

The situation of component shortages that arose in connection with the pandemic has in recent years meant increased uncertainty. During 2022 and 2023, we worked to manage the shortage situation and in the second half of 2023 we have noted a gradual improvement in the situation. The war in Ukraine that began in the first quarter 2022 has contributed to increased uncertainty and risk associated with operations and the implementation of events, especially in Ukraine, Russia, and Belarus. The company's exposure to these markets is extremely limited and the decision to comply with the sanctions in force at the time of reporting is therefore not considered to have any material impact on the company's operations, assets, or earnings. However, how the war develops is difficult to predict and the company makes ongoing evaluations of the need to take action.

The ongoing conflict in the Middle East has generally meant increased uncertainty, but we currently have difficulty assessing the possible impact this may have on, for example, access and prices of components. However, the company's direct exposure to this region is limited.

Except for this, no additional critical risks and uncertainty factors, other than those reviewed in the Annual Report for 2022, arose during 2023 or are anticipated in 2024.

The risks and uncertainty factors 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 49-51, 54-55 and 72-74 of the Annual Report for 2022.

CONSOLIDATED INCOME STATEMENT, IN SUMMARY

SEK thousands	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Net sales	162,474	125,017	559,368	475,118
Cost of sales	-59,922	-47,441	-217,579	-177,454
Gross earnings	102,552	77,576	341,789	297,664
Sales and marketing expenses	-40,310	-35,257	-152,106	-130,021
Administration expenses	-16,619	-13,445	-62,431	-52,753
Development expenses	-15,382	-12,922	-51,815	-51,379
Other operating income and expenses	-808	-2,758	-4,545	-3,009
Operating earnings	29,433	13,194	70,892	60,502
Net financial items	-452	-402	6,486	8,380
Profit before tax	28,981	12,792	77,378	68,882
Tax	-6,374	-2,921	-17,276	-14,866
Net Income	22,607	9,871	60,102	54,016
Net income for the period attributable to the shareholders of the parent company	22,607	9,871	60,102	54,016

Earnings per share, based on net income attributable to the parent company's shareholders during the period	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Earnings per share				
-Basic, SEK	0.06	0.03	0.17	0.15
-Diluted, SEK	0.06	0.03	0.17	0.15
Average number of outstanding shares in thousands				
-Basic	348,580	359,326	353,291	367,083
-Diluted	349,905	364,136	356,334	370,840

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK thousands	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Net income	22,607	9,871	60,102	54,016
Other comprehensive income				
Translation differences	-916	-385	-494	1,321
Total other comprehensive income, after tax	-916	-385	-494	1,321
Total other comprehensive income for the period parent company	21,691	9,486	59,608	55,337

CONSOLIDATED BALANCE SHEET, IN SUMMARY

SEK thousands	31 Dec 2023	30 Sep 2023	31 Dec 2022
ASSETS			
Non-current assets			
Capitalized expenditure for development	236,461	224,853	198,200
Goodwill	38,751	38,751	38,751
Other intangible assets	1,057	1,208	1,673
Right-of-use assets	24,844	25,869	32,129
Equipment	12,687	13,446	16,095
Deferred tax asset	2,576	2,717	3,719
Deposits	5,123	5,137	4,902
Total non-current assets	321,499	311,981	295,469
Current assets			
Inventories	88,638	95,369	84,249
Accounts receivable	139,707	140,377	129,415
Other receivables	22,150	28,817	27,716
Cash and cash equivalents	266,404	262,669	308,347
Total current assets	516,899	527,232	549,727
TOTAL ASSETS	838,398	839,213	845,196
EQUITY AND LIABILITIES			
Equity attributable to parent company's shareholders			
Share capital	14,362	14,326	14,750
Other paid-in capital	1,200,443	1,198,689	1,192,727
Translation reserve	1,010	1,924	1,504
Accumulated deficit	-593,656	-601,121	-603,892
Total shareholders' equity	622,159	613,818	605,089
Non-current liabilities			
Lease liabilities	12,185	14,011	20,733
Other liabilities	51,582	59,136	61,307
Total non-current liabilities	63,767	73,147	82,040
Current liabilities			
Lease liabilities	12,105	11,584	11,434
Accounts payable	38,130	38,355	35,899
Other liabilities	102,237	102,309	110,734
Total current liabilities	152,472	152,248	158,067
TOTAL EQUITY AND LIABILITIES	838,398	839,213	845,196

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, 2022	15,597	1,192,727	183	-561,979	646,528
Transfer of quota value upon cancellation of repurchased shares	-847			847	-
Repurchase of own shares		-	-	-98,336	-98,336
Warrants issued	-	-	-	1,561	1,561
Total comprehensive income	-	-	1,321	54,016	55,337
December 31, 2022	14,750	1,192,727	1,504	-603,892	605,089
January 1, 2023	14,750	1,192,727	1,504	-603,892	605,089
Transfer of quota value upon cancellation of repurchased shares	-511	-	-	511	-
Exercised warrants	122	7,716	-	-	7,838
Repurchase of own shares	-	-	-	-50,376	-50,376
Total comprehensive income	-	-	-494	60,102	59,608
December 31, 2023	14,362	1,200,443	1,010	-593,656	622,159

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK thousands	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Operating activities				
Operating earnings	29,433	13,194	70,892	60,502
Depreciation, amortization & impairment	16,770	15,527	71,625	62,157
Other items not affecting liquidity	4,327	1,701	10,883	5,202
Sub-total	50,530	30,422	153,400	127,861
Interest received	2,230	1,150	8,208	2,445
Interest paid	-226	-259	-960	-1,009
Other financial income and expenses	-2,456	-1,293	-762	6,944
Income tax paid	-4,838	-280	-9,708	-1,378
Cash flow from operating activities before changes in working capital	45,240	29,740	150,178	134,863
Changes in working capital				
Increase-/decrease+ in inventories	2,352	-9,030	-13,684	-33,830
Increase-/decrease+ in receivables	7,590	17,583	-4,990	-11,175
Increase+/decrease- in liabilities	-9,960	26,891	-24,184	58,971
Total changes in working capital	-18	35,444	-42,858	13,966
Cash flow from operating activities	45,222	65,184	107,320	148,829
Investment activities				
Capitalized expenditure	-24,507	-24,636	-93,402	-87,573
Investment in intangible assets	-65	-273	-65	-575
Investment in tangible assets	-525	-498	-2,597	-2,596
Increase-/decrease+ in financial assets, net	-	-51	-227	-152
Cash flow from investment activities	-25,097	-25,458	-96,291	-90,896
Financing activities				
Amortization leasing	-2,576	-2,363	-10,177	-8,203
Exercised warrants	1,789	-	7,838	-
Warrant premiums paid	-	104	-	1,561
Repurchase of own shares	-15,141	-23,512	-50,376	-98,336
Cash flow from financing activities	-15,928	-25,771	-52,715	-104,978
Net change in cash and cash equivalents	4,197	13,955	-41,686	-47,045
Exchange differences in cash and cash equivalents	-462	-111	-257	529
Cash and cash equivalents at the beginning of the period	262,669	294,503	308,347	354,863
Cash and cash equivalents at the end of the period	266,404	308,347	266,404	308,347

DISAGGREGATION OF REVENUE

SEK thousands	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Net sales by product group				
Hardware	59,546	63,058	233,449	226,173
Software licenses	68,192	22,155	166,306	85,572
Support and Services*	34,736	39,804	159,613	163,373
Total	162,474	125,017	559,368	475,118
Net sales by region				
EMEA	96,204	73,986	313,963	264,442
AM	49,430	38,580	158,514	161,706
APAC	16,840	12,451	86,890	48,970
Total	162,474	125,017	559,368	475,118
Timing of revenue recognition				
Products and services transferred at a point in time	122,220	81,644	384,793	302,088
Products and services transferred over time*	40,254	43,373	174,575	173,030
Total	162,474	125,017	559,368	475,118

*) Of which NRE fee; SEK 2.2 (7.1) million Oct-Dec, SEK 23.4 (28.2) million. Jan-Dec.

FINANCIAL ASSETS AND LIABILITIES

Group's financial instruments by category - Assets

SEK thousands	Dec 31, 2023			31 Dec 2022		
	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		682	2		-
Accounts receivable and other receivables, excluding non-financial assets		148,828			140,200	
Cash and cash equivalents		266,404			308,347	
Total		415,232	682		448,547	-

Group's financial instruments by category - Liabilities

SEK thousands	Dec 31, 2023			31 Dec 2022		
	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		787
Accounts payable and other liabilities, excluding non-financial liabilities		45,974			47,368	
Lease liabilities		24,290			32,167	
Total		70,264	-		79,535	787

Carrying value of account receivables, other receivables, cash and cash equivalents, account payables and other liabilities makes a reasonable approximation of fair value.

Financial instruments in tier 2

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

PARENT COMPANY INCOME STATEMENT, IN SUMMARY

SEK thousands	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Net sales	162,474	124,781	559,368	474,707
Cost of sales	-59,881	-48,005	-217,319	-177,684
Gross earnings	102,593	76,776	342,049	297,023
Sales and marketing expenses	-41,790	-36,176	-156,167	-131,021
Administration expenses	-16,501	-13,567	-62,136	-52,757
Development expenses	-15,794	-13,970	-53,351	-52,536
Other income expenses	-457	-3,741	-4,763	-5,438
Operating earnings	28,051	9,322	65,632	55,271
Net financial items	-244	2,895	7,434	8,087
Profit/loss before tax	27,807	12,217	73,066	63,358
Tax	-5,936	-1,931	-16,116	-13,693
Net income	21,871	10,286	56,950	49,665

PARENT COMPANY BALANCE SHEET, IN SUMMARY

SEK thousands	31 Dec 2023	31 Dec 2022
ASSETS		
Non-current assets		
Capitalized expenditure for development	236,461	198,200
Other intangible assets	1,057	1,673
Equipment	11,438	14,670
Participations in group companies	3,173	3,173
Deferred tax asset	1,044	2,657
Deposits	4,855	4,628
Total non-current assets	258,028	225,001
Current assets		
Inventories	88,638	84,249
Accounts receivable	140,467	130,180
Receivables from group companies	346	346
Other receivables	24,541	30,113
Cash and cash equivalents	258,014	300,860
Total current assets	512,006	545,748
TOTAL ASSETS	770,034	770,749
EQUITY AND LIABILITIES		
Equity		
Restricted equity	327,488	277,979
Non-restricted equity	249,485	284,581
Total equity	576,973	562,560
Non-current liabilities		
Other liabilities	50,269	60,557
Total non-current liabilities	50,269	60,557
Current liabilities		
Accounts payable	38,066	35,617
Liabilities to group companies	8,763	7,504
Other liabilities	95,963	104,511
Total current liabilities	142,792	147,632
TOTAL EQUITY AND LIABILITIES	770,034	770,749

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 2023 that have had a material impact on the Company's financial reporting.

The company has changed the cash flow analysis so that it is based on the operating profit, as it is the performance measure that the company normally follows up the business from, both internally and externally.

Except from stated above, the same accounting principles and basis of calculation as those used in the latest Annual Report have been applied to the group and parent company. For a description of these accounting principles, please refer to the Annual Report for 2022.

The preparation of the Interim Report requires management to make judgements, estimates and assumptions that affect the company's earnings and position and information presented generally. Estimates and judgements are continually 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 these estimates and assumptions, please refer to the Annual Report for 2022.

Figures in brackets in this report refer to comparison with the corresponding period or date in the previous year, if not stated otherwise. Divergences due to rounding may occur in this report.

Tax

The group reported tax of total SEK -6.4 (-2.9) million for the period October–December 2023, corresponds to an effective tax rate of -22.0 (-22.8) percent. The group reported tax of total SEK 17.3 (-14.9) million for the period January–September 2023, corresponds to an effective tax rate of -22.3 (-21.6) percent. The effective tax rate is affected by tax adjustments and the relative effects of foreign tax rates.

The remaining tax loss carryforwards of SEK 12.9 million that the group companies had as of December 31, 2022, has been utilized during the year.

Contributed equity

The repurchase program, which was decided by the board with the support of a mandate from the 2022 AGM, ran during the period July

The division of shares	31 Dec, 2023			31 Dec, 2022		
	A-shares	B-shares	Total	A-shares	B-shares	Total
Outstanding shares	1,000,000	348,668,009	349,668,009	1,000,000	356,178,009	357,178,009
Repurchased own shares	-	9,370,000	9,370,000	-	11,580,000	11,580,000
Issued shares	1,000,000	358,038,009	359,038,009	1,000,000	367,758,009	368,758,009

TRANSACTIONS WITH RELATED PARTIES

In 2023, the parent company hired a member of the management team's related party company for consulting services. Charged fees during the year amounted to SEK 0.8 (-) million.

2022 to February 2023. Within the program, the parent company repurchased a total of 12,877,000 own B shares on Nasdaq Stockholm for SEK 70.1 million, including transaction costs, of which 1,297,000 more shares for SEK 8.5 million during the period January-February 2023.

The 2023 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 June, the board of Directors of Net Insight AB decided to utilize the repurchase mandate given at the AGM in 2023. The repurchase program commenced on June 7, 2023, and will last until the next AGM and will amount to maximum SEK 50 million.

During June-December 2023, the parent company repurchased 9,268,000 of its own B shares on Nasdaq Stockholm for SEK 41.9 million, including transaction costs.

The 2023 AGM resolved that the company's share capital shall be reduced by SEK 511,000 for allocation to unrestricted equity through cancellation of 12,775,000 own B shares held by the company. The cancellation was completed on August 11.

At the end of the period, the parent company had a total of 9,370,000 of its own class B shares, at an average cost of SEK 4.54 per share and with a par value of SEK 0.04 per share. The shares are held as own shares. The parent company has the right to reissue these shares at a later date.

In 2023, subscription for shares in long-term incentive programs, decided by the 2020 AGM (LTI 2020 series 1 and 2) were exercised. A total of 3,055,000 warrants have been issued in the program and each warrant entitles the holder to subscribe for one (1) B-share against a predetermined subscription price of SEK 2.80 and SEK 2.00, respectively. During June- December, 3,055,000 warrants were exercised, which resulted in the number of B shares and votes in Net Insight AB increasing by 3,055,000 and the share capital increasing by SEK 122,200.

In total, the Company has two additional ongoing 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 page 82 in the 2022 Annual Report.

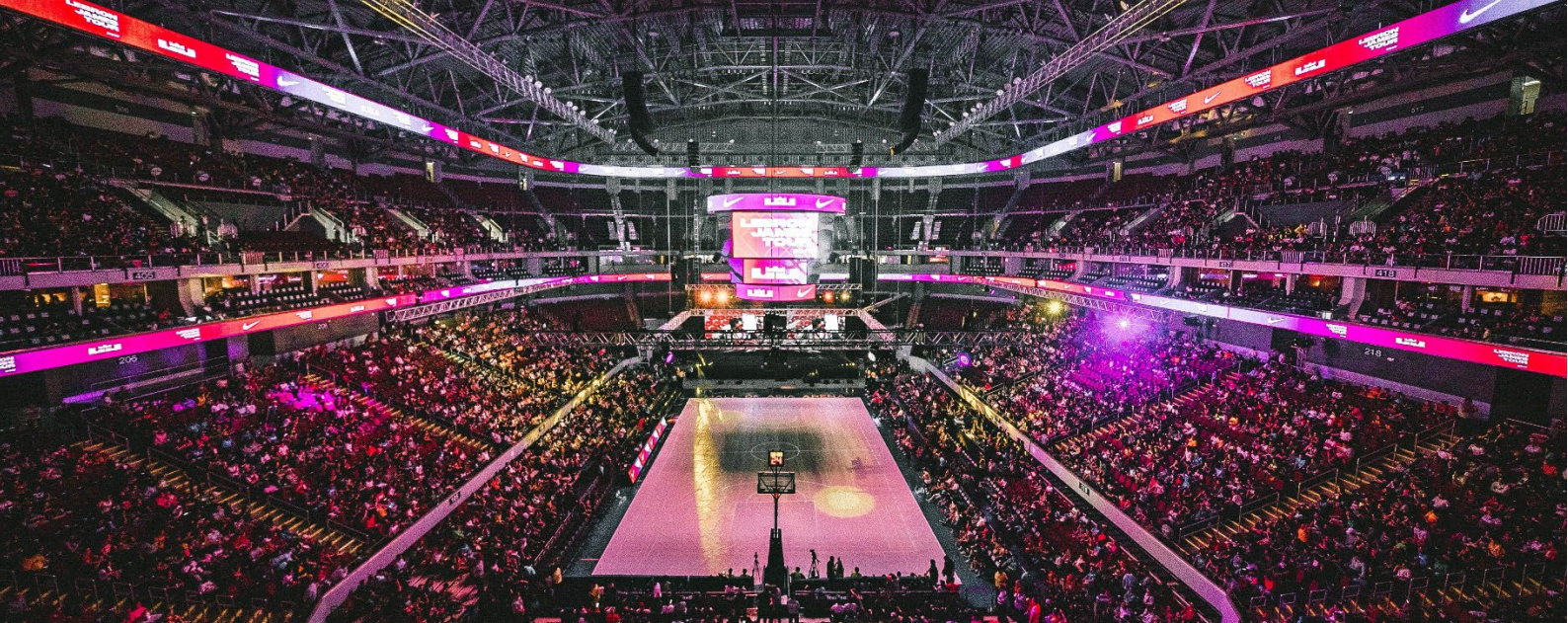
All shares issued by the parent company were fully paid.

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 5G synchronization product area 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 to support 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

Publishing of Annual report 2023	April 16, 2024
Interim report January – March	April 23, 2024
Annual General Meeting	May 7, 2024
Interim report January – June	July 18, 2024
Interim report January – September	November 7, 2024

Solna, Sweden, February 16, 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 CET on February 16, 2024.

FINANCIAL INFORMATION

SEK millions (if not defined differently)	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Earnings				
Net sales	162.5	125.0	559.4	475.1
Gross earnings	102.6	77.6	341.8	297.7
Operating expenses	72.3	61.6	266.4	234.2
Total development expenditure	39.9	37.6	145.2	139.0
EBITDA	46.2	28.7	142.5	122.7
EBITDAC	21.7	4.1	49.1	35.1
Operating earnings	29.4	13.2	70.9	60.5
Profit before tax	29.0	12.8	77.4	68.9
Net income	22.6	9.9	60.1	54.0
Balance sheet and cash flow				
Cash and cash equivalents	266.4	308.3	266.4	308.3
Working capital	117.0	102.7	113.6	76.5
Total cash flow	4.2	14.0	-41.7	-47.0
The share				
Dividend per share, SEK	-	-	-	-
Earnings per share, basic, SEK	0.06	0.03	0.17	0.15
Earnings per share, diluted, SEK	0.06	0.03	0.17	0.15
Cash flow per share, basic, SEK	0.01	0.04	-0.12	-0.13
Cash flow per share, diluted, SEK	0.01	0.04	-0.12	-0.13
Equity per share basic, SEK	1.78	1.68	1.76	1.65
Equity per share diluted, SEK	1.78	1.66	1.75	1.63
Average number of outstanding shares basic, thousands	348,580	359,326	353,291	367,083
Average number of outstanding shares diluted, thousands	349,905	364,136	356,334	370,840
Number of outstanding shares at the end of the period, basic, thousands	346,613	357,178	346,613	357,178
Number of outstanding shares at the end of the period, diluted, thousands	348,368	361,988	348,368	361,988
Share price at end of period, SEK	5.20	6.06	5.20	6.06
Employees and consultants				
Average number of employees and consultants	196	183	191	176
KPI				
Net sales YoY, change in %	30.0%	15.9%	17.7%	24.8%
Gross margin	63.1%	62.1%	61.1%	62.7%
Total development expenditure/Net sales	24.5%	30.0%	26.0%	29.2%
Operating margin	18.1%	10.6%	12.7%	12.7%
EBITDA margin	28.4%	23.0%	25.5%	25.8%
EBITDAC margin	13.4%	3.3%	8.8%	7.4%
Net margin	13.9%	7.9%	10.7%	11.4%
Return on capital employed	8.0%	9.0%	8.0%	8.9%
Equity/asset ratio	74.2%	71.6%	74.2%	71.6%
Return on equity	9.7%	8.7%	9.8%	8.7%

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)	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Net sales	162.5	125.0	559.4	475.1
Net currency effect of comparable currencies	-3.4	-13.1	-23.9	-43.7
Net sales in comparable currencies	159.1	111.9	535.5	431.5
Change in net sales in comparable currencies	27.2%	3.7%	12.7%	13.3%

KPI Income Statement SEK millions (if not defined differently)	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Net sales	162.5	125.0	559.4	475.1
Net sales YoY, change in %	30.0%	15.9%	17.7%	24.8%
Cost of sales ex. amortization of capitalized development	-47.0	-35.6	-162.4	-131.3
Gross earnings ex. amortization of capitalized development	115.5	89.5	396.9	343.8
Gross margin ex. amortization of capitalized development	71.1%	71.6%	71.0%	72.4%
Cost of sales amortization of capitalized development	-12.9	-11.9	-55.1	-46.2
Gross earnings	102.6	77.6	341.8	297.7
Gross margin	63.1%	62.1%	61.1%	62.7%
Sales and marketing expenses	-40.3	-35.3	-152.1	-130.0
Administration expenses	-16.6	-13.4	-62.4	-52.8
Development expenses	-15.4	-12.9	-51.8	-51.4
Operating expenses	-72.3	-61.6	-266.4	-234.2
Operating expenses/net sales	44.5%	49.3%	47.6%	49.3%
Other operating income and expenses	-0.8	-2.8	-4.5	-3.0
Operating earnings	29.4	13.2	70.9	60.5
Operating margin	18.1%	10.6%	12.7%	12.7%
Net financial items	-0.5	-0.4	6.5	8.4
Profit before tax	29.0	12.8	77.4	68.9
Tax	-6.4	-2.9	-17.3	-14.9
Net Income	22.6	9.9	60.1	54.0
Net margin	13.9%	7.9%	10.7%	11.4%

EBITDA margin SEK millions (if not defined differently)	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Net sales	162.5	125.0	559.4	475.1
Operating earnings	29.4	13.2	70.9	60.5
Amortization of capitalized development expenditure	12.9	11.9	55.1	46.2
Other depreciation & amortization	3.9	3.6	16.5	14.5
Impairment	-	-	-	1.5
EBITDA	46.2	28.7	142.5	122.7
EBITDA margin	28.4%	23.0%	25.5%	25.8%
Capitalization of development expenditure	-24.5	-24.6	-93.4	-87.6
EBITDAC	21.7	4.1	49.1	35.1
EBITDAC margin	13.4%	3.3%	8.8%	7.4%

Development expenditure SEK millions (if not defined differently)	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Development expenses	15.4	12.9	51.8	51.4
Capitalization of development expenditure	24.5	24.6	93.4	87.6
Total development expenditure	39.9	37.6	145.2	139.0
Capitalization rate	61.4%	65.6%	64.3%	63.0%
Net Sales	162.5	125.0	559.4	475.1
Total development expenditure/net sales	24.5%	30.0%	26.0%	29.2%

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	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	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Current assets	522.1	547.8	533.5	548.4
Cash and cash equivalents	-264.5	-301.4	-276.4	-328.4
No interest-bearing short term liabilities	-140.5	-143.7	-143.5	-143.5
Working capital	117.0	102.7	113.6	76.5

Return on capital employed SEK millions (if not defined differently)	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Capital employed				
Total balance	838.8	836.2	841.6	831.1
No interest-bearing liabilities	-195.9	-193.9	-201.0	-175.5
Capital employed	642.9	642.3	640.6	655.6
Operating earnings less interest income R4Q				
Operating earnings R4Q	70.9	60.5	70.9	60.5
Interest income R4Q	19.6	2.4	19.6	2.4
Operating earnings less interest income R4Q	51.3	58.1	51.3	58.1
Return on capital employed	8.0%	9.0%	8.0%	8.9%

Equity/asset ratio SEK millions (if not defined differently)	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Equity	622.2	605.1	622.2	605.1
Total equity and liabilities	838.4	845.2	838.4	845.2
Equity/asset ratio	74.2%	71.6%	74.2%	71.6%

Return on equity SEK millions (if not defined differently)	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Net income - R4Q	60.1	54.0	60.1	54.0
Average equity - R4Q	618.0	624.2	612.4	624.2
Return on equity	9.7%	8.7%	9.8%	8.7%

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	Oct-Dec		Jan-Dec	
	2023	2022	2023	2022
Average number of employees	153	138	146	131
Average number of consultants	43	45	45	45
Total average number of employees and consultants	196	183	191	176

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 SEK millions		Oct-Dec		Jan-Dec	
		Note	2023	2022	2023
Exchange rate differences					
Part of Other operating income & expenses		-0.1	-2.7	-5.0	-1.9
Part of Net Financial Items		-2.5	-1.3	-0.8	6.9
Total Exchange rate differences		-2.5	-4.0	-5.7	5.1
Government grants Covid-19					
Reduction of employee expenses		-	-	-	-
Other operating income		-	-	-	0.1
Total		-	-	-	0.1
Items affecting comparability					
Restructuring	(a)	-	-	-	-1.2
Government grants Covid-19, other operating income	(b)	-	-	-	0.1
Government grants electricity support, other operating income		-	-	0.6	-
Impairment of intangible assets	(c)	-	-	-	-1.5
Total		-	-	0.6	-2.6
Operating earnings excluding items affecting comparability					
Operating earnings		29.4	13.2	70.9	60.5
Items affecting comparability, as per above		-	-	-0.6	2.6
Total		29.4	13.2	70.3	63.1
Operating earnings excluding exchange rate differences					
Operating earnings		29.4	13.2	70.9	60.5
Exchange rate differences, as per above		0.1	2.7	5.0	1.9
Total		29.5	15.9	75.9	62.4
Operating earnings excluding exchange rate differences & items affecting comparability					
Operating earnings		29.4	13.2	70.9	60.5
Exchange rate differences, as per above		0.1	2.7	5.0	1.9
Items affecting comparability, as per above		-	-	-0.6	2.6
Total		29.5	15.9	75.3	65.0
Cash flow excluding share-base transactions					
Net change in cash and cash equivalents	(d)	4.2	14.0	-41.7	-47.0
Repurchase of own shares		15.1	23.5	50.4	98.3
Exercised warrants		-1.8	-	-7.8	-
Total		17.5	37.5	0.9	51.3

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

(a) Severance pay in due to structural changes.

(b) Covid-19 related government grants for personnel and other resources that still contribute to creating value for the Company.

(c) During the third quarter of 2022, a restructuring was carried out, among other things to achieve a tighter integration of the Nimbra and Aperi platforms. As a consequence, some development projects were cancelled.

(d) 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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