

Q2 2025 report

Crister Fritzson, CEO

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18 July, 2025

Agenda

01 **HIGHLIGHTS**

02 **BUSINESS OVERVIEW**

- Media
- Time synchronization

03 **FINANCIALS**

04 **SUMMARY**

Highlights Q2 2025

Media revenues improved during the quarter while the market remains characterized by uncertainty, with a risk of delayed orders as a result, we continue to see strong demand for our products and services

We secured one of the largest Media deals in the company's history demonstrates our competitiveness and strong position in key growth areas – high-capacity solutions and IP-based remote production

During the quarter, we secured our first Time Synchronization deal in the media market for a major global sporting event, and we received a field trial order from a new 5G operator in North America

We have not seen the growth in Time Synchronization we invested for during the last six month. However, we continue to experience strong interest in our Time Synchronization and robust time synchronization is becoming a global priority

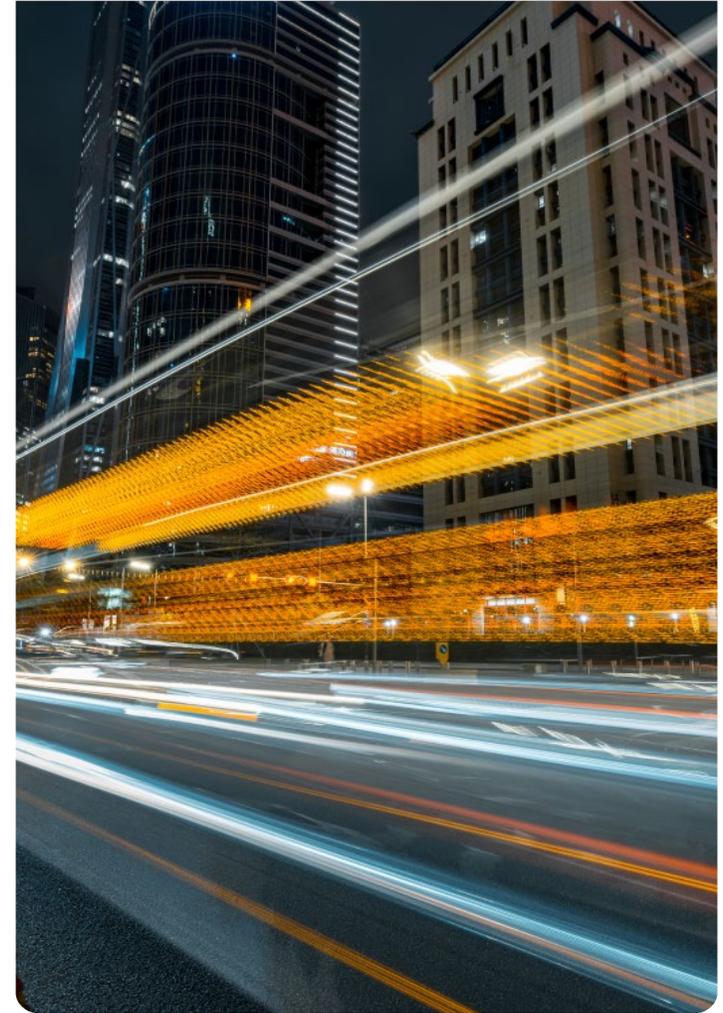
To counteract the effects of a temporarily hesitant market, we initiated a cost-savings program during the quarter, reducing costs by SEK 30 million on an annual basis, with full effect from Q1 2026

Business Overview

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Media: Major high-capacity order demonstrates strong competitiveness

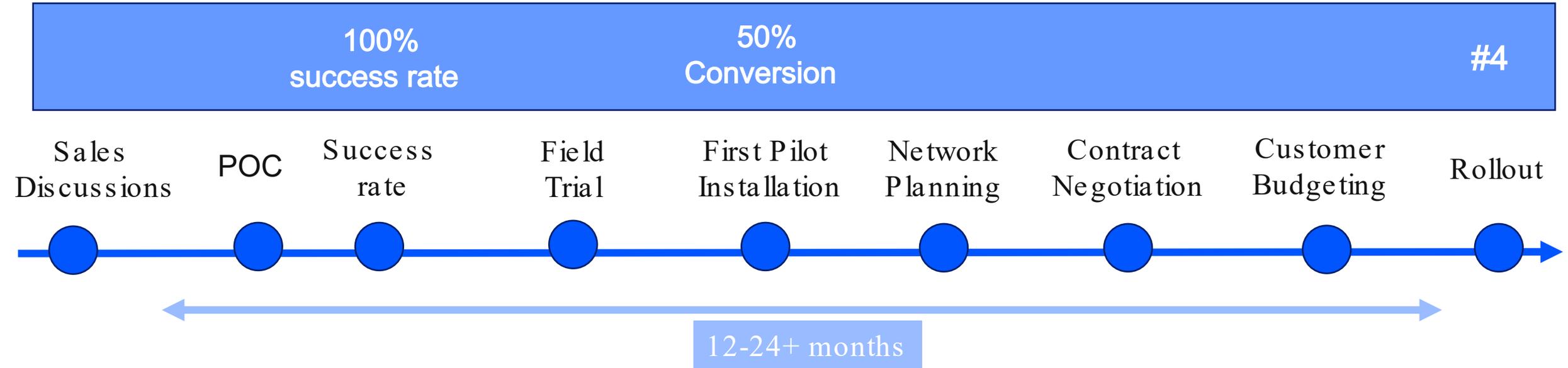
- It has been an intense and eventful period for the Media segment, with **several key product launches** and strategic collaborations aimed at strengthening our position in next-generation media technology
- **The major order we secured in the US reflects a broader market shift**, where demand is rising for increased capacity at venues and in remote production
- **Our Sales of our high-capacity product, the 1060, have doubled** – rising from 13% in 2022 to 26% on a rolling twelve-month basis
- **A significant proportion of media solutions sales** was linked to our newer platforms, cloud solutions and secure IP-distributions
- **The new 400G IP platform further address these evolving demands** we expect to deliver our first units around year-end



Time Synchronization: Two new customers during the quarter

- **The need for GPS-independent time synchronization continues to grow, and Net Insight's solution fully meets growing demand from operators and public authorities for security, precision, and reliability in 5G networks**
- **We currently have more than 15 existing customers, including two new additions during the quarter, and an order book of just over 140 SEKm**
- **This quarter was marked by low investment levels among customers in the rollout phase we continue see a positive progress with customers in the evaluation phase or early pilot testing, two new major 5G operators began testing the solution this quarter**
- **We expect that some customers in the evaluation phase will select our solution during the second half of the year and begin deployment toward the end of 2025 or early 2026.**
- **Standardization efforts within ITU are also progressing and are now expected to be completed by mid-2026**

Selection Procedure to select a new vendor



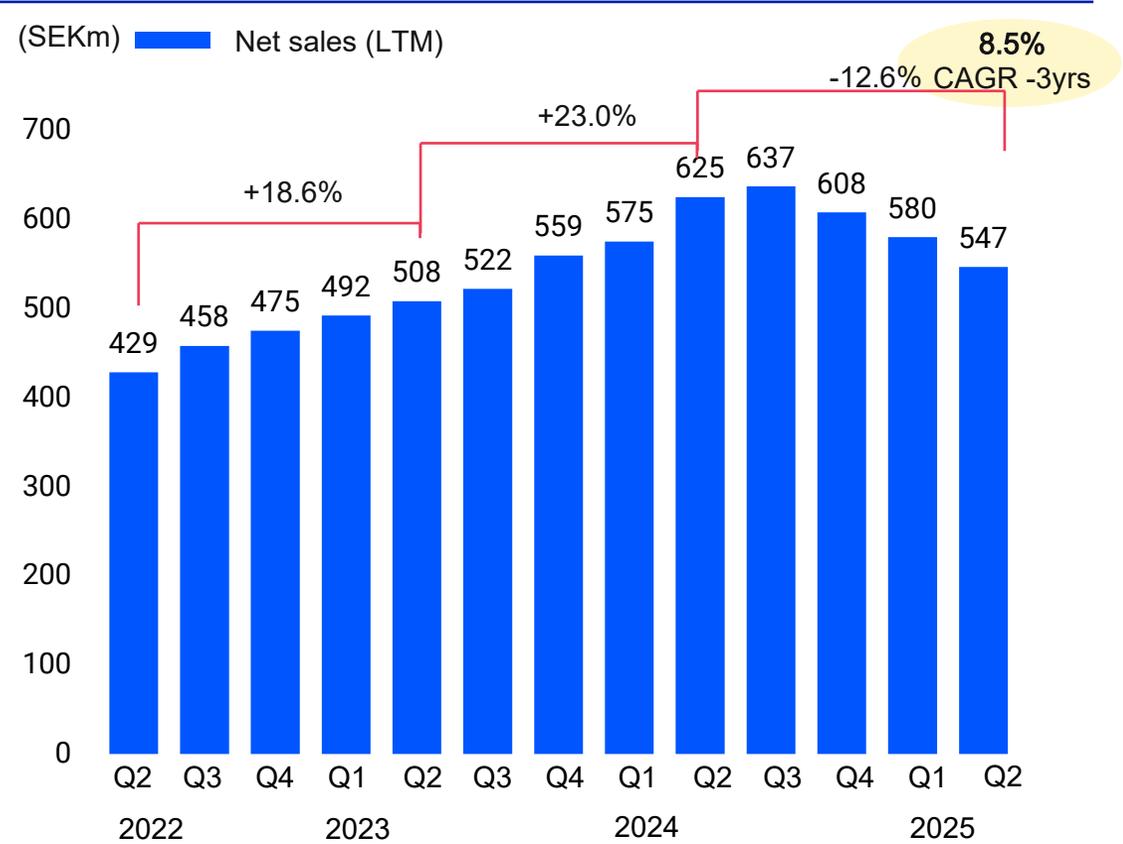
- This is a **standard selection** procedure in telecom to select a new vendor
- Time synchronization is a **critical function with lifespan of 5 -10 years** – Careful selection and testing
- **Regulatory demands** are sometimes pending and may impact and delay decisions
- The importance of time synchronization is **new to mobile operators**
- **New solution/new supplier to 5G** makes test/decision process long

Financials

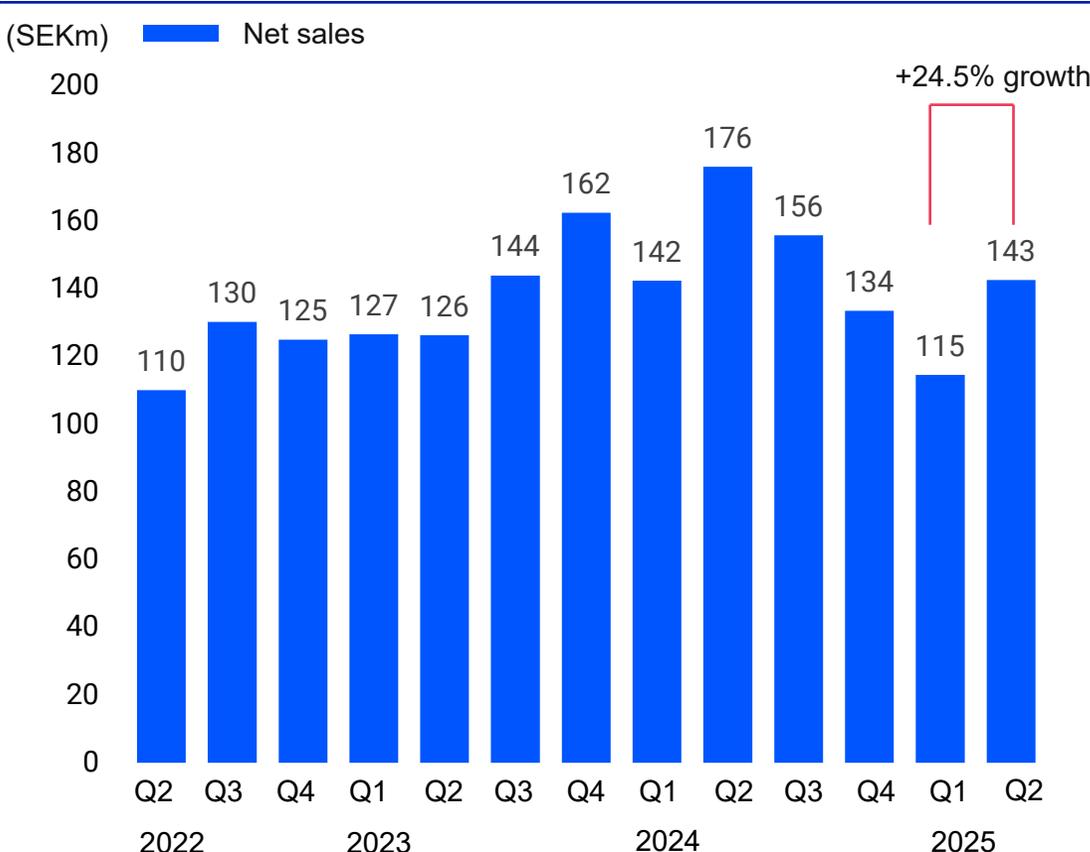
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Firm strategic focus in temporarily hesitant market

Compound annual growth rate of 9 percent since 2022

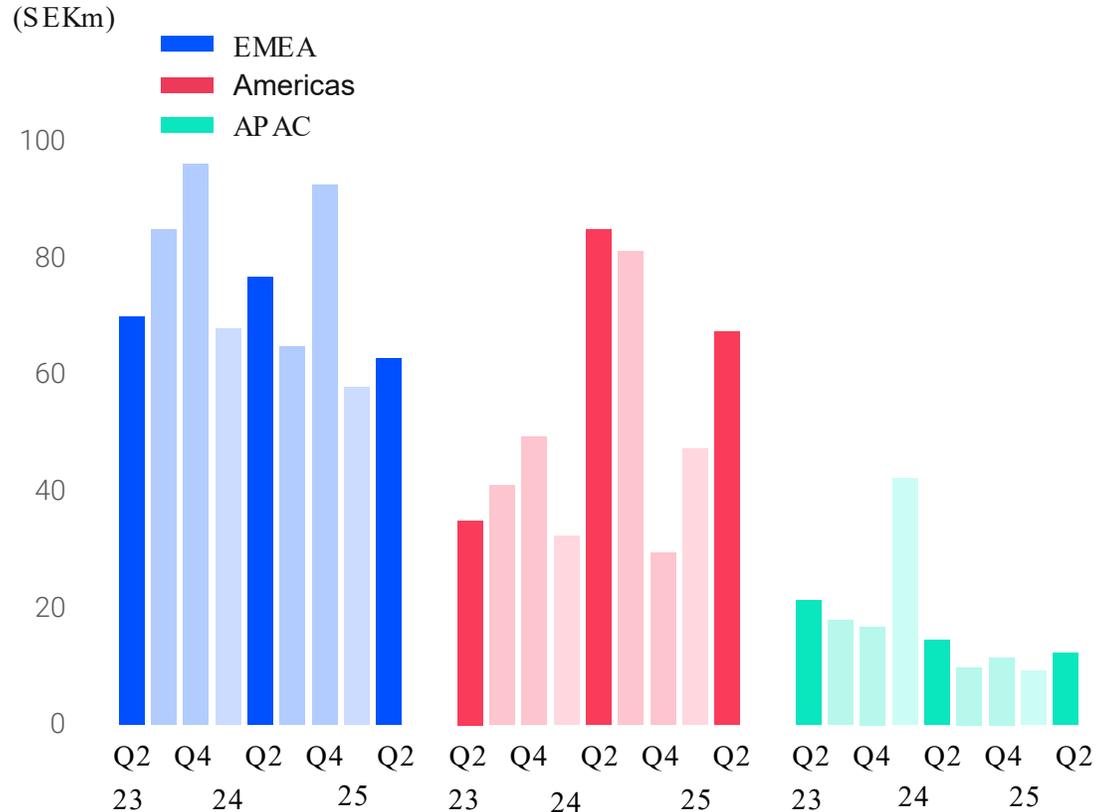


Revenue rebound after decline in two quarters

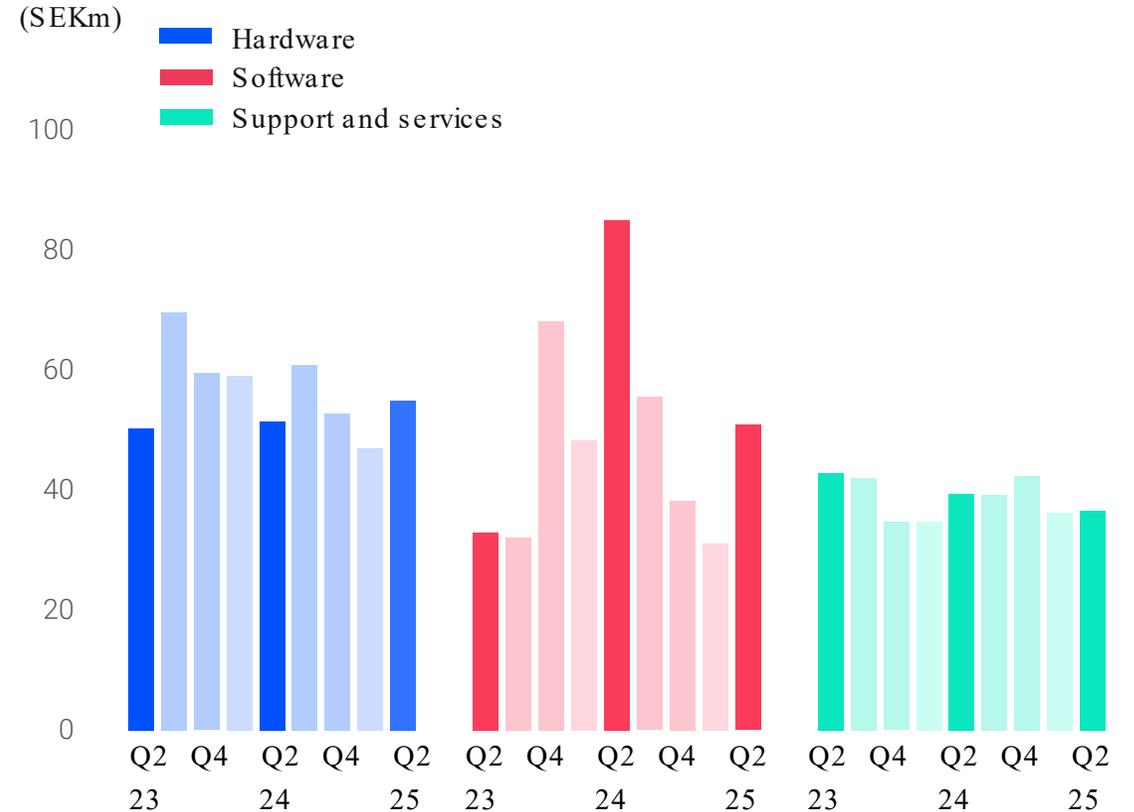


Revenue rebounded after lower sales in the last two quarters

Regional Net sales (quarterly): Growth in all region vs previous quarter



Product group Net sales (quarterly)*: Stable mix in the quarter

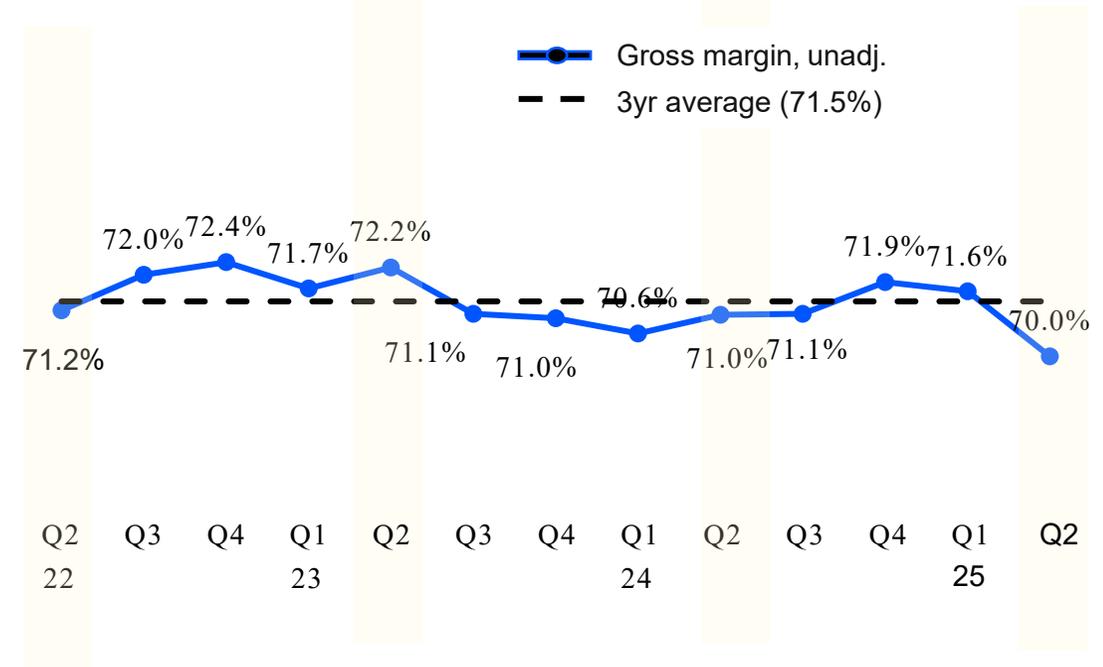


* Historic product group comparison distorted by a financial system upgrade in Q4 2023, resulting in improved distribution of package sales across product groups

Strong FX headwinds temporarily impact gross margin

- Unadjusted* gross margin for the quarter at 68.8 percent (74.3 percent in Q2 24) and LTM 70.0 percent
- The lower margin affected by strong FX headwinds and to some extent by the lower margin of the large order announced in June
- Year-on-year decrease in gross profit distorted by the the non-recurring software order of 29.8 SEKm
- Gross profit amounted to 77.9 SEKm in Q2 25, resulting in a gross margin including amortization of capitalized development expenditure in the quarter of 54.6 percent (65.1 percent in Q2 24)

Unadjusted* gross margin LTM close to 3-year average

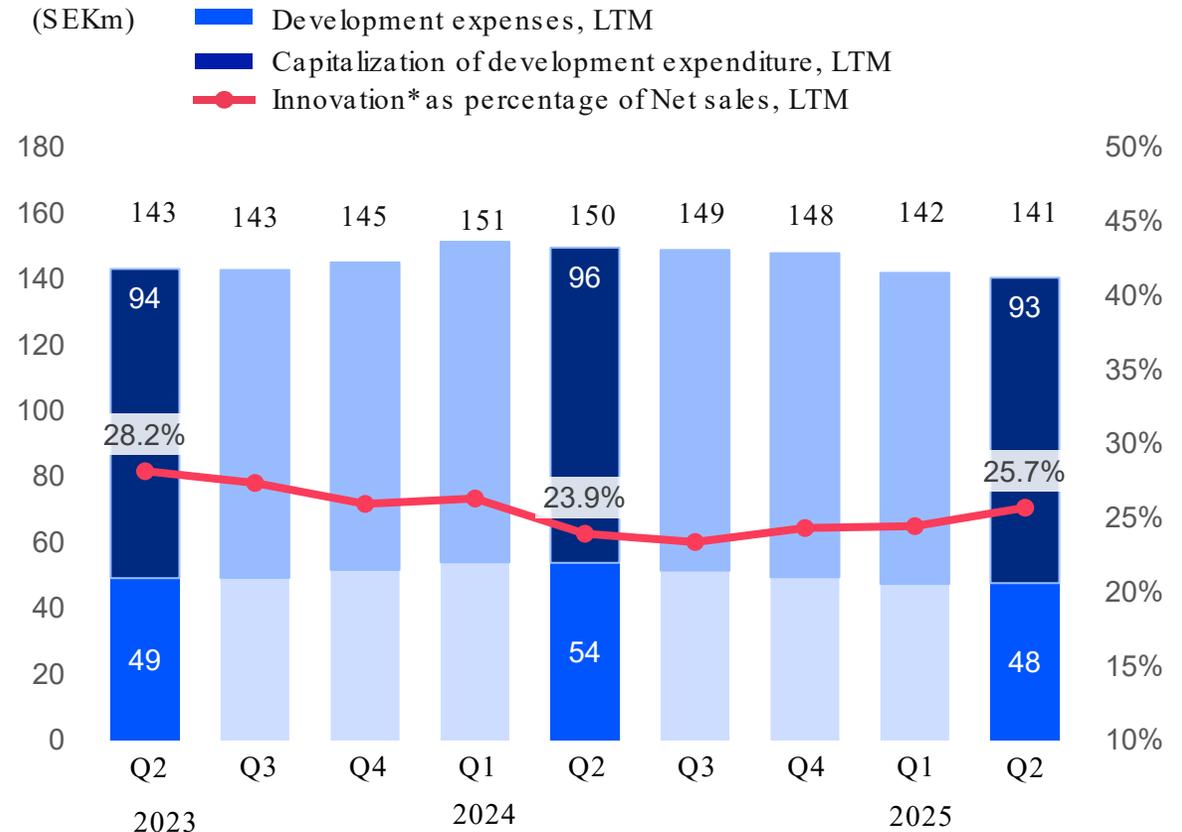


* Before amortization of capitalized development expenditure

Commitment to innovation and technological advancement

- Underscoring the company's commitment to innovation and technological advancement, 25.7 percent of Net sales has been invested in R&D over the past twelve months
- A substantial share of the development expenditure LTM, amounting to 66.0 percent have been capitalized, reflecting Net Insight's focus on long-term value creation

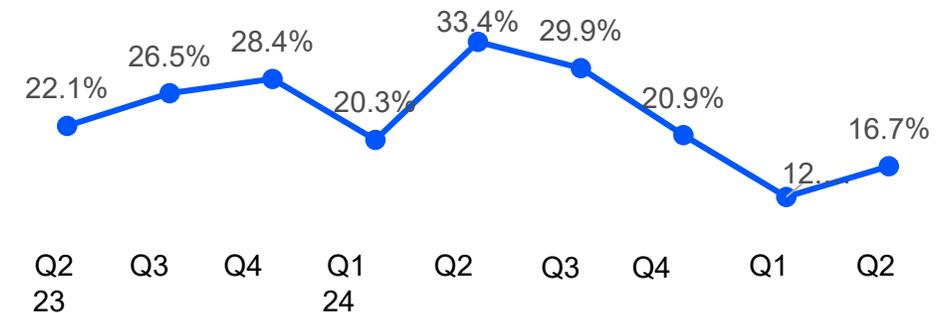
Focus on long-term value creation



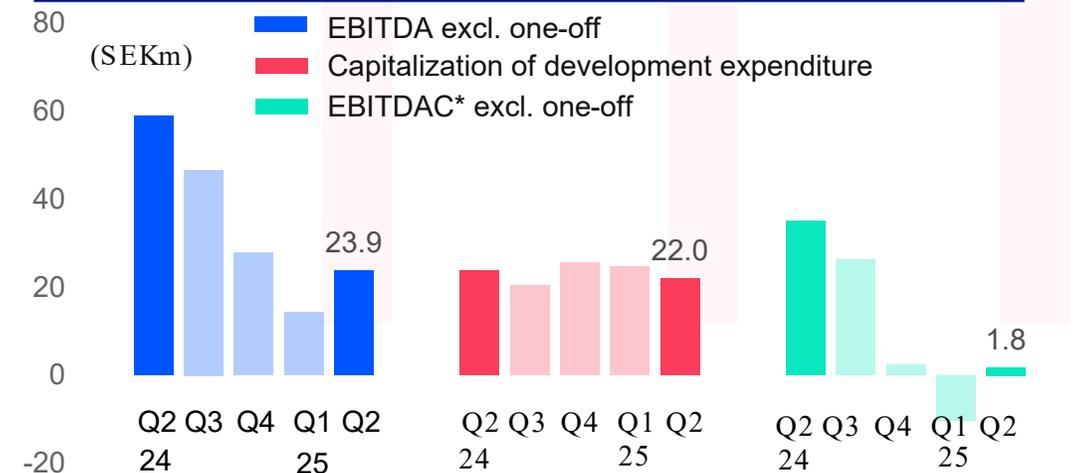
Focus on competitiveness in a rapidly evolving market

- EBITDA* of 23.9 SEKm in Q2 25, resulting in an EBITDA-margin* of 16.7 percent (33.4 percent in Q2 24)
- EBITDA* of 112.9 SEKm LTM (172.1 SEKm in Q2 24 LTM), corresponding to a margin of 20.6 percent over the past twelve months.
- The year-over-year EBITDA decline is primarily due to the absence of the growth we had invested for in Time Synchronization, along with significant currency headwinds from a strengthened SEK
- To countereffect the decreased EBITDA a cost-saving program was initiated in the quarter with a yearly effect of 30 SEKm. The program has generated one-off costs of 10 SEKm in the quarter
- EBITDAC** of 1.8 SEKm in the quarter (35.1 SEKm in Q2 24), as we maintaining a firm focus on competitiveness in a rapidly evolving market

EBITDA* margin



EBITDA* to EBITDAC**

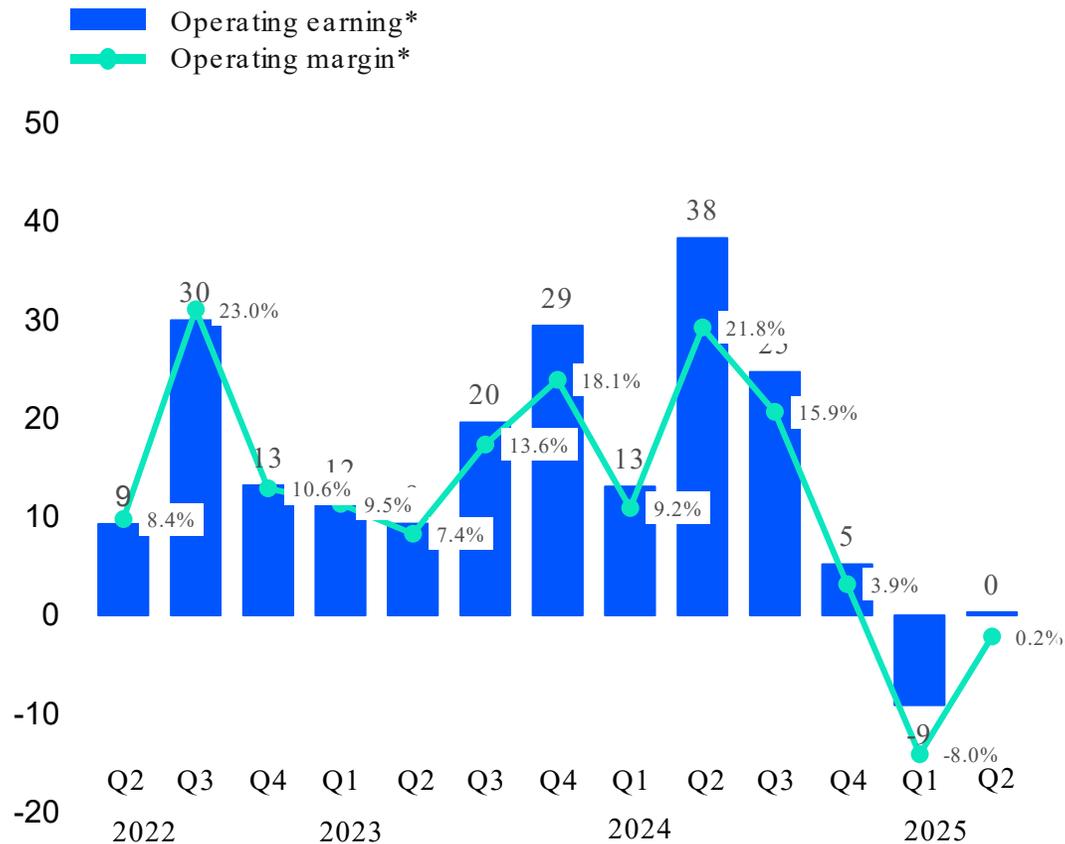


* Excluding one-off cost (10.0 SEKm for Q2 2025)

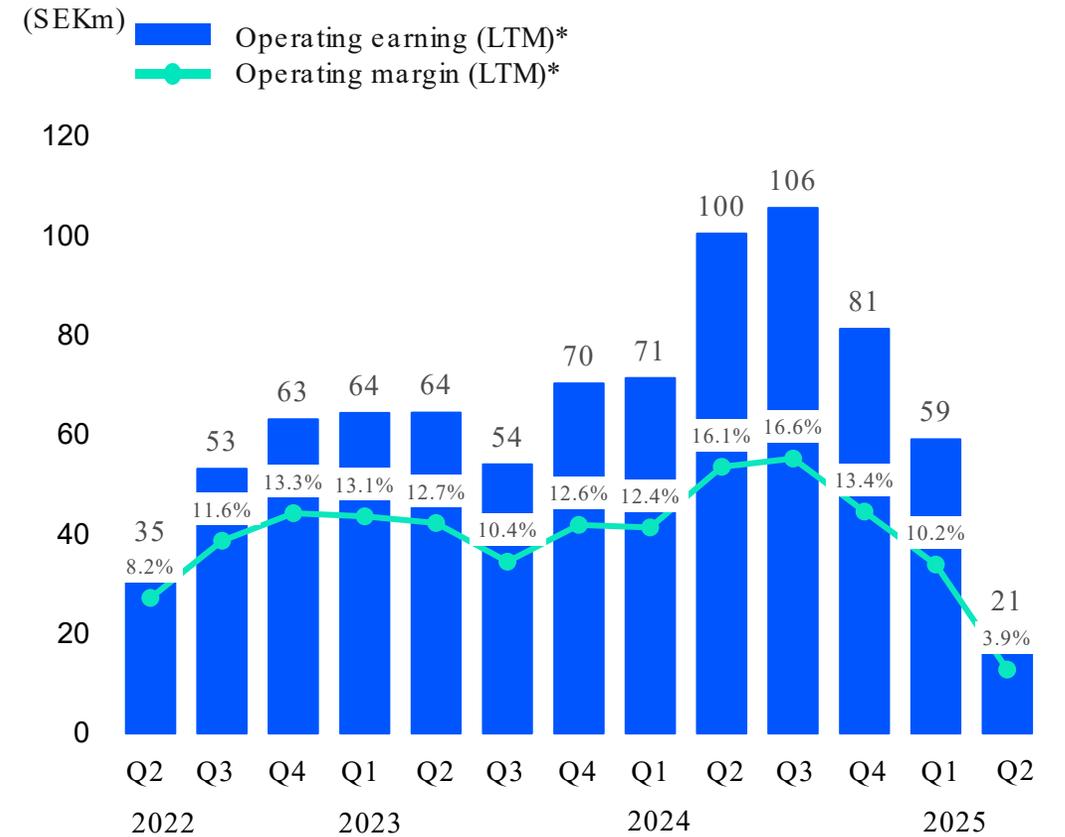
** EBITDAC = EBITDA including capitalization of development expenditure

Temporary topline weakness impacting profitability

Operating earnings per quarter*



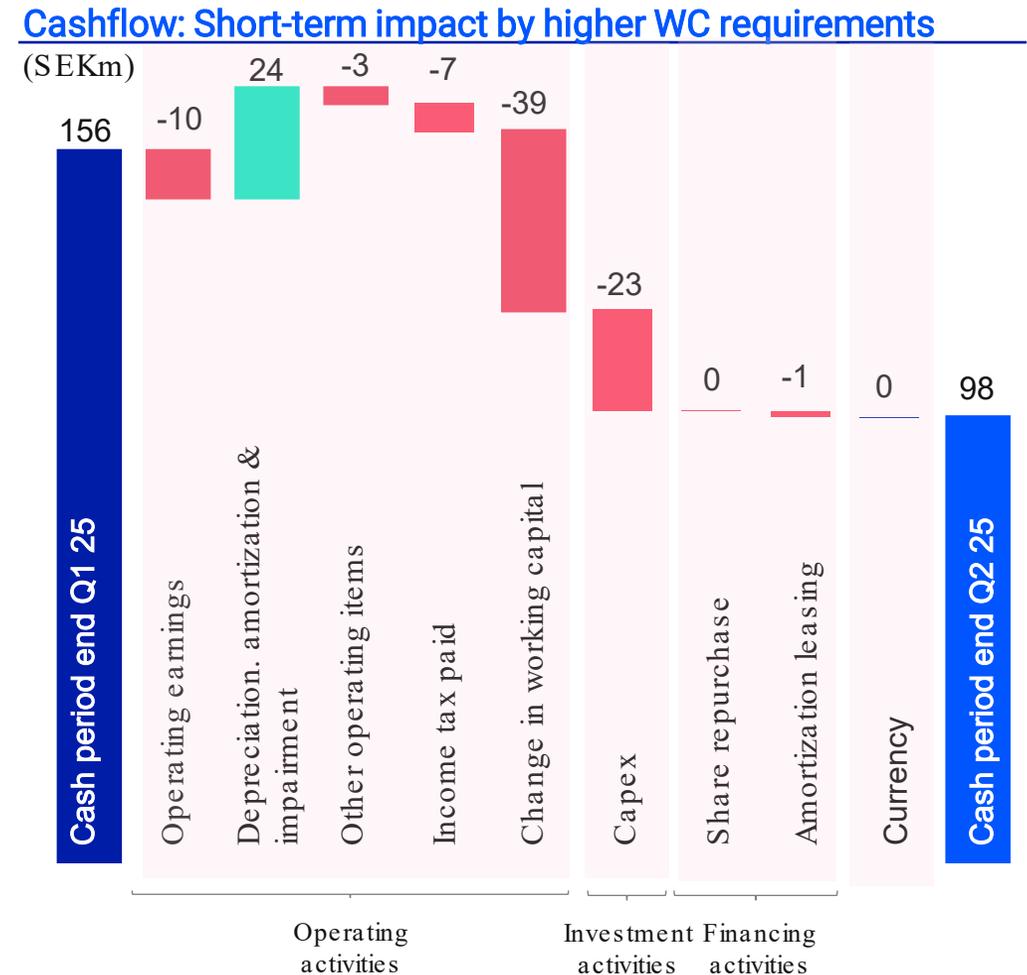
Operating earnings LTM*



* Excluding one-off cost (10.0 SEK for Q2 2025)

Net cash decrease primarily attributable to change in WC

- Cash flow from operating activities at -34.6 SEKm, attributable to one-off costs (-10 SEKm) and an increase in working capital (-39 SEKm), negatively affected by the higher revenue in the quarter and to some extent to extended payment terms for a few number of orders
- Cash flow from investment activities of -22.5 SEKm, mainly as a result of capitalized expenditure
- Cash flow from financing activities amounted to -1.3 SEKm
- Net cash flow of -58.4 SEKm with a net cash position of 97.8 SEKm at the end of Q2 2025
- Additional unutilised credit facility of 50 SEKm, with an available liquidity of 148 SEKm



Summary

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Strong interest in our offerings, Media and Time Synchronization



Media revenues improved during the quarter while the market remains characterized by uncertainty, with a risk of delayed orders as a result we continue to see **strong demand for our products and services**



We secured one of the **largest Media deals** in the company's history **demonstrates our competitiveness** and strong position in key growth areas – high-capacity solutions and IP-based remote production



For Time Synchronization we see a **positive progress with customers in the evaluation phase or early pilot testing**, We expect that some of these customers **will select our solution during the second half of the year** and begin deployment toward the end of 2025 or early 2026.



During the quarter, **we secured our first Time Synchronization deal** in media for a major global sporting event, we received a **field trial order from a new 5G operator in North America** and two new major 5G operators began testing the solution this quarter



To ensure continued financial flexibility in light of **ongoing macroeconomic uncertainty**, the Board has decided **not to utilize the share buyback mandate** granted by the Annual General Meeting, **for the time being**



We enter the **second half of the year with confidence**. We are seeing healthy market activity, **with strong customer engagement** across both Media and Time Synchronization **Financial targets reiterated**.

Net Insight Capital Markets Day

September 29, 2025



A new issue of Open Insight
is out today

Q&A

Contact



Investor relations

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Calendar



29 September 2025

Capital Markets Day



6 November 2025

Q3 2025 interim report will be published at 07.30 CET



11 February 2026

Q4 2025 <year-end report will be published at 07.30 CET

