

# INTERIM REPORT

## JANUARY – MARCH 2023



### January – March 2023

- Net sales amounted to SEK 126.6 (109.7) million, an increase of 15.4% year-on-year. In comparable currencies net sales increased by 6.1%.
- Operating earnings amounted to SEK 12.0 (10.7) million, corresponding to an operating margin of 9.5% (9.7%). Excluding foreign exchange rate differences of SEK -1.3 (0.5) million, operating earnings were SEK 13.3 (10.2) million.
- Net income for the period was SEK 10.4 (8.2) million.
- Earnings per share diluted was SEK 0.03 (0.02).
- Total cash was SEK -29.9 (-1.2) million. Excluding the cash impact from repurchase of own shares, the cash flow was SEK -21.4 (35.5) million.

### Q1 in brief

- Frame agreement with Three Sweden in 5G time synchronization
- Zyntai: new product launched in 5G synchronization
- Several important product launches in Media
- Strong growth in license revenue from the Edge cloud solution

### FINANCIAL HIGHLIGHTS

SEK millions	Jan-Mar		Change	Apr 2022- Mar 2023	Jan-Dec 2022	Change
	2023	2022				
Net sales	126.6	109.7	15.4%	492.0	475.1	3.6%
Operating earnings	12.0	10.7	12.1%	61.8	60.5	2.1%
Operating margin	9.5%	9.7%		12.6%	12.7%	
Net income	10.4	8.2	28.0%	56.3	54.0	4.2%
EBITDA	29.6	25.6	15.8%	126.7	122.7	3.3%
EBITDA margin	23.4%	23.3%		25.7%	25.8%	
EBITDA-2	4.9	5.0	-1.8%	35.0	35.1	-0.3%
EBITDA-2 margin	3.9%	4.6%		7.1%	7.4%	
Net Income	10.4	8.2	28.0%	56.3	54.0	4.2%
Net margin	8.2%	7.4%		16.0%	11.4%	
Total cash flow	-29.9	-1.2		-75.7	-47.0	

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

# CEO's Statement

## Stable start to the year

In the quarter, we saw currency adjusted growth of 6.1% and a strong positive trend for our recurring license and support revenue. The development of 5G time synchronization continues at a steady pace, with several key deals and the launch of our new product family.

Although macroeconomic challenges continue to generate some uncertainty, our business benefits from multiple long-term growth drivers. The biggest driver is the shift towards IP and cloudbased services that the media industry is undergoing. In the telecom sector, growth is driven by the growing need for GPS-independent solutions for time synchronization in 5G networks.

Sales for the first quarter were SEK 126.6 million, an increase of 15.4% year-on-year (6.1% in comparable currencies). The growth was partly due to our strategy of working long-term and closer together with our customers and partners, which has meant that we are increasingly closing larger deals. This has increased average order value and generated more stable sales.

Operating earnings totaled SEK 12.0 million, compared to SEK 10.7 million in Q1 2022. Gross margin in the quarter was down in year-on-year terms (59.1% against 62.0%). This was partly because the comparative quarter was positively affected by high-margin service revenue from the Beijing Winter Games, and partly because of non-recurring costs associated with purchasing components on the spot market in the quarter. However, this was partially offset by an increase in recurring income in the form of support and license revenue, as well as positive exchange rate effects. A price increase was introduced in February, with only a limited effect on the quarter.

### Frame agreement with Three Sweden

On March 8, we signed a frame agreement relating to 5G synchronization with Three Sweden worth a total of approximately SEK 30 million. This followed an initial order for our Nimbra TimeNodes that was placed in Q2 2022. The frame agreement is intended to support the company's ongoing nationwide 5G expansion, using our GPS-independent solution for time synchronization. We are proud that Three Sweden has chosen us as their partner and look forward to our continued collaboration.

**A quarter with many critical product launches in both media and 5G time synchronization.**

### New product launch in 5G sync

We launched our new product family Zyntai at the Mobile World Congress in Barcelona in February, with coming volume deliveries to operators such as Türk Telekom and Three Sweden. This is a milestone. Zyntai enables fast, more secure and cost-effective 5G expansion that allows mobile operators to provide secure real-time critical services. The first units are scheduled for delivery in late 2023, with a gradual increase in volumes during 2024. The current focus is on increasing the order stock, which was over SEK 150 million at the end of the first quarter.

### Launches support the transition to IP

In the quarter, we launched several products that increase our competitiveness and will generate future growth. For example, through our Nimbra 1060 platform, we can now offer JPEG XS for video compression in the SMPTE 2110 format under the TR07 standard, important functionality in IP-based production flows of high-quality media. In March, we launched our unique Trust Boundary Appliance, which recently won an award at the NAB Show in Las Vegas. It solves a fundamental security problem for IP based media and allows customers to segment IP networks, adapt media flows for different production environments, and monitor the quality of media services.

### Strong market presence

This was an intensive period filled with customer activities, product launches and new partnerships with operators such as CBS, Globecast in the US, and in particular MediaKind, which were well received throughout the sector. I recently returned from NAB in Las Vegas and am delighted with the incredibly positive response we received from everyone we met there.

I want to thank our employees for their energy and commitment, and I am delighted to see everyone come together to focus on the tasks that lie ahead.

Crister Fritzson, CEO  
Solna, Sweden, May 3, 2023



## REVENUES

Net sales in the first quarter of 2023 were SEK 126.6 (109.7) million, an increase of 15.4%. In comparable currencies, sales increased by 6.1%.

Revenue from 5G time synchronization amounted to SEK 8.5 million in the first quarter, SEK 11.3 million compared to the previous year. The previous year's first quarter included higher revenue linked to the existing product deliveries. The newly developed product was launched during the quarter and delivery will begin by the end of the year. In comparable currencies, the Media business growth is 10% approx. compared to the same period last year. During the quarter, we received several larger deals, which is a result of our strategy of working long-term with our customers to a greater extent and thus being involved in earlier business discussions to increase the opportunity to win larger deals. In the quarter, we see continued strong development in the APAC region. The recurring revenue from software license and support also contributed to the growth in the quarter. Event-based service revenue was significantly lower than last year, when the first quarter of 2022 included service revenue linked to the Winter Games in Beijing.

Despite the macroeconomic challenges, we can see a continued willingness to invest in our customers, and in the long term, the transformation towards IP and Cloud-based services creates underlying growth. The development of the new product for 5G synchronization is ongoing, and the launch took place during the World Mobile Congress in February. Delivery is expected to start at the end of 2023. The uncertainty regarding the availability of components is expected to gradually decrease.

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

Gross profit for the first quarter was SEK 74.8 (68.0) million, an increase by 10.0%. The increase is driven by the increase in revenue compared to last year. Gross profit included amortization of capitalized development expenditure of SEK -13.5 (-11.3) million. Gross margin excluding and including amortization of capitalized development expenditure was 69.7% (72.2%) and 59.1% (62.0%) respectively. The increase in license and support revenue has not fully compensated for lower event-base services revenue compared to the previous year. The price adjustment that was implemented in February has not yet had an impact and thus has not compensated for the increase in costs. In the quarter, we also had costs of one-off nature of some SEK -1.8 million linked to purchases made on the spot market.

Operating expenses in the first quarter of SEK -61.8 (-57.9) million, an increase of 6.7% compared to last year. The increase includes cost increases driven by, among other things, inflation, a strengthening of the organization, an increase of marketing related expenses, and the weakening of the Swedish Krona against the USD.

Sales and marketing expenses were SEK -35.5 (-31.0) million, and administration expenses to SEK -15.0 (-13.5) million. Development expenses were SEK -11.2 (-13.3) million and the total development expenditure, i.e., before capitalization, were SEK -35.9 (-33.9) million. The increase in sales and marketing costs as well as development expenditures are partly attributable to the investment in time synchronization for 5G as well as increased costs for events and travel. Sales and marketing expenses in the quarter are also affected by a negative exchange rate effect as a significant part of these costs are in USD.

Other operating income and expenses were SEK -1.0 (0.6) million, of which foreign exchange rate differences of SEK -1.3 (0.5) million.

Operating earnings amounted to SEK 12.0 (10.7) million, corresponding to an operating margin of 9.5% (9.7%). Excluding foreign exchange rate differences of SEK -1.3 (0.5) million, operating earnings were SEK 13.3 (10.2) million. See also table Material profit and loss items on page 18.

EBITDA and EBITDA-2 (including reversal of capitalization of development expenditures) amounted to SEK 29.6 (25.6) million and SEK 4.9 (5.0) million, respectively, which corresponded to an EBITDA margin of 23.4% (23.3%) and an EBITDA-2 margin of 4.9% (4.6). The increase in EBITDA and EBITDA-2 is attributable to the increase in revenue.

In the first quarter, net financial items amounted to SEK 1.5 (-0.1) million, of which foreign exchange rate differences of SEK -0.0 (-0.1) million and net interest income of SEK 1.5 (-0.1)



### Financial targets 2023-2027:

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

million. The increased net interest income is due to increased interest income due to higher market interest rates.

Profit before tax was SEK 13.4 (10.6) million, and net income was SEK 10.4 (8.2) million, corresponding to a net margin of 11.8% (8.2%).

Key Ratios	Jan-Mar		Apr 2022-	Jan-Dec
	2023	2022	Mar 2023	2022
Net sales, SEK millions	126.6	109.7	492.0	475.1
Net sales YoY, change in %	15.4%	40.8%	19.3%	24.8%
Gross earnings	74.8	68.0	304.5	297.7
Gross margin	59.1%	62.0%	61.9%	62.7%
Operating earnings	12.0	10.7	61.8	60.5
Operating margin	9.5%	9.7%	12.6%	12.7%
EBITDA	29.6	25.6	126.7	122.7
EBITDA margin	23.4%	23.3%	25.7%	25.8%
EBITDA-2	4.9	5.0	35.0	35.1
EBITDA-2 margin	3.9%	4.6%	7.1%	7.4%

## INVESTMENTS

The investments in the first quarter were SEK 26.2 (21.4) million, of which SEK 24.7 (20.6 ) 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 first quarter totaled SEK -17.6 (-14.9) million, of which SEK -13.5 (-11.3) million related to amortization of capitalized expenditure for development.

Net value of capitalized expenditure for development was SEK 209.4 million at end of the period, against SEK 198.2 million as of December 31, 2022.

## CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities in the first quarter amounted to SEK 7.3 (58.8) million. The deterioration compared to the previous year, despite improved earnings, is due to increased working capital tie-up, while working capital tie-up decreased sharply in the comparison period. 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 is recognized as revenue during the development of the new products for 5G synchronization. The increase in inventory during 2022 and the beginning of 2023 is a consequence of securing components with longer foresight than normal due to the prevailing component shortage.

The total cash flow for the first quarter amounted to SEK -29.9 (-1.2) million. The increased investments in development projects compared to the previous year are offset by a reduced repurchase of own shares. Excluding the cash impact from repurchase of own shares, cash flow for the fourth quarter was SEK -21.4 (35.5) million. More information about the buyback program can be found on page 11.

Cash and cash equivalents were SEK 278.5 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 used during the year. For more information, see the section Tax on page 11.

Equity was SEK 607.0 million at end of the period, against SEK 605.1 million as of 31 December 2022. The equity/assets ratio was 72.7%, 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 11.

## EMPLOYEES

The average number of employees and consultants at Net Insight during the first quarter was 184 (168), of which 150 (136), in the parent company Net Insight AB (publ.). The increase is primarily attributable to the investment in 5G time synchronization, which began in the last quarter of 2021.

## PARENT COMPANY

Net sales for the parent company were SEK 126.6 (109.7) million in the first quarter, and net income was SEK 9.7 (7.5) million. Previous years' net financials included a dividend from subsidiary of SEK 3.1 million. In the first quarter, intra-group sales totaled SEK 0.0 (0.0) million, and intra-group purchases SEK -19.8 (-15.6) 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.

At the end of 2021, the current situation of component shortages has meant increased uncertainty. In 2021, we did not see any significant negative effects of this. During 2022 and 2023, we worked to manage the shortage situation and we estimate that the uncertainty will continue gradually decrease during 2023. 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.

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 2023.

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	Jan-Mar		Apr 2022-	Jan-Dec
	2023	2022	Mar 2023	2022
Net sales	126,629	109,713	492,034	475,118
Cost of sales	-51,830	-41,723	-187,561	-177,454
<b>Gross earnings</b>	<b>74,799</b>	<b>67,990</b>	<b>304,473</b>	<b>297,664</b>
Sales and marketing expenses	-35,533	-31,019	-134,535	-130,021
Administration expenses	-15,037	-13,534	-54,256	-52,753
Development expenses	-11,222	-13,340	-49,261	-51,379
Other operating income and expenses	-1,021	592	-4,622	-3,009
<b>Operating earnings</b>	<b>11,987</b>	<b>10,689</b>	<b>61,800</b>	<b>60,502</b>
Net financial items	1,453	-131	9,964	8,380
<b>Profit before tax</b>	<b>13,440</b>	<b>10,558</b>	<b>71,764</b>	<b>68,882</b>
Tax	-2,995	-2,400	-15,461	-14,866
<b>Net Income</b>	<b>10,445</b>	<b>8,158</b>	<b>56,303</b>	<b>54,016</b>
<b>Net income for the period attributable to the shareholders of the parent company</b>	<b>10,445</b>	<b>8,158</b>	<b>56,303</b>	<b>54,016</b>

Earnings per share, based on net income attributable to the parent company's shareholders during the period	Jan-Mar		Apr 2022-	Jan-Dec
	2023	2022	Mar 2023	2022
<b>Earnings per share</b>				
-Basic, SEK	0.03	0.02	0.16	0.15
-Diluted, SEK	0.03	0.02	0.15	0.15
<b>Average number of outstanding shares in thousands</b>				
-Basic	356,312	373,971	362,540	367,083
-Diluted	361,122	377,026	366,648	370,840

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK thousands	Jan-Mar		Apr 2022-	Jan-Dec
	2023	2022	Mar 2023	2022
Net income	10,445	8,158	56,303	54,016
<b>Other comprehensive income</b>				
Translation differences	-63	191	1,067	1,321
<b>Total other comprehensive income, after tax</b>	<b>-63</b>	<b>191</b>	<b>1,067</b>	<b>1,321</b>
<b>Total other comprehensive income for the period</b>	<b>10,382</b>	<b>8,349</b>	<b>57,370</b>	<b>55,337</b>
<b>Total comprehensive income for the period attributable to the shareholders of the parent company</b>	<b>10,382</b>	<b>8,349</b>	<b>57,370</b>	<b>55,337</b>



## CONSOLIDATED BALANCE SHEET, IN SUMMARY

SEK thousands	31 Mar 2023	31 Dec 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Capitalized expenditure for development	209,432	198,200
Goodwill	38,751	38,751
Other intangible assets	1,517	1,673
Right-of-use assets	30,711	32,129
Equipment	16,006	16,095
Deferred tax asset	1,089	3,719
Deposits	4,902	4,902
<b>Total non-current assets</b>	<b>302,408</b>	<b>295,469</b>
<b>Current assets</b>		
Inventories	91,938	84,249
Accounts receivable	138,892	129,415
Other receivables	23,579	27,716
Cash and cash equivalents	278,479	308,347
<b>Total current assets</b>	<b>532,888</b>	<b>549,727</b>
<b>TOTAL ASSETS</b>	<b>835,296</b>	<b>845,196</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to parent company's shareholders</b>		
Share capital	14,750	14,750
Other paid-in capital	1,192,727	1,192,727
Translation reserve	1,441	1,504
Accumulated deficit	-601,912	-603,892
<b>Total shareholders' equity</b>	<b>607,006</b>	<b>605,089</b>
<b>Non-current liabilities</b>		
Lease liabilities	18,794	20,733
Other liabilities	62,388	61,307
<b>Total non-current liabilities</b>	<b>81,182</b>	<b>82,040</b>
<b>Current liabilities</b>		
Lease liabilities	11,806	11,434
Accounts payable	22,036	35,899
Other liabilities	113,266	110,734
<b>Total current liabilities</b>	<b>147,108</b>	<b>158,067</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>835,296</b>	<b>845,196</b>

## CHANGES IN CONSOLIDATED EQUITY, IN SUMMARY

SEK thousands	Attributable to parent company's shareholders				
	Share capital	Other paid-in capital	Translation reserve	Accumulated deficit	Total shareholders' equity
<b>January 1, 2022</b>	<b>15,597</b>	<b>1,192,727</b>	<b>183</b>	<b>-561,979</b>	<b>646,528</b>
Repurchase of own shares	-	-	-	-36,662	<b>-36,662</b>
Total comprehensive income	-	-	191	8,158	<b>8,349</b>
<b>March 31, 2022</b>	<b>15,597</b>	<b>1,192,727</b>	<b>374</b>	<b>-590,483</b>	<b>618,215</b>
<b>January 1, 2023</b>	<b>14,750</b>	<b>1,192,727</b>	<b>1,504</b>	<b>-603,892</b>	<b>605,089</b>
Repurchase of own shares	-	-	-	-8,464	<b>-8,464</b>
Total comprehensive income	-	-	-63	10,445	<b>10,382</b>
<b>March 31, 2023</b>	<b>14,750</b>	<b>1,192,727</b>	<b>1,441</b>	<b>-601,912</b>	<b>607,006</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

SEK thousands	Jan-Mar		Apr 2022-	Jan-Dec
	2023	2022	Mar 2023	2022
<b>Ongoing activities</b>				
Profit/loss before tax	13,440	10,558	71,764	68,882
Income tax paid	-11	-119	-1,270	-1,378
Depreciation, amortization & impairment	17,614	14,881	64,890	62,157
Other items not affecting liquidity	720	1,057	4,865	5,202
	<b>31,763</b>	<b>26,377</b>	<b>140,249</b>	<b>134,863</b>
<b>Changes in working capital</b>				
Increase-/decrease+ in inventories	-7,884	372	-42,086	-33,830
Increase-/decrease+ in receivables	-5,238	17,984	-34,397	-11,175
Increase+/decrease- in liabilities	-11,387	14,067	33,517	58,971
<b>Cash flow from operating activities</b>	<b>7,254</b>	<b>58,800</b>	<b>97,283</b>	<b>148,829</b>
<b>Investment activities</b>				
Capitalized expenditure	-24,678	-20,561	-91,690	-87,573
Investment in intangible assets	-	-	-575	-575
Investment in tangible assets	-1,475	-827	-3,244	-2,596
Increase-/decrease+ in financial assets, net	-	-	-152	-152
<b>Cash flow from investment activities</b>	<b>-26,153</b>	<b>-21,388</b>	<b>-95,661</b>	<b>-90,896</b>
<b>Financing activities</b>				
Amortization leasing	-2,513	-1,935	-8,781	-8,203
Warrant premiums paid	-	-	1,561	1,561
Repurchase of own shares	-8,464	-36,662	-70,138	-98,336
<b>Cash flow from financing activities</b>	<b>-10,977</b>	<b>-38,597</b>	<b>-77,358</b>	<b>-104,978</b>
<b>Net change in cash and cash equivalents</b>	<b>-29,876</b>	<b>-1,185</b>	<b>-75,736</b>	<b>-47,045</b>
Exchange differences in cash and cash equivalents	8	-18	555	529
Cash and cash equivalents at the beginning of the period	308,347	354,863	353,660	354,863
<b>Cash and cash equivalents at the end of the period</b>	<b>278,479</b>	<b>353,660</b>	<b>278,479</b>	<b>308,347</b>



## DISAGGREGATION OF REVENUE

SEK thousands	Jan-Mar		Apr 2022-	Jan-Dec
	2023	2022	Mar 2023	2022
<b>Net sales by product group</b>				
Hardware	53,850	44,883	235,140	226,173
Software licenses	32,926	17,921	100,577	85,572
Support and Services*	39,853	46,909	156,317	163,373
<b>Total</b>	<b>126,629</b>	<b>109,713</b>	<b>492,034</b>	<b>475,118</b>
<b>Net sales by region</b>				
EMEA	62,842	61,067	266,217	264,442
AM	32,966	37,978	156,694	161,706
APAC	30,821	10,668	69,123	48,970
<b>Total</b>	<b>126,629</b>	<b>109,713</b>	<b>492,034</b>	<b>475,118</b>
<b>Timing of revenue recognition</b>				
Products and services transferred at a point in time	83,903	61,137	324,854	302,088
Products and services transferred over time*	42,726	48,576	167,180	173,030
<b>Total</b>	<b>126,629</b>	<b>109,713</b>	<b>492,034</b>	<b>475,118</b>

\*) Of which NRE fee; SEK 7.1 (7.1) million, Jan-Mar and SEK 28.2 million Jan-Dec 2022.

## FINANCIAL ASSETS AND LIABILITIES

Group's financial instruments by category - Assets				Mar 31, 2023			31 Dec 2022		
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	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss
<b>Assets in Balance Sheet</b>									
Derivative instruments	2		-	2		-			-
Accounts receivable and other receivables, excluding non-financial assets		146,566			140,200				
Cash and cash equivalents		278,479			308,347				
<b>Total</b>		<b>425,045</b>	<b>-</b>		<b>448,547</b>	<b>-</b>			

Group's financial instruments by category - Liabilities				Mar 31, 2023			31 Dec 2022		
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	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss
<b>Liabilities in Balance Sheet</b>									
Derivative instruments	2		407	2		787			
Accounts payable and other liabilities, excluding non-financial liabilities		31,259			47,368				
<b>Total</b>		<b>31,259</b>	<b>407</b>		<b>47,368</b>	<b>787</b>			

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	Jan-Mar		Apr 2022-	Jan-Dec
	2023	2022	Mar 2023	2022
Net sales	126,629	109,655	491,681	474,707
Cost of sales	-51,791	-41,689	-187,786	-185,519
<b>Gross earnings</b>	<b>74,838</b>	<b>67,966</b>	<b>303,895</b>	<b>297,023</b>
Sales and marketing expenses	-36,300	-31,600	-135,721	-131,021
Administration expenses	-15,019	-13,593	-54,183	-52,757
Development expenses	-11,698	-13,975	-50,259	-52,536
Other income expenses	-1,021	732	-7,191	-5,438
<b>Operating earnings</b>	<b>10,801</b>	<b>9,530</b>	<b>56,542</b>	<b>55,271</b>
Net financial items	1,717	129	9,675	8,086
<b>Profit/loss before tax</b>	<b>12,517</b>	<b>9,659</b>	<b>66,216</b>	<b>63,358</b>
Tax	-2,762	-2,166	-14,289	-13,693
<b>Net income</b>	<b>9,755</b>	<b>7,493</b>	<b>51,927</b>	<b>49,665</b>

## PARENT COMPANY BALANCE SHEET, IN SUMMARY

SEK thousands	31 Mar 2023	31 Dec 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Capitalized expenditure for development	209,432	198,200
Other intangible assets	1,517	1,673
Equipment	14,715	14,670
Participations in group companies	3,173	3,173
Deferred tax asset	-	2,657
Deposits	4,628	4,628
<b>Total non-current assets</b>	<b>233,465</b>	<b>225,001</b>
<b>Current assets</b>		
Inventories	91,938	84,249
Accounts receivable	139,706	130,180
Receivables from group companies	346	346
Other receivables	26,230	30,113
Cash and cash equivalents	272,738	300,860
<b>Total current assets</b>	<b>530,958</b>	<b>545,748</b>
<b>TOTAL ASSETS</b>	<b>764,423</b>	<b>770,749</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Restricted equity	292,630	277,979
Non-restricted equity	271,222	284,581
<b>Total equity</b>	<b>563,852</b>	<b>562,560</b>
<b>Non-current liabilities</b>		
Other liabilities	61,497	60,557
<b>Total non-current liabilities</b>	<b>61,497</b>	<b>60,557</b>
<b>Current liabilities</b>		
Accounts payable	21,961	35,617
Liabilities to group companies	10,498	7,504
Other liabilities	106,615	104,511
<b>Total current liabilities</b>	<b>139,074</b>	<b>147,632</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>764,423</b>	<b>770,749</b>

## ACCOUNTING POLICIES

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

Disclosures in accordance with IAS 34 are presented in the interim financial statements and the associated notes as well as elsewhere in the interim financial report.

There are no new or amended International Financial Reporting Standards (IFRS) in 2023 that have had a material impact on the Company's financial reporting.

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 -3.0 (-2.4) million for the period January–March 2023, corresponds to an effective tax rate of -22.3 (-22.7) percent. The effective tax rate is affected by 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 used during the year.

### Contributed equity

The 2022 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 on July 19, the board of Directors of Net Insight AB decided to utilize the repurchase mandate given at the AGM on May 13, 2022, and begin repurchasing own shares. The repurchase program commenced on July 22, 2022, and will last until the AGM on May 12, 2023, and will amount to maximum SEK 70 million.

The repurchase program run during the period July 2022 to February 2023, when the parent company acquired 12,877,000 of its own class B shares through purchases on Nasdaq Stockholm for a total amount of SEK 70.1 million, including transaction costs, of which 1,297,000 shares during the period January-February 2023 for SEK 8.5 million.

At the end of the period, the parent company had a total of 12,877,00 of its own class B shares, at an average cost of SEK 5.45 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.

The Board has proposed the 2023 AGM to resolve on the cancellation of previously repurchased shares and a new mandate the Board on the repurchase of own shares.

All shares issued by the parent company were fully paid.

In total, the Company has ongoing warrant programs with a total of 4,860,000 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.

The division of shares	31 Mar, 2023			31 Dec, 2022		
	A-shares	B-shares	Total	A-shares	B-shares	Total
Outstanding shares	1,000,000	354,881,009	355,881,009	1,000,000	356,178,009	357,178,009
Repurchased own shares	-	12,877,000	12,877,000	-	11,580,000	11,580,000
<b>Issued shares</b>	<b>1,000,000</b>	<b>367,758,009</b>	<b>368,758,009</b>	<b>1,000,000</b>	<b>367,758,009</b>	<b>368,758,009</b>

## TRANSACTIONS WITH RELATED PARTIES

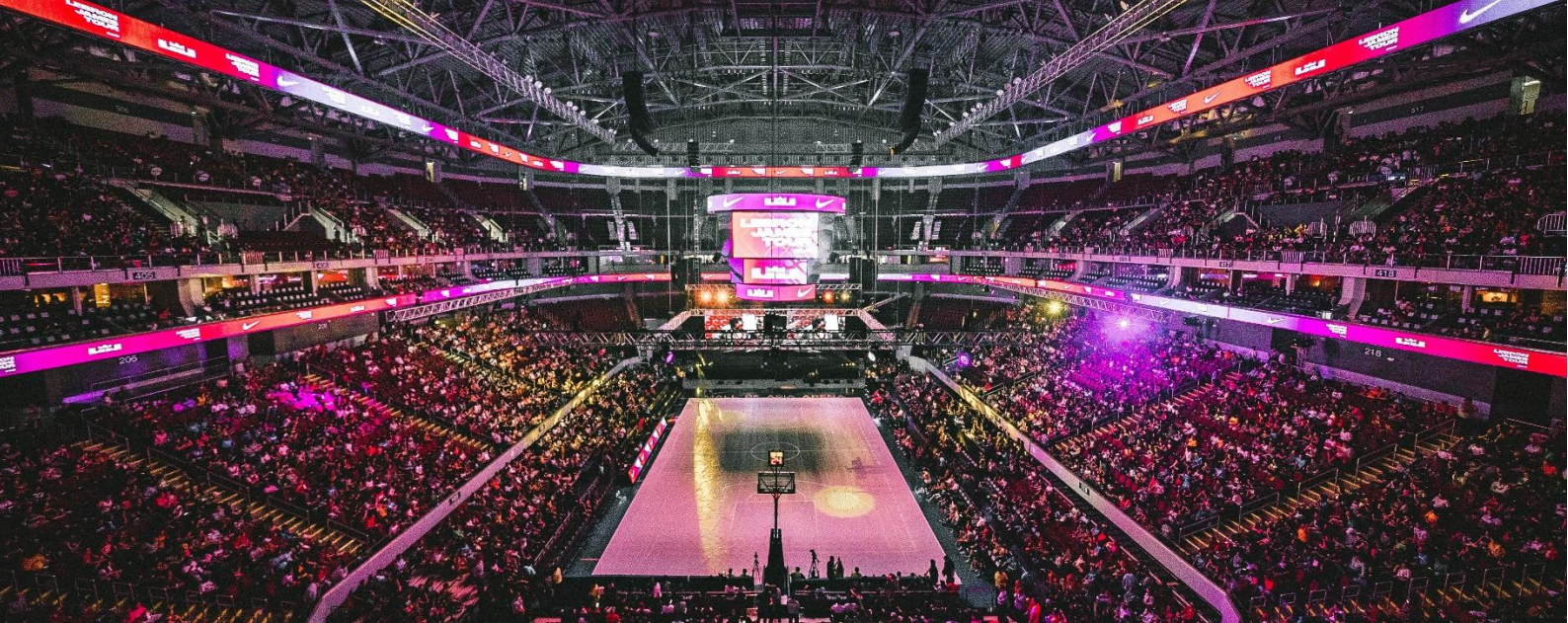
During the quarter, the parent company hired a member of the management team's related party company for consulting services. Charged fees during the quarter amounted to SEK 0.5 (-) million.

## 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.

### 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

Annual General Meeting	May 12, 2023
Interim report January – June	July 18, 2023
Interim report January – September	November 9, 2023

Solna, Sweden, May 3, 2023

Crister Fritzson  
CEO

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### For more information, please contact

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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 May 3, 2023.



## FINANCIAL INFORMATION

SEK millions (if not defined differently)	Jan-Mar		Apr 2022-	Jan-Dec
	2023	2022	Mar 2023	2022
<b>Earnings</b>				
Net sales	126.6	109.7	492.0	475.1
Gross earnings	74.8	68.0	304.5	297.7
Operating expenses	61.8	57.9	238.1	234.2
Total development expenditure	35.9	33.9	141.0	139.0
EBITDA	29.6	25.6	126.7	122.7
EBITDA-2	4.9	5.0	35.0	35.1
Operating earnings	12.0	10.7	61.8	60.5
Profit before tax	13.4	10.6	71.8	68.9
Net income	10.4	8.2	56.3	54.0
<b>Balance sheet and cash flow</b>				
Cash and cash equivalents	278.5	353.7	278.5	308.3
Working capital	975.7	47.8	87.6	76.5
Total cash flow	-29.9	-1.2	-75.7	-47.0
<b>The share</b>				
Dividend per share, SEK	-	-	-	-
Earnings per share, basic, SEK	0.03	0.02	0.15	0.15
Earnings per share, diluted, SEK	0.03	0.02	0.15	0.15
Cash flow per share, basic, SEK	-0.08	-0.00	-0.21	-0.13
Cash flow per share, diluted, SEK	-0.08	-0.00	-0.21	-0.13
Equity per share basic, SEK	1.70	1.65	1.70	1.65
Equity per share diluted, SEK	1.68	1.64	1.68	1.63
Average number of outstanding shares basic, thousands	356,312	373,971	362,540	367,083
Average number of outstanding shares diluted, thousands	361,122	377,026	366,648	370,840
Number of outstanding shares at the end of the period, basic, thousands	355,881	368,758	355,881	357,178
Number of outstanding shares at the end of the period, diluted, thousands	360,691	371,813	360,691	361,988
Share price at end of period, SEK	5.81	4.04	5.81	6.06
<b>Employees and consultants</b>				
Average number of employees and consultants	184	168	179	176
<b>KPI</b>				
Net sales YoY, change in %	15.4%	40.8%	19.3%	24.8%
Gross margin	59.1%	62.0%	61.9%	62.7%
Total development expenditure/Net sales	28.4%	30.9%	28.6%	29.2%
Operating margin	9.5%	9.7%	12.6%	12.7%
EBITDA margin	23.4%	23.3%	25.7%	25.8%
EBITDA-2 margin	3.9%	4.6%	7.1%	7.4%
Net margin	8.2%	7.4%	11.4%	11.4%
Return on capital employed	9.1%	5.0%	8.9%	8.9%
Equity/asset ratio	72.7%	76.1%	72.7%	71.6%
Return on equity	9.1%	4.3%	9.1%	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	Calculated as operating earnings before financial items and tax.	Operating earnings provides an overall picture of earnings generated in the operating activities.
Operating margin	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 EBITDA-2, 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.
EBITDA-2	Operating earnings before depreciation and amortization and capitalization of development expenditure.	
EBITDA & EBITA-2 margin	EBITDA & EBITDA-2 as a percentage of net sales.	
Regions	Definition of regions for designation of revenue: <ul style="list-style-type: none"> <li>• EMEA – Europe, the Middle East and Africa.</li> <li>• Americas (AM) - North and South America.</li> <li>• APAC – Asia and Pacific.</li> </ul>	Definition of regions for designation of revenue.

Change in net sales in comparable currencies	Jan-Mar		Jan-Dec
SEK millions (if not defined differently)	2023	2022	2022
Net sales	126.6	109.7	475.1
Net currency effect of comparable currencies	-10.2	-6.1	-43.7
<b>Net sales in comparable currencies</b>	<b>116.4</b>	<b>103.6</b>	<b>431.5</b>
<b>Change in net sales in comparable currencies</b>	<b>6.1%</b>	<b>32.9%</b>	<b>13.3%</b>

KPI Income Statement	Jan-Mar		Apr 2022- Mar 2023	Jan-Dec
SEK millions (if not defined differently)	2023	2022	Mar 2023	2022
Net sales	126.6	109.7	492.0	475.1
Net sales YoY, change in %	15.4%	40.8%	19.3%	24.8%
Cost of sales ex. amortization of capitalized development	-38.4	-30.5	-139.2	-131.3
<b>Gross earnings ex. amortization of capitalized development</b>	<b>88.2</b>	<b>79.2</b>	<b>352.8</b>	<b>343.8</b>
Gross margin ex. amortization of capitalized development	69.7%	72.2%	71.7%	72.4%
Cost of sales amortization of capitalized development	-13.5	-11.3	-48.4	-46.2
<b>Gross earnings</b>	<b>74.8</b>	<b>68.0</b>	<b>304.5</b>	<b>297.7</b>
Gross margin	59.1%	62.0%	61.9%	62.7%
Sales and marketing expenses	-35.5	-31.0	-134.5	-130.0
Administration expenses	-15.0	-13.5	-54.3	-52.8
Development expenses	-11.2	-13.3	-49.3	-51.4
<b>Operating expenses</b>	<b>-61.8</b>	<b>-57.9</b>	<b>-238.1</b>	<b>-234.2</b>
Operating expenses/net sales	48.8%	52.8%	-48.4%	49.3%
Other operating income and expenses	-1.0	0.6	-4.6	-3.0
<b>Operating earnings</b>	<b>12.0</b>	<b>10.7</b>	<b>61.8</b>	<b>60.5</b>
Operating margin	9.5%	9.7%	12.6%	12.7%
Net financial items	1.5	-0.1	10.0	8.4
<b>Profit before tax</b>	<b>13.4</b>	<b>10.6</b>	<b>71.8</b>	<b>68.9</b>
Tax	-3.0	-2.4	-15.5	-14.9
<b>Net Income</b>	<b>10.4</b>	<b>8.2</b>	<b>56.3</b>	<b>54.0</b>
Net margin	8.2%	7.4%	16.0%	11.4%

EBITDA margin	Jan-Mar		Apr 2022- Mar 2023	Jan-Dec
SEK millions (if not defined differently)	2023	2022	Mar 2023	2022
Net sales	126.6	109.7	492.0	475.1
Operating earnings	12.0	10.7	61.8	60.5
Amortization of capitalized development expenditure	13.5	11.3	48.4	46.2
Other depreciation & amortization	4.2	3.6	15.1	14.5
Impairment	-	-	1.5	1.5
<b>EBITDA</b>	<b>29.6</b>	<b>25.6</b>	<b>126.7</b>	<b>122.7</b>
<b>EBITDA margin</b>	<b>23.4%</b>	<b>23.3%</b>	<b>25.7%</b>	<b>25.8%</b>
Capitalization of development expenditure	-24.7	-20.6	-91.7	-87.6
<b>EBITDA-2</b>	<b>4.9</b>	<b>5.0</b>	<b>35.0</b>	<b>35.1</b>
<b>EBITDA-2 margin</b>	<b>3.9%</b>	<b>4.6%</b>	<b>7.1%</b>	<b>7.4%</b>

Development expenditure	Jan-Mar		Apr 2022- Mar 2023	Jan-Dec
SEK millions (if not defined differently)	2023	2022	Mar 2023	2022
Development expenses	11.2	13.3	49.3	51.4
Capitalization of development expenditure	24.7	20.6	91.7	87.6
<b>Total development expenditure</b>	<b>35.9</b>	<b>33.9</b>	<b>141.0</b>	<b>139.0</b>
Capitalization rate	68.8%	60.7%	65.1%	63.0%
Net Sales	126.6	109.7	492.0	475.1
<b>Total development expenditure/net sales</b>	<b>28.4%</b>	<b>30.9%</b>	<b>28.6%</b>	<b>29.2%</b>



CAPITAL AND RETURN MEASURES		SHOWS HOW CAPITAL IS UTILIZED AND THE COMPANY'S FINANCIAL STRENGTH. RETURN IS A FINANCIAL TERM THAT DESCRIBES HOW MUCH THE VALUE OF AN ASSET CHANGES FROM AN EARLIER POINT IN TIME.	
Non-IFRS performance measure	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 2022- Mar 2023	Jan-Dec 2022
	2023	2022		
Current assets	541.3	544.7	544.0	548.4
Cash and cash equivalents	293.4	-354.3	-313.1	-328.4
No interest-bearing short term liabilities	141.0	-142.6	-143.3	-143.5
<b>Working capital</b>	<b>975.7</b>	<b>47.8</b>	<b>87.6</b>	<b>76.5</b>

Return on capital employed SEK millions (if not defined differently)	Jan-Mar		Apr 2022- Mar 2023	Jan-Dec 2022
	2023	2022		
<b>Capital employed</b>				
Total balance	840.2	820.2	832.5	831.1
No interest-bearing liabilities	-202.8	-154.7	-185.4	-175.5
<b>Capital employed</b>	<b>637.4</b>	<b>665.4</b>	<b>647.1</b>	<b>655.6</b>
<b>Operating earnings less interest income R4Q</b>				
Operating earnings R4Q	61.8	34.3	61.8	60.5
Interest income R4Q	4.0	1.2	4.0	2.4
<b>Operating earnings less interest income R4Q</b>	<b>57.8</b>	<b>33.1</b>	<b>57.8</b>	<b>58.1</b>
<b>Return on capital employed</b>	<b>9.1%</b>	<b>5.0%</b>	<b>8.9%</b>	<b>8.9%</b>

Equity/asset ratio SEK millions (if not defined differently)	Jan-Mar		Apr 2022- Mar 2023	Jan-Dec 2022
	2023	2022		
Equity	607.0	618.2	607.0	605.1
Total equity and liabilities	835.3	812.1	835.3	845.2
<b>Equity/asset ratio</b>	<b>72.7%</b>	<b>76.1%</b>	<b>72.7%</b>	<b>71.6%</b>

Return on equity	Jan-Mar		Apr 2022-	Jan-Dec
SEK millions (if not defined differently)	2023	2022	Mar 2023	2022
Net income - R4Q	56.3	28.0	56.3	54.0
Average equity - R4Q	616.3	653.6	616.3	624.2
<b>Return on equity</b>	<b>9.1%</b>	<b>4.3%</b>	<b>9.1%</b>	<b>8.7%</b>

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

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

	Jan-Mar		Apr 2022-	Jan-Dec
Average number of employees and consultants	2023	2022	Mar 2023	2022
Average number of employees	141	127	135	131
Average number of consultants	43	41	45	45
<b>Total average number of employees and consultants</b>	<b>184</b>	<b>168</b>	<b>179</b>	<b>176</b>

## MATERIAL PROFIT AND LOSS ITEMS

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

Material profit and loss items		Jan-Mar		Apr 2022-	Jan-Dec
SEK millions	Note	2023	2022	Mar 2023	2022
<b>Exchange rate differences</b>					
Part of Other operating income & expenses		-1.3	0.5	-3.7	-1.9
Part of Net Financial Items		-0.0	-0.1	7.0	6.9
<b>Total Exchange rate differences</b>		<b>-1.3</b>	<b>0.5</b>	<b>3.3</b>	<b>5.1</b>
<b>Government grants Covid-19</b>					
Reduction of employee expenses		-	-	-	-
Other operating income		-	-	0.1	0.1
<b>Total</b>		<b>-</b>	<b>-</b>	<b>0.1</b>	<b>0.1</b>
<b>Items affecting comparability</b>					
Restructuring	(a)	-	-	-1.2	-1.2
Government grants Covid-19, other operating income	(b)	-	-	0.1	0.1
Impairment of intangible assets	(c)	-	-	-1.5	-1.5
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-2.6</b>	<b>-2.6</b>
<b>Operating earnings excluding items affecting comparability</b>					
Operating earnings		12.0	10.7	61.8	60.5
Items affecting comparability, as per above		-	-	2.6	2.6
<b>Total</b>		<b>12.0</b>	<b>10.7</b>	<b>64.4</b>	<b>63.1</b>
<b>Operating earnings excluding exchange rate differences</b>					
Operating earnings		12.0	10.7	61.8	60.5
Exchange rate differences, as per above		1.3	-0.5	3.7	1.9
<b>Total</b>		<b>13.3</b>	<b>10.2</b>	<b>65.5</b>	<b>62.4</b>
<b>Operating earnings excluding exchange rate differences &amp; items affecting comparability</b>					
Operating earnings		12.0	10.7	61.8	60.5
Exchange rate differences, as per above		1.3	-0.5	3.7	1.9
Items affecting comparability, as per above		-	-	2.6	2.6
<b>Total</b>		<b>13.3</b>	<b>10.2</b>	<b>68.1</b>	<b>65.0</b>
<b>Cash Flow excluding repurchase of own shares</b>					
	(d)				
Net change in cash and cash equivalents		-29.9	-1.2	-75.7	-47.0
Repurchase of own shares		8.5	36.7	70.1	98.3
<b>Total</b>		<b>-21.4</b>	<b>35.5</b>	<b>-5.6</b>	<b>51.3</b>

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 provides a better understanding and comparison of the underlying operations' cash flow.



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