

YEAR-END REPORT

JANUARY – DECEMBER 2022



October – December 2022

- Net sales amounted to SEK 125.0 (107.9) million, an increase of 15.9% year-on-year. In comparable currencies net sales increased by 3.7%.
- Operating earnings amounted to SEK 13.2 (3.3) million, corresponding to an operating margin of 10.6% (3.0%). Excluding foreign exchange rate differences of SEK -2.7 (-1.7) million and items affecting comparability of SEK 0.0 (-1.2) million, operating earnings were SEK 15.9 (6.2) million.
- Net income for the period was SEK 9.9 (2.8) million.
- Earnings per share diluted was SEK 0.03 (0.01).
- Total cash flow for the Group, including discontinued operations in 2021, was SEK 14.0 (15.2) million. Excluding the cash impact from repurchase of own shares (during 2022 and 2021) and from divestment of operations (during 2021), cash flow was SEK 37.5 (24.9) million.

January – December 2022

- Net sales amounted to SEK 475.1 (380.7) million, an increase of 24.8% year-on-year. In comparable currencies net sales increased by 13.3%.
- Operating earnings amounted to SEK 60.5 (26.8) million, corresponding to an operating margin of 12.7% (7.0%). Excluding foreign exchange rate differences of SEK -1.9 (6.5) million and items affecting comparability of SEK -2.6 (-0.7) million, operating earnings were SEK 65.0 (20.9) million.
- Net income was SEK 54.0 (23.8).
- Earnings per share diluted was SEK 0.15 (0.06).
- Total cash flow, including discontinued operations in 2021, was SEK -47.0 (71.0) million. Excluding the cash impact from repurchase of own shares (during 2022 and 2021) and from divestment of operations (during 2021), cash flow was SEK 51.3 (34.1) million.

Q4 in brief

- A solid end to a strong year
- Pilot order in 5G synchronization from one of Canada's leading mobile operators
- Several important Nimbra Edge orders

FINANCIAL HIGHLIGHTS

SEK millions	Oct-Dec			Jan-Dec		
	2022	2021	Change	2022	2021	Change
Continued operations						
Net sales	125.0	107.9	15.9%	475.1	380.7	24.8%
Operating earnings	13.2	3.3	305.1%	60.5	26.8	126.0%
Operating margin	10.6%	3.0%		12.7%	7.0%	
Net income	9.9	2.8	247.1%	54.0	23.8	126.9%
EBITDA	28.7	17.3	66.3%	122.7	84.5	45.1%
EBITDA margin	23.0%	16.0%		25.8%	22.2%	
EBITDA-2	4.1	-0.2		35.1	28.1	24.8%
EBITDA-2 margin	3.3%	-0.2%		7.4%	7.4%	
Total Group, including discontinued operations						
Net Income	9.9	2.8	247.1%	54.0	-13.1	
Total cash flow	14.0	15.2	-8.0%	-47.0	71.0	

Business area Resource Optimization was divested in March 2021 and is reported separately as discontinued operations in this report.

For definitions and calculation of KPI's, see pages 17-21.

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

CEO's Statement

A solid end to a strong year

2022 was a successful year for Net Insight, resulting in our highest ever operating earnings for the full year. Despite challenges in the macro environment, we have maintained a focus on the strategy that underpins our growth. We developed our product portfolio and established time synchronization for 5G as one of our primary offerings.

Sales for the fourth quarter were SEK 125.0 million, an increase of 15.9% year-on-year (3.7% in comparable currencies). Several of our larger customers maintained a high level of investment during the quarter. Our cloudbased solution Nimbra Edge also continued to perform well in the fourth quarter, and several new contracts were signed.

The gross margin increased to 62.1% (60.4).

The price increases we implemented during the year compensated for higher costs. However, the effect of increased component costs is slightly delayed. The improvement was driven by a mix of revenue, including increased sales of our newest media platform, Nimbra 1060, and positive exchange rate effects. Operating earnings totaled SEK 13.2 million, compared with SEK 3.3 million in Q4 2021.

Stable progress during the year

The performance of our core business remained stable during the year. We are seeing effects of our long-term investments in the Nimbra 1060 platform, where revenue rose significantly. We continued to sharpen our customer offerings in IP and Cloud. Our IP Media Trust Boundary application won the TVB Europe Best in Show award at the annual IBC media expo.

Activity level in 5G synchronization is high, and we secured important deals including Three Sweden and the pilot order from one of Canada's leading mobile operators. In addition, more customers carried out testing in their networks. The development of our new product for 5G synchronization is proceeding to schedule.

We conclude the full year with sales of SEK 475.1 million, corresponding to growth of 24.8% (13.3% in comparable currencies), which exceeds our long-term target of an average annual sales growth of at least 10%. The growth is attributable partly to strong performance of our media business, and partly to increased revenue from our 5G synchronization solution.

Operating margin for the full year 2022 was 12.7%, exceeding our long-term target of an average annual operating margin of at least 10%.

Review of financial targets

We continue to pursue our strategy to drive long-term profitable growth, and the result of our efforts exceeded the financial targets we set at the beginning of 2021.

Our strategy to drive profitable growth has paid off. We had record-high operating earnings and achieved our financial targets.

In light of our positive performance in recent years, as well as long-term strong conditions, the Board of Directors has decided to review the

financial targets. Important factors for increased growth include our newly developed synchronization product for 5G and an expanded offering of Cloud and IP Media Gateway solutions, which will be launched in 2023. A higher proportion of support and licensing revenue as well as improved scalability in our business are also expected to contribute to further strengthening our operating margin. Our new financial targets in 2023–2027 are an organic average annual growth of at least 15% and an operating margin (EBIT%) that within the period will reach 20%.

Well-equipped for the future

In 2022 we enjoyed steady growth in media, made important strides in IP and Cloud and established our position as a strong provider in 5G time synchronization. Following an intensive development phase, we now look forward to launch our new product for 5G synchronization at the Mobile World Congress in Barcelona. The first units are planned to be delivered at the end of 2023, with a gradual increase in volume during 2024.

I would like to highlight our employees' dedicated work and fantastic efforts which contributed to our strong earnings. Although we initially see challenges relating to current macroeconomic uncertainty, I am confident that we will achieve our new financial targets.

Crister Fritzson, CEO
Solna, Sweden, February 21, 2023



EXTRAORDINARY EVENTS

Divested operations

The business area Resource Optimization (ScheduALL) was divested on March 31, 2021 and is reported as discontinued operations in this report. For more information on discontinued operations, see tables on page 12. Comments and tables in this report have reference to continuing operations, unless otherwise specified.

REVENUES

Net sales in the fourth quarter of 2022 were SEK 125.0 (107.9) million, an increase of 15.9%. In comparable currencies, sales increased by 3.7%.

The major initial 5G synchronization deal with Türk Telecom was signed in November 2021, which means that this is the first quarter in which the comparative period includes revenue from 5G synchronization. Revenues from 5G synchronization amounted to SEK 16.9 million in the quarter, compared to SEK 13.2 million the previous year. Currency adjusted, the development in the Media business has been weakly positive. There, we see continued positive development for our cloud solution Nimbra Edge during the fourth quarter with several newly signed agreements with larger customers and increased revenues. Our hardware and support revenues have also increased compared to the previous year, while our event-based service revenues have decreased.

Net sales for 2022 were SEK 475.1 (380.7) million, an increase of 24.8%. In comparable currencies, sales increased by 13.3%.

In 2022, despite increased uncertainty in the outside world, we have seen a continued willingness to invest among our customers. We have strengthened our offering and increased revenues from, among other things, the newest product platform in media (Nimbra 1060) and from our solution for synchronizing 5G networks. Revenues from 5G synchronization amounted to SEK 49.2 million in 2022, compared to SEK 13.2 million in 2021. Continued development of the new product for 5G synchronization is ongoing and the commercial launch is expected to take place at the end of 2023. Also, our recurring support and license revenue, primarily from our cloud solution Nimbra Edge, has increased during the year. The APAC region has had a positive development thanks to increased market processing. Americas has also had a strong development with increased sales to the largest customers, which also meant a positive exchange rate effect compared to the previous year. We have actively dealt with challenges with component shortages by, among other things, securing components with longer foresight and largely succeeding in carrying out agreed deliveries. The uncertainty regarding the availability of components is expected to gradually decrease but is expected to continue during 2023. We also see certain tendencies towards longer sales cycles.

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

EARNINGS

October-December

Gross profit for the fourth quarter was SEK 77.6 (65.1) million, an increase by 19.1%. The increase is primarily driven by the increase in revenue compared to last year, but also by increased margin. Gross profit included amortization of capitalized development expenditure of SEK -11.9 (-10.5) million. Gross margin excluding and including amortization of capitalized development expenditure was 71.6% (70.1%) and 62.1% (60.4%) respectively. The increase is largely due to that we have managed to achieve a good margin in our business, where, among other things, driven by a changed revenue mix with increased volume and margin from the Nimbra 1060 platform. Implemented price increases, which have so far compensated for cost increases, as well as a positive exchange rate effect also have an impact. However, the cost increases have a certain delayed effect and we do not yet see their full effect.

Operating expenses in the fourth quarter of SEK -61.6 (-60.0) million, an increase by 2.8% compared to last year. The increase includes cost increases driven by, among other things, inflation and the weakening of the Swedish Krona against the USD. Adjusted for this, operating expenses are lower than the previous year, which is largely because the fourth quarter of 2021 was burdened by start-up costs related to the deal with Türk Telecom (consulting costs, etc.). Operating expenses previous year includes costs for restructuring of SEK -0.8 million.

Sales and marketing expenses were SEK -35.3 (-31.5) million, and administration expenses to SEK -13.4 (-13.5) million. Development expenses were SEK -12.9 (-14.9) million and the total



development expenditure, i.e., before capitalization, were SEK -37.6 (-32.4) million. The increase in sales and marketing costs as well as development expenditures is partly attributable to the investment in 5G synchronization, which began in the last quarter of 2021. The 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 -2.8 (-1.9) million, of which foreign exchange rate differences of SEK -2.7 (-1.7) million.

Operating earnings amounted to SEK 13.2 (3.3) million, corresponding to an operating margin of 10.6% (3.0%). Excluding foreign exchange rate differences of SEK -2.7 (-1.7) million and items affecting comparability of SEK 0.0 (-1.2) million, operating earnings were SEK 15.9 (6.2) million. See also table Material profit and loss items on page 21.

The definition of EBITDA was changed from the beginning of 2022, so that capitalization of development expenditures is no longer reversed. EBITDA 2 corresponds to previous years' definition, where the capitalization of development expenditures is reversed, see also pages 17-18. EBITDA and EBITDA-2 amounted to SEK 28.7 (17.3) million and SEK 4.1 (-0.2) million, respectively, which corresponded to an EBITDA margin of 23.0% (16.0%) and an EBITDA-2 margin of 3.3% (-0.2). The strong EBITDA margin is an effect of revenue growth combined with an increased gross margin.

In the fourth quarter, net financial items amounted to SEK -0.4 (0.6) million, of which foreign exchange rate differences of SEK -1.3 (-1.0) million and net interest income of SEK 0.9 (0.1) million. The increased net interest income is due to increased interest income due to higher market interest rates. Profit before tax was SEK 12.8 (3.8) million, and net income was SEK 9.9 (2.8) million, corresponding to a net margin of 7.9% (2.6%).

January-December

Gross profit for the year was SEK 297.7 (228.4) million, an increase by 30.3%. The increase is primarily driven by the increase in revenue compared to last year but is also positively affected by an increased margin. Gross profit included amortization of capitalized development expenditure of SEK -46.2 (-42.9) million. Gross margin excluding and including amortization of capitalized development expenditure was 72.4% (71.3%) and 62.7% (60.0%) respectively. Implemented price increases to compensate for cost increases, increased support and service income and a positive exchange rate effect have contributed to increased gross margin.

Operating expenses of SEK -234.2 (-209.1) million, an increase by 12.0% year-on-year. The increase is due to the reinforcements in sales and market as well as within development, where the establishment within 5G synchronization is one initiative. Increased traveling in connection with customer events, participation in fairs has also meant increased costs compared to the previous year. The continued weakening of the Swedish krona has also contributed to the increase in costs compared to the previous year. Operating expenses includes costs for restructuring of SEK -1.2 (-0.8) million.

Sales and marketing expenses were SEK -130.0 (-104.3) million, and administration expenses to SEK -52.8 (-51.9) million. Development expenses were SEK -51.4 (-53.0) million and the total development expenditure, i.e. before capitalization, were SEK -139.0 (-109.4) million. A significant portion of the increase in sales and marketing expenses and development expenses is attributable to expansion of resources in 5G synchronization.

Other operating income and expenses were SEK -3.0 (7.5) million, of which foreign exchange rate differences of SEK -1.9 (6.5) million and impairment of development projects, as a result of a tighter integration of the Nimbra and Aperi platforms, of SEK -1.5 (-) million.

Operating earnings amounted to SEK 60.5 (26.8) million, corresponding to an operating margin of 12.7% (7.0%). Excluding foreign exchange rate differences of SEK -1.9 (6.5) million and items affecting comparability of SEK -2.6 (-0.7) million, operating earnings were SEK 65.0 (20.9) million. See also table Material profit and loss items on page 21.

EBITDA and EBITDA-2 amounted to SEK 122.7 (84.5) million and SEK 35.1 (28.1) million, respectively, which corresponded to an EBITDA margin of 25.8% (22.2%) and an EBITDA-2 margin of 7.4% (7.4). The increase in EBITDA is primarily attributable to increased sales. The increased investments, attributable to the investment in 5G synchronization, lead to an EBITDA-2 margin in line with previous year.

Net financial items for 2022 amounted to SEK 8.4 (1.9) million, of which foreign exchange rate differences of SEK 6.9 (2.7) million and net interest income of SEK 1.4 (-0.1) million.

Profit before tax was SEK 68.9 (28.7) million, and net income was SEK 54.0 (23.8) million, corresponding to a net margin of 11.4% (6.3%). In 2021, net income including discontinued

operations was SEK -13.1 million, of which SEK -35.9 million attributable to capital loss on disposal of discontinued operations.

Key Ratios continued operations	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Net sales, SEK millions	125.0	107.9	475.1	380.7
Net sales YoY, change in %	15.9%	19.0%	24.8%	14.6%
Gross earnings	77.6	65.1	297.7	228.4
Gross margin	62.1%	60.4%	62.7%	60.0%
Operating earnings	13.2	3.3	60.5	26.8
Operating margin	10.6%	3.0%	12.7%	7.0%
EBITDA	28.7	17.3	122.7	84.5
EBITDA margin	23.0%	16.0%	25.8%	22.2%
EBITDA-2	4.1	-0.2	35.1	28.1
EBITDA-2 margin	3.3%	-0.2%	7.4%	7.4%

INVESTMENTS

Third fourth investments were SEK 25.4 (18.1) million, of which SEK 24.6 (17.4) million related to capitalization of expenditure for development. The increase in capitalized development expenditure relates to the investment in 5G synchronization, which began in the last quarter of 2021. Depreciation and amortization in the fourth quarter totaled SEK -15.5 (-14.0) million, of which SEK -11.9 (-10.5) million related to amortization of capitalized expenditure for development.

Investments during the first nine months were SEK 90.7 (61.7) million, of which SEK 87.6 (59.6) million related to capitalization of expenditure for development. The increase in capitalized development expenditure relates to the investment in 5G synchronization, which began in the last quarter of 2021. Depreciation and amortization for the year totaled SEK -62.2 (-57.8) million, of which SEK -46.2 (-42.9) million related to amortization of capitalized expenditure for development. As a result of a tighter integration of the Nimbra and Aperi platforms, development projects of total SEK -1.5 (-) million were impaired during the year.

At year-end, net value of capitalized expenditure for development was SEK 198.2 million, against SEK 158.3 million as of December 31, 2021.

Including discontinued operations, the investments for 2021 were SEK 61.7 million, of which SEK 59.6 million related to capitalization of expenditure for development. Depreciation and amortization, including discontinued operations, during 2021 totaled SEK -60.1 million, of which SEK -44.3 million related to amortization of capitalized expenditure for development.

CASH FLOW AND FINANCIAL POSITION

From April 2021, only the continued operations are included in the cash flow. Discontinued operations (business area Resource Optimization) were included in previous periods' cash flow and its impact on cash flow is presented in table on page 12.

Cash flow from operating activities in the fourth quarter was SEK 65.2 (45.0) million. The improvement compared to the previous year is attributable to both better profitability and a reduced working capital, despite an increased inventory. The increased inventory is a consequence of that we have secured components with a longer lead time than normal, due to the component shortage. The total cash flow for the fourth quarter amounted to SEK 14.0 (15.2) million. The increased investments in development projects compared to the previous year are offset by a reduced repurchase of own shares. Last year, the parent company received the final proceeds from the divestment of the Resource Optimization Streaming Solutions business area of SEK 23.7 million. Excluding the cash impact of the divestment of operations and repurchase of own shares, cash flow for the fourth quarter was SEK 37.5 (24.9) million. More information about divested operations can be found in tables on page 12 and more information about the buyback program can be found on page 14.

Cash flow from operating activities for 2022 was SEK 148.8 (103.7) million. The improvement compared to the previous year is attributable to both better profitability and a reduced working capital formation, despite an increased inventory. The increase in inventory is a consequence of the fact that we secured components with a longer lead time than normal due to the prevailing component shortage. Total cash flow was SEK -47.0 (71.0) million. The negative cash flow in the period, despite improved earnings, is caused by the repurchase of own shares of SEK -98.3 (-33.4) million. The cash flow effect of the investment in 5G synchronization, above all in the form of increased investments, has been partially offset by

the NRE fee and advances received from the customer. The previous year's cash impact from the disposals of the Resource Optimization and Streaming Solutions business areas was SEK 70.3 million. Excluding the cash impact of the divestment of operations and repurchase of own shares, cash flow for the third quarter was SEK 51.3 (34.1) million. More information about divested operations can be found in tables on page 12 and more information about the buyback program can be found on page 14.

Cash and cash equivalents were SEK 308.3 million at year-end, against SEK 354.9 million as of 31 December 2021.

Remaining tax loss carryforwards for group companies amounted to SEK 12.9 million at year-end, compared to SEK 79.4 million as of December 31, 2021. Deferred tax has been recognized for the tax loss carryforwards. For more information, see the section Tax on page 14.

Equity was SEK 605.1 million at year-end, against SEK 646.5 million as of 31 December 2021. The equity/assets ratio was 71.6%, against 78.0% as of 31 December 2021. The fact that equity decreased despite a positive result 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 14.

EMPLOYEES

The average number of employees and consultants at Net Insight during the fourth quarter and for the year was 183 (162) and 176 (154), respectively, of which 149 (132) and 143 (125), respectively, in the parent company Net Insight AB (publ). The increase is primarily attributable to the investment in 5G synchronization, which began in the last quarter of 2021.

In September, the company announced a reorganization, where the development team of Aperi in the USA is integrated with the development organization in Stockholm and the appointment of a new CTO group with the aim of supporting the strategic direction of future-proofing the company's technology and increasing visibility in the market and with customers. As a result of the changes, the management team was also strengthened and reorganized, which as of September 8 consist of: Crister Fritzson, CEO; Joakim Schedvins, CFO; Mårten Blixt, CCO; Christer Bohm, VP Product Management; Mats Herolf, VP R&D; Per Lindgren, Group CTO, Head of Sync and Ulrik Rohne, COO & CTO Media, and CHRO Tove Bylund who joined the company on January 11, 2023.

PARENT COMPANY

Parent company net sales were SEK 124.8 (107.8) million in the fourth quarter, and net income was SEK 10.3 (2.2) million. The net financials included dividend from subsidiary of SEK 3.1 (0.0) million. In the fourth quarter, intra-group sales totaled SEK 0.0 (0.0) million, and intra-group purchases SEK -21.2 (-14.0) million.

For the year, the parent company net sales were SEK 474.7 (380.5) million, and net income was SEK 49.7 (-53.7) million. The net financials included result from participation in group companies of SEK -1.3 (-69.8) million. During the year, a consolidation of the number of legal units was carried out, which resulted in reduced shares in group companies by SEK 171.7 million, reduced liabilities to group companies by SEK 167.4 million and in a capital loss of SEK -4.3 million. During the year, the parent company received dividends from subsidiaries of SEK 3.1 million (0.0). In the previous year, the parent company made a capital loss from divestment of subsidiaries. For the year, intra-group sales totaled SEK 0.0 (0.0) million, and intra-group purchases SEK -71.5 (-51.3) million.

Progress in the parent company in the fourth quarter and for the year largely shadowed Group progress as indicated above (except for the effect of the sale of operations/subsidiaries).

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, we worked to manage the shortage situation and we estimate that the uncertainty will continue into 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 2021, arose during 2022 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 complete review of the company's risk and sensitivity analysis, and its risk management process, see pages 46-47, 48-49 and 67-68 of the Annual Report for 2021.

CONSOLIDATED INCOME STATEMENT, IN SUMMARY

SEK thousands	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Continued operations				
Net sales	125,017	107,894	475,118	380,687
Cost of sales	-47,441	-42,763	-177,454	-152,303
Gross earnings	77,576	65,131	297,664	228,384
Sales and marketing expenses	-35,257	-31,535	-130,021	-104,308
Administration expenses	-13,445	-13,494	-52,753	-51,877
Development expenses	-12,922	-14,926	-51,379	-52,963
Other operating income and expenses	-2,758	-1,919	-3,009	7,538
Operating earnings	13,194	3,257	60,502	26,774
Net financial items	-402	550	8,380	1,934
Profit before tax	12,792	3,807	68,882	28,708
Tax	-2,921	-963	-14,866	-4,906
Net income continued operations	9,871	2,844	54,016	23,802
Discontinued operations, net after tax	-	-	-	-36,926
Net Income	9,871	2,844	54,016	-13,124
Net income for the period attributable to the shareholders of the parent company	9,871	2,844	54,016	-13,124

Earnings per share, based on net income attributable to the parent company's shareholders during the period	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Earnings per share from continued operations				
-Basic, SEK	0.03	0.01	0.15	0.06
-Diluted, SEK	0.03	0.01	0.15	0.06
Earnings per share including discontinued operations				
-Basic, SEK	0.03	0.01	0.15	-0.03
-Diluted, SEK	0.03	0.01	0.15	-0.03
Average number of outstanding shares in thousands				
-Basic	359,326	380,821	367,083	382,162
-Diluted	364,136	383,876	370,840	384,174

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK thousands	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Net income	9,871	2,844	54,016	-13,124
Other comprehensive income				
<i>Items that may be reclassified subsequently to the income statement</i>				
Translation differences	-385	248	1,321	450
Total other comprehensive income, after tax	-385	248	1,321	450
Total other comprehensive income for the period	9,486	3,092	55,337	-12,674
Total comprehensive income for the period attributable to the shareholders of the parent company	9,486	3,092	55,337	-12,674

CONSOLIDATED BALANCE SHEET, IN SUMMARY

SEK thousands	31 Dec 2022	30 Sep 2022	31 Dec 2021
ASSETS			
Non-current assets			
Capitalized expenditure for development	198,200	185,455	158,263
Goodwill	38,751	38,751	38,751
Other intangible assets	1,673	1,561	1,950
Right-of-use assets	32,129	27,906	33,614
Equipment	16,095	17,214	19,293
Deferred tax asset	3,719	5,640	16,888
Deposits	4,902	4,851	4,784
Total non-current assets	295,469	281,378	273,543
Current assets			
Inventories	84,249	75,746	53,712
Accounts receivable	129,415	151,040	106,069
Other receivables	27,716	24,598	40,436
Cash and cash equivalents	308,347	294,503	354,863
Total current assets	549,727	545,887	555,080
TOTAL ASSETS	845,196	827,265	828,623
EQUITY AND LIABILITIES			
Equity attributable to parent company's shareholders			
Share capital	14,750	14,750	15,597
Other paid-in capital	1,192,727	1,192,727	1,192,727
Translation reserve	1,504	1,889	183
Accumulated deficit	-603,892	-590,354	-561,979
Total shareholders' equity	605,089	619,012	646,528
Non-current liabilities			
Lease liabilities	20,733	18,893	24,914
Other liabilities	61,307	39,153	11,378
Total non-current liabilities	82,040	58,046	36,292
Current liabilities			
Lease liabilities	11,434	9,467	9,286
Accounts payable	35,899	22,444	36,588
Other liabilities	110,734	118,296	99,929
Total current liabilities	158,067	150,207	145,803
TOTAL EQUITY AND LIABILITIES	845,196	827,265	828,623

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, 2021	15,597	1,192,727	-267	-515,441	692,616
Repurchase of own shares	-	-	-	-33,414	-33,414
Total comprehensive income	-	-	450	-13,124	-12,674
December 31, 2021	15,597	1,192,727	183	-561,979	646,528
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

CONSOLIDATED STATEMENT OF CASH FLOWS INCLUDING DISCONTINUED OPERATIONS

SEK thousands	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Ongoing activities				
Profit/loss before tax	12,792	3,807	68,882	-8,286
Income tax paid	-280	-	-1,378	-782
Depreciation, amortization & impairment	15,527	13,957	62,157	60,061
Other items not affecting liquidity	1,701	4,165	5,202	34,599
	29,740	21,929	134,863	85,592
Changes in working capital				
Increase-/decrease+ in inventories	-9,030	-1,627	-33,830	-4,617
Increase-/decrease+ in receivables	17,583	-27,455	-11,175	-38,667
Increase+/decrease- in liabilities	26,891	52,136	58,971	61,408
Cash flow from operating activities	65,184	44,983	148,829	103,716
Investment activities				
Capitalized expenditure	-24,636	-17,447	-87,573	-59,585
Investment in intangible assets	-273	-	-575	-
Investment in tangible assets	-498	-702	-2,596	-2,125
Disposal of subsidiary, net effect on cash	-	23,660	-	70,342
Increase-/decrease+ in financial assets, net	-51	-	-152	-
Cash flow from investment activities	-25,458	5,511	-90,896	8,632
Financing activities				
Amortization leasing	-2,363	-1,913	-8,203	-7,891
Warrant premiums paid	104	-	1,561	-
Repurchase of own shares	-23,512	-33,414	-98,336	-33,414
Cash flow from financing activities	-25,771	-35,327	-104,978	-41,305
Net change in cash and cash equivalents	13,955	15,167	-47,045	71,043
Exchange differences in cash and cash equivalents	-111	146	529	636
Cash and cash equivalents at the beginning of the period	294,503	339,550	354,863	283,184
Cash and cash equivalents at the end of the period	308,347	354,863	308,347	354,863

DISAGGREGATION OF REVENUE

SEK thousands	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Net sales by product group				
Hardware	63,058	45,165	226,173	167,424
Software licenses	22,155	21,930	85,572	76,930
Support and Services*	39,804	40,799	163,373	136,333
Total	125,017	107,894	475,118	380,687
Net sales by region**				
EMEA	73,986	69,163	264,442	227,436
AM	38,580	27,985	161,706	116,916
APAC	12,451	10,746	48,970	36,335
Total	125,017	107,894	475,118	380,687
Timing of revenue recognition				
Products and services transferred at a point in time	81,644	65,945	302,088	243,250
Products and services transferred over time*	43,373	41,949	173,030	137,437
Total	125,017	107,894	475,118	380,687

*) Of which NRE fee; Oct-Dec, SEK 7.1 (-) million, Jan-Dec SEK 28.2 (-) million, and SEK 4.7 million Oct-Dec 2021.

**) The regional follow-up was changed on January 1, 2022. Comparative periods have been recalculated.

FINANCIAL ASSETS AND LIABILITIES

Group's financial instruments by category - Assets

Dec 31, 2022

31 Dec 2021

SEK thousands	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss
Assets in Balance Sheet						
Derivative instruments	2		-	2		-
Accounts receivable and other receivables, excluding non-financial assets		140,200			116,705	
Cash and cash equivalents		308,347			354,863	
Total		448,547	-		471,568	-

Group's financial instruments by category - Liabilities

Dec 31, 2022

31 Dec 2021

SEK thousands	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss
Liabilities in Balance Sheet						
Derivative instruments	2		787	2		2,104
Accounts payable and other liabilities, excluding non-financial liabilities		47,368			41,964	
Total		47,368	787		41,964	2,104

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.

INCOME FROM DISCONTINUED OPERATIONS

SEK thousands	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Revenues	-	-	-	15,101
Expenses	-	-	-	-16,176
Capital loss on disposal of discontinued operations	-	-	-	-35,919
Loss before tax	-	-	-	-36,994
Tax	-	-	-	68
Net income discontinued operations	-	-	-	-36,926

ASSETS HELD FOR SALE

SEK thousands	Jan-Dec 2021
Disposed assets and liabilities	
Capitalized expenditure for development	70,198
Goodwill	22,932
Other intangible assets	3,642
Right-of-use assets	3,617
Equipment	2,688
Deferred tax asset	6,261
Deposits	407
Accounts receivable	7,916
Other receivables	1,859
Cash and cash equivalents	2,274
Lease liabilities, non-current	-2,593
Other liabilities, non-current	-5,862
Lease liabilities	-1,291
Accounts payable	-1,702
Other liabilities	-32,596
Net assets and liabilities	77,750
Cash consideration	49,538
Less: Escrow	-24,428
Less: Cash and cash equivalents in discontinued operations	-2,274
Less: Transaction costs	-7,707
Effect on group's cash and cash equivalents	15,129
Final settlements	55,213
Disposal of subsidiary, net effect on cash	70,342

CASHFLOW FROM DISCONTINUED OPERATIONS

SEK thousands	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Cash flow from discontinued operations, net				
Cash flow from operating activities	-	-	-	899
Cash flow from investment activities	-	23,660	-	67,173
Cash flow from financing activities	-	-	-	-
Cash flow from discontinued operations, net	-	23,660	-	68,072

PARENT COMPANY INCOME STATEMENT, IN SUMMARY

SEK thousands	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Net sales	124,781	107,836	474,707	380,453
Cost of sales	-48,005	-45,766	-177,684	-152,014
Gross earnings	76,776	62,070	297,023	228,439
Sales and marketing expenses	-36,176	-18,344	-131,021	-107,202
Administration expenses	-13,567	-13,320	-52,757	-51,479
Development expenses	-13,970	-26,214	-52,536	-54,138
Other income expenses	-3,741	-2,054	-5,438	1,910
Operating earnings	9,322	2,138	55,271	17,530
Net financial items	2,895	837	8,087	-66,615
Profit/loss before tax	12,217	2,975	63,358	-49,085
Tax	-1,931	-791	-13,693	-4,568
Net income	10,286	2,184	49,665	-53,653

PARENT COMPANY BALANCE SHEET, IN SUMMARY

SEK thousands	31 Dec 2022	31 Dec 2021
ASSETS		
Non-current assets		
Capitalized expenditure for development	198,200	158,263
Other intangible assets	1,673	1,950
Equipment	14,670	17,686
Participations in group companies	3,173	174,895
Deferred tax asset	2,657	16,350
Deposits	4,628	4,686
Total non-current assets	225,001	373,830
Current assets		
Inventories	84,249	53,712
Accounts receivable	130,180	106,676
Receivables from group companies	346	-
Other receivables	30,113	42,680
Cash and cash equivalents	300,860	350,422
Total current assets	545,748	553,490
TOTAL ASSETS	770,749	927,320
EQUITY AND LIABILITIES		
Equity		
Restricted equity	277,979	221,277
Non-restricted equity	284,581	388,394
Total equity	562,560	609,671
Non-current liabilities		
Other liabilities	60,557	11,190
Total non-current liabilities	60,557	11,190
Current liabilities		
Accounts payable	35,617	36,376
Liabilities to group companies	7,504	173,810
Other liabilities	104,511	96,273
Total current liabilities	147,632	306,459
TOTAL EQUITY AND LIABILITIES	770,749	927,320

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) 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 2021.

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 2021.

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 -2.9 (-1.0) million for the period October–December 2022, corresponds to an effective tax rate of -22.8 (-25.3) percent. For the period January–December 2022, the group reported tax of total SEK -14.9 (-4.9) million, corresponds to an effective tax rate of -21.6 (-17.1) percent. Including divested operations, the group reported tax of SEK -5.2 million for the period January–December 2021, corresponds to an effective tax rate of 58.3 percent. In 2021, the group recognized a capital loss from discontinued operations of SEK -35.9 million, which was non-deductible. The effective tax rate is also affected by the relative effects of foreign tax rates.

Remaining tax loss carryforwards for group companies amounted to SEK 12.9 million at year-end, compared to SEK 79.4 million as of December 31, 2021. Deferred tax has been recognized for the tax loss carryforwards.

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.

During October–December 2022, the parent company acquired 3,870,000 of its own class B shares through purchases on Nasdaq Stockholm for a total amount of SEK 23.5 million. In total, the parent company has acquired 20,130,000 of its own class B-shares on Nasdaq Stockholm during 2022 for a total amount of SEK 98.3 million.

The 2022 AGM resolved that the company's share capital shall be reduced by SEK 847,000 for allocation to unrestricted equity through cancellation of 21,175,000 own B shares held by the company. The cancellation was completed on August 31.

At the end of the year, the parent company had a total of 11,580,00 of its own class B shares, at an average cost of SEK 5.33 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.

All shares issued by the parent company were fully paid.

In accordance with the warrant program approved by the 2022 Annual General Meeting, management and key personnel in June acquired a total of 1,755,000 warrants for a market premium of a total of SEK 1,456,650 in December acquired a total of 50,000 warrants for a market premium of a total of SEK 104,000. The warrants have a vesting period of three years, after which the holder has the right to exercise the warrants for subscription of B shares in the parent company for a period of three months at an exercise price of SEK 5.10 and SEK 6.90 respectively.

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 77 in the 2021 Annual Report.

The division of shares	31 Dec, 2022			31 Dec, 2021		
	A-shares	B-shares	Total	A-shares	B-shares	Total
Outstanding shares	1,000,000	356,178,009	357,178,009	1,000,000	376,308,009	377,308,009
Repurchased own shares	-	11,580,000	11,580,000	-	12,625,000	12,625,000
Issued shares	1,000,000	367,758,009	368,758,009	1,000,000	388,933,009	389,933,009

TRANSACTIONS WITH RELATED PARTIES

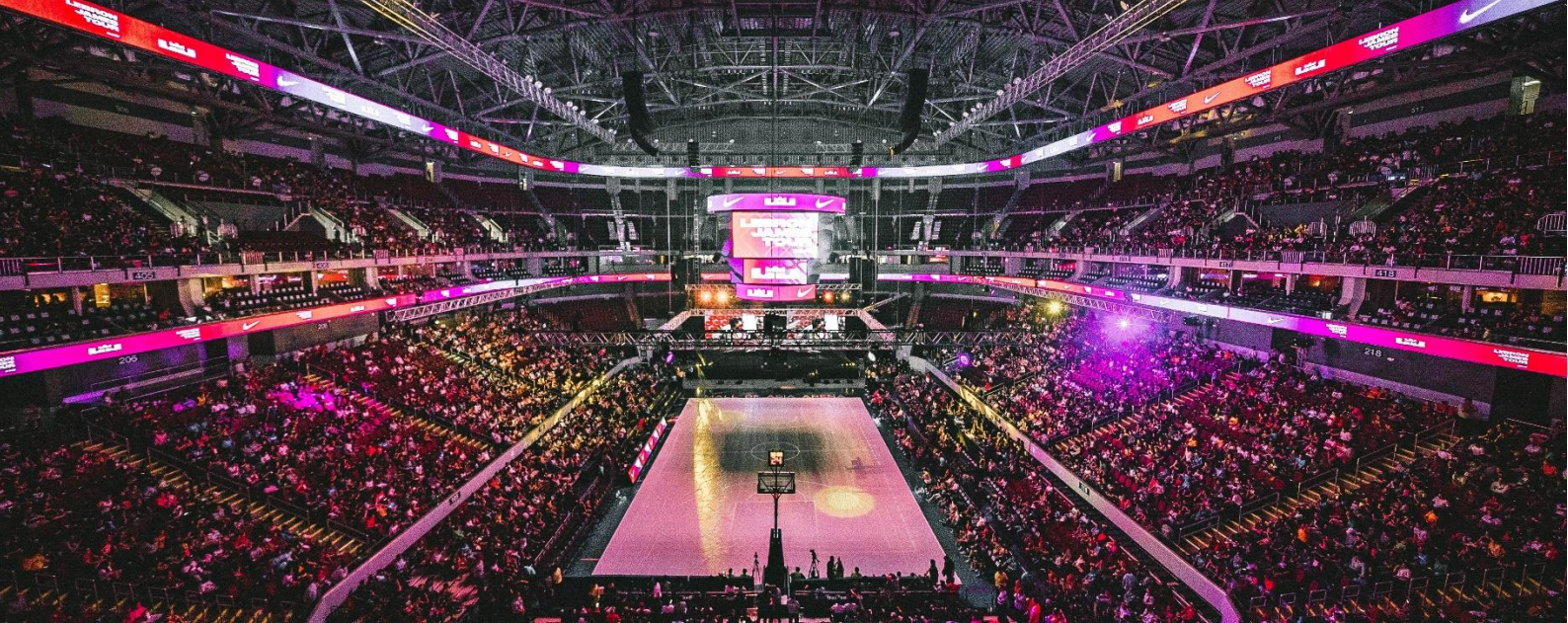
No transactions with related parties during the period.

AUDITORS' REVIEW

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

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No significant events have 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

Publishing of Annual report 2022	April 21, 2023
Interim report January – March	May 3, 2023
Annual General Meeting	May 12, 2023
Interim report January – June	July 18, 2023
Interim report January – September	November 9, 2023

Solna, Sweden, February 21, 2023

Crister Fritzson
CEO

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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 21, 2023.

FINANCIAL INFORMATION

SEK millions (if not defined differently)	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Earnings continued operations				
Net sales	125.0	107.9	475.1	380.7
Gross earnings	77.6	65.1	297.7	228.4
Operating expenses	61.6	60.0	234.2	209.1
Total development expenditure	37.6	32.4	139.0	109.4
EBITDA	28.7	17.3	122.7	84.5
EBITDA-2	4.1	-0.2	35.1	28.1
Operating earnings	13.2	3.3	60.5	26.8
Profit before tax	12.8	3.8	68.9	28.7
Net income	9.9	2.8	54.0	23.8
Balance sheet and cash flow including discontinued operations				
Cash and cash equivalents	308.3	354.9	308.3	354.9
Working capital	102.7	76.8	76.5	73.1
Total cash flow	14.0	15.2	-47.0	71.0
The share				
Dividend per share, SEK	-	-	-	-
Earnings per share, basic continued operations, SEK	0.03	0.01	0.15	0.06
Earnings per share, diluted continued operations, SEK	0.03	0.01	0.15	0.06
Earnings per share including discontinued operations, basic, SEK	0.03	0.01	0.15	-0.03
Earnings per share including discontinued operations, diluted, SEK	0.03	0.01	0.15	-0.03
Cash flow per share, basic, SEK	0.04	0.04	-0.13	0.19
Cash flow per share, diluted, SEK	0.04	0.04	-0.13	0.18
Equity per share basic, SEK	1.68	1.70	1.65	1.69
Equity per share diluted, SEK	1.66	1.68	1.63	1.68
Average number of outstanding shares basic, thousands	359,326	380,821	367,083	382,162
Average number of outstanding shares diluted, thousands	364,136	383,876	370,840	384,174
Number of outstanding shares at the end of the period, basic, thousands	357,178	377,308	357,178	377,308
Number of outstanding shares at the end of the period, diluted, thousands	361,988	380,363	361,988	380,363
Share price at end of period, SEK	6.06	6.62	6.06	6.62
Employees and consultants continued operations				
Average number of employees and consultants	183	162	176	154
KPI continued operations				
Net sales YoY, change in %	15.9%	19.0%	24.8%	14.6%
Gross margin	62.1%	60.4%	62.7%	60.0%
Total development expenditure/Net sales	30.0%	30.0%	29.2%	28.7%
Operating margin	10.6%	3.0%	12.7%	7.0%
EBITDA margin	23.0%	16.0%	25.8%	22.2%
EBITDA-2 margin	3.3%	-0.2%	7.4%	7.4%
Net margin	7.9%	2.6%	11.4%	6.3%
KPI Group including discontinued operations				
Return on capital employed	9.0%	4.0%	8.9%	3.9%
Equity/asset ratio	71.6%	78.0%	71.6%	78.0%
Return on equity	8.7%	-2.0%	8.7%	-2.0%

ALTERNATIVE PERFORMANCE MEASURES AND OTHER DEFINITIONS

Non-IFRS financial measures are presented to enhance an 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. APMs regarding to the income statement are calculated on continuing operations unless otherwise stated. APMs regarding the balance sheet are calculated on the whole group including discontinuing operations, unless otherwise stated. The section has also been supplemented with some other definitions.

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"> • EMEA – Europe, the Middle East and Africa. • Americas (AM) - North and South America. • APAC – Asia and Pacific. 	The regional follow-up was changed on 1 January 2022. Comparative periods have been recalculated.

Change in net sales in comparable currencies	Oct-Dec		Jan-Dec	
SEK millions (if not defined differently)	2022	2021	2022	2021
Net sales	125.0	107.9	475.1	380.7
Net currency effect of comparable currencies	-13.1	-1.0	-43.7	14.9
Net sales in comparable currencies	111.9	106.9	431.5	395.6
Change in net sales in comparable currencies	3.7%	17.9%	13.3%	19.1%

KPI Income Statement	Oct-Dec		Jan-Dec	
SEK millions (if not defined differently)	2022	2021	2022	2021
Continued operations				
Net sales	125.0	107.9	475.1	380.7
Net sales YoY, change in %	15.9%	19.0%	24.8%	14.6%
Cost of sales ex. amortization of capitalized development	-35.6	-32.3	-131.3	-109.4
Gross earnings ex. amortization of capitalized development	89.5	75.6	343.8	271.3
Gross margin ex. amortization of capitalized development	71.6%	70.1%	72.4%	71.3%
Cost of sales amortization of capitalized development	-11.9	-10.5	-46.2	-42.9
Gross earnings	77.6	65.1	297.7	228.4
Gross margin	62.1%	60.4%	62.7%	60.0%
Sales and marketing expenses	-35.3	-31.5	-130.0	-104.3
Administration expenses	-13.4	-13.5	-52.8	-51.9
Development expenses	-12.9	-14.9	-51.4	-53.0
Operating expenses	-61.6	-60.0	-234.2	-209.1
Operating expenses/net sales	49.3%	55.6%	49.3%	54.9%
Other operating income and expenses	-2.8	-1.9	-3.0	7.5
Operating earnings	13.2	3.3	60.5	26.8
Operating margin	10.6%	3.0%	12.7%	7.0%
Net financial items	-0.4	0.6	8.4	1.9
Profit before tax	12.8	3.8	68.9	28.7
Tax	-2.9	-1.0	-14.9	-4.9
Net income continued operations	9.9	2.8	54.0	23.8
Net margin continued operations	7.9%	2.6%	11.4%	6.3%
Discontinued operations, net after tax	-	-	-	-36.9
Net Income	9.9	2.8	54.0	-13.1

EBITDA margin continued operations	Oct-Dec		Jan-Dec	
SEK millions (if not defined differently)	2022	2021	2022	2021
Net sales	125.0	107.9	475.1	380.7
Operating earnings	13.2	3.3	60.5	26.8
Amortization of capitalized development expenditure	11.9	10.5	46.2	42.9
Other depreciation & amortization	3.6	3.5	14.5	14.8
Impairment	-	-	1.5	-
EBITDA	28.7	17.3	122.7	84.5
EBITDA margin	23.0%	16.0%	25.8%	22.2%
Capitalization of development expenditure	-24.6	-17.4	-87.6	-56.4
EBITDA-2	4.1	-0.2	35.1	28.1
EBITDA-2 margin	3.3%	-0.2%	7.4%	7.4%

Development expenditure continued operations	Oct-Dec		Jan-Dec	
SEK millions (if not defined differently)	2022	2021	2022	2021
Development expenses	12.9	14.9	51.4	53.0
Capitalization of development expenditure	24.6	17.4	87.6	56.4
Total development expenditure	37.6	32.4	139.0	109.4
Capitalization rate	65.6%	53.9%	63.0%	51.6%
Net Sales	125.0	107.9	475.1	380.7
Total development expenditure/net sales	30.0%	30.0%	29.2%	28.7%

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.
The measure is primarily used to analyze shareholder profitability over time.			Definitions to rows in the cash flow statement.
Investments		Investments in intangible and tangible assets.	

Working capital

SEK millions	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Current assets	547.8	534.2	548.4	491.7
Cash and cash equivalents	-301.4	-347.2	-328.4	-318.1
No interest-bearing short term liabilities	-143.7	-110.2	-143.5	-100.5
Working capital	102.7	76.8	76.5	73.1

Return on capital employed including discontinued operations

SEK millions (if not defined differently)	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Capital employed				
Total balance	836.2	817.8	831.1	820.1
No interest-bearing liabilities	-193.9	-121.2	-175.5	-112.9
Capital employed	642.3	696.7	655.6	707.1
Operating earnings less interest income R4Q				
Operating earnings R4Q	60.5	28.7	60.5	28.7
Interest income R4Q	2.4	1.1	2.4	1.1
Operating earnings less interest income R4Q	58.1	27.6	58.1	27.6
Return on capital employed	9.0%	4.0%	8.9%	3.9%

Equity/asset ratio

SEK millions (if not defined differently)	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Equity	605.1	646.5	605.1	646.5
Total equity and liabilities	845.2	828.6	845.2	828.6
Equity/asset ratio	71.6%	78.0%	71.6%	78.0%

Return on equity including discontinued operations

SEK millions (if not defined differently)

	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Net income - R4Q	54.0	-13.1	54.0	-13.1
Average equity - R4Q	624.2	668.5	624.2	668.5
Return on equity	8.7%	-2.0%	8.7%	-2.0%

SHAREHOLDERS' INFORMATION		
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		
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.

	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Average number of employees and consultants				
Average number of employees	138	129	131	139
Average number of consultants	45	33	45	26
Total average number of employees and consultants	183	162	176	165
Average number of employees and consultants discontinued operations	-	-	-	-11
Net Average number of employees and consultants continued operations	183	162	176	154

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, continued operations

SEK millions	Note	Oct-Dec		Jan-Dec	
		2022	2021	2022	2021
Exchange rate differences					
Part of Other operating income & expenses		-2.7	-1.7	-1.9	6.5
Part of Net Financial Items		-1.3	1.0	6.9	2.7
Total Exchange rate differences		-4.0	-0.7	5.1	9.2
Government grants Covid-19					
Reduction of employee expenses		-	-	-	0.8
Other operating income		-	-0.4	0.1	-0.2
Total		-	-0.4	0.1	0.6
Items affecting comparability					
Restructuring	(a)	-	-0.8	-1.2	-0.8
Government grants Covid-19, other operating income	(b)	-	-0.4	0.1	-0.2
Impairment of intangible assets	(c)	-	-	-1.5	-
Adjustment cost for advisory services disposal of discontinued operations	(d)	-	-	-	0.4
Total		-	-1.2	-2.6	-0.7
Operating earnings excluding items affecting comparability					
Operating earnings		13.2	3.3	60.5	26.8
Items affecting comparability, as per above		-	1.2	2.6	0.7
Total		13.2	4.5	63.1	27.4
Operating earnings excluding exchange rate differences					
Operating earnings		13.2	3.3	60.5	26.8
Exchange rate differences, as per above		2.7	1.7	1.9	-6.5
Total		15.9	5.0	62.4	20.3
Operating earnings excluding exchange rate differences & items affecting comparability					
Operating earnings		13.2	3.3	60.5	26.8
Exchange rate differences, as per above		2.7	1.7	1.9	-6.5
Items affecting comparability, as per above		-	1.2	2.6	0.7
Total		15.9	6.2	65.0	20.9
Cash Flow excluding disposal of subsidiary, net effect on cash, and repurchase of own shares	(e)				
Net change in cash and cash equivalents		14.0	15.2	-47.0	71.0
Disposal of subsidiary, net effect on cash		-	-23.7	-	-70.3
Repurchase of own shares		23.5	33.4	98.3	33.4
Total		37.5	24.9	51.3	34.1

All items in the table above effects operating earnings, except for (e) that effects 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) During the second quarter of 2021, the final costs for advisory services in connection with the divestment of business area Resource Optimization (ScheduALL), which is presented as other operating income.
- (e) Presenting the cash flow without effects from divestments of the Resource Optimization (ScheduALL operations) and Streaming Solutions (Sye operations) business areas and the repurchase program of own shares provides a better understanding and comparison of the underlying operations' cash flow.



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