

STRONG END TO A STRONG YEAR

This is a translation of the Swedish interim report. If there should be any discrepancies, the Swedish language version governs.

FOURTH QUARTER, OCTOBER – DECEMBER 2021

- Net sales increased by 16.1%, or 17.3% FX adjusted, to MSEK 78.7 (67.8)
- Gross profit increased by 25.4%, or 26.9% FX adjusted, to MSEK 63.1 (50.3)
- EBIT increased to MSEK 10.7 (5.4)
- Earnings after tax was MSEK 10.5 (4.3)
- Earnings per share was, basic SEK 1.33 (0.55), diluted SEK 1.33 (0.55)

FULL YEAR, JANUARY – DECEMBER 2021

- Net sales increased by 14.2%, or 15.2% FX adjusted, to MSEK 295.5 (258.8)
- Gross profit increased by 21.6%, or 22.9% FX adjusted, to MSEK 231.3 (190.2)
- EBIT increased to MSEK 40.0 (15.6)
- Earnings after tax was MSEK 38.6 (13.1)
- Earnings per share was, basic SEK 4.91 (1.67), diluted SEK 4.91 (1.67)
- The Board propose that a dividend of 1.23 SEK per share shall be paid out

IMPORTANT EVENTS

DURING THE PERIOD

- Nepa repaid the remaining 8.5 MSEK of the loan from the Swedish Tax Agency, after taking advantage of the opportunity to defer payment of social security contributions, VAT and other taxes. Therefore, the total loan is now fully repaid.

AFTER THE PERIOD ENDED

- With the outbreak of the war in Ukraine the uncertainty has increased significantly in the beginning of 2022. Nepa supports employees who in any way are affected by the war. For Nepa, the monetary effects of the war have so far been limited to a few customer assignments in Russia and Ukraine.

A WORD FROM OUR CEO

There was a continued strong market during the final quarter of the year, which is reflected in the result. Sales rose by just over 16 percent to SEK 78.7 million (67.8). At the same time, gross profit strengthened by just over 25 percent to SEK 63.1 million (50.3), the highest ever in the company's history. The gross margin increased by 6 percentage points to 80.2 percent (74.2). Operating profit (EBIT) amounted to SEK 10.7 million (5.4). The EBIT margin in relation to gross profit rose to 17.0 percent (10.7) while profit after tax amounted to SEK 10.5 million (4.3).

During the quarter, we welcomed more colleagues to handle the increased business volume, especially as many new customer projects usually start up before the end of the year. At the same time, it was important to work with our internal legacy clean-up projects of systems and processes which, due to large incoming ad hoc customer projects during 2021, were behind schedule during the first two quarters 2021. During the first half of 2022, we will bring in extra resources for a temporary effort so that we finish our legacy clean-up according to plan in the summer of 2022. Then we enter an expansion phase as previously communicated.

The year of 2021 was a financially stable year where our gross margin for the full year increased to 78.3 percent, compared to 73.5 percent for 2020. With the fourth quarter, we had a good end to a good year. During the full year, the share of recurring revenue amounted to 63 percent, which is in line with the previous year. In nominal terms, however, recurring revenues increased by SEK 20.5 million to SEK 186.1 million (165.6).

I am also pleased to announce that the Board has proposed that Nepa for the first time as a listed company will pay out a dividend to the shareholders.

Transition and growth initiatives

Through our ongoing legacy clean-up, we improve the conditions for profitable growth long-term. The main objective of this initiative is to improve productivity in both our advisory and platform parts.

We will also continue to develop our offering within tech augmented advisory, where the expertise and experience of our experts and advisors are integrated

with self-developed technical delivery methods. The majority of Nepa's clients see a great value in the combination of data delivery and insight advisory, only a few clients buy just the data to make their own interpretation. The reason is that it is complex to interpret the meaning of the data, and to draw the right conclusions. Nepa has for 15 years analyzed these types of continuously collected data flows. We have streamlined methods to interpret the meaning of these data flows, and are skilled at refining them into concrete, actionable insights.

Our internal measures aim, among other things, to get the right data even more efficiently in a timely manner out to Nepa's experts, advisors, and customers for further analysis. Ultimately, this helps to further strengthen Nepa's competitiveness and maintain our already low customer churn rate.

Outlook

Rising inflation, runaway energy prices and the outbreak of war in Ukraine are contributing to a significant increase in uncertainty at the beginning of 2022. It is yet too soon to comment on what the consequences may be. Regarding the war in Ukraine, it is hard not to think of all those affected by this senseless aggression. For Nepa, the monetary effects of the war have so far been limited to a few customer assignments in Russia and Ukraine, where the discontinued business corresponds to less than 0.5 percent of sales on an annual basis.

Over the past two years, in parallel with having to fend off the effects of the Corona pandemic, we have managed to turn Nepa's earnings trend into profitable growth. I think this proves that we know how to handle crises while at the same time being able to grow profitably. This makes me, despite a challenging environment, confident that Nepa will have opportunities to continue to strengthen its position long term.

Ulrich Boyer

CEO

THE GROUP

DEVELOPMENT OF THE GROUP

REVENUES

Gross profit increased in the fourth quarter by 25.4 percent to kSEK 63,076 (50,288), and 26.9 percent FX adjusted. Net sales increased by 16.1 percent to kSEK 78,697 (67,774), and 17.3 percent FX adjusted.

For the full year of 2021, gross profit increased by 21.6 percent to kSEK 231,326 (190,176), and 22.9 percent FX adjusted. Net sales increased by 14.2 percent to kSEK 295,457 (258,753), and 15.2 percent FX adjusted.

Marketing Optimization (MO), Nepa's largest solution area, showed the strongest sales growth during the year. This was primarily a result of strong growth for our product MO Category Insight. The investment in MO is fully in line with the strategy and is based on Nepa having a cutting-edge expertise in this area. The growth is a confirmation that the strategy is working.

In absolute numbers, Sweden showed the highest growth, increasing sales by MSEK 21.7 equivalent to 13 percent. That is mainly due to our product MO Category Insight.

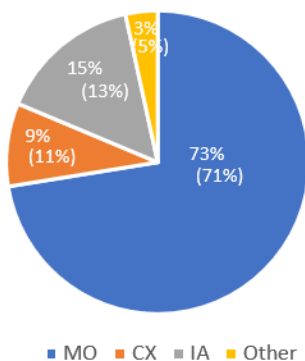
Detailed information about segments is found in note 2 on page 11.

EARNINGS

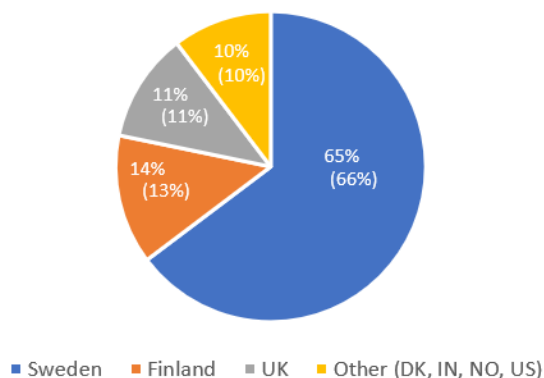
The group's EBIT amounted in the fourth quarter to kSEK 10,731 (5,359) and earnings after tax amounted to kSEK 10,466 (4,298).

For the full year of 2021, the group's EBIT amounted to kSEK 40,024 (15,647) and earnings after tax amounted to kSEK 38,586 (13,132). The cashflow for the year amounted to kSEK 15,550 (54,892).

Sales split by solution, 2021



Sales split by market, 2021



GROUP INCOME STATEMENTS

kSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales	78 697	67 774	295 457	258 753
Capitalized expenditure	4 013	1 604	10 841	7 890
Other external income	2 090	1 240	6 374	15 695
	84 800	70 617	312 672	282 338
Direct costs	-15 621	-17 485	-64 132	-68 577
Other external costs	-9 382	-8 574	-33 216	-33 956
Personnel costs	-45 023	-34 887	-161 027	-147 063
Depreciations	-2 600	-2 499	-10 223	-9 811
Other operating costs	-1 444	-1 813	-4 050	-7 285
Earnings Before Interest and Tax	10 731	5 359	40 024	15 647
Interest income and similar income items	1 233	141	3 832	2 398
Interest expenses and similar income items	-718	-1 829	-2 259	-5 879
Earnings Before Tax	11 246	3 672	41 596	12 165
Tax	-780	626	-3 010	966
Earnings After Tax	10 466	4 298	38 586	13 132
Profit attributable to the parent company's shareholders	10 466	4 298	38 586	13 132
Number of shares, end of period (pcs.)	7 863 186	7 863 186	7 863 186	7 863 186
Average number of shares during the period (pcs.)	7 863 186	7 863 186	7 863 186	7 863 186
Earnings per share, basic (SEK)	1.33	0.55	4.91	1.67
Earnings per share, diluted (SEK)	1.33	0.55	4.91	1.67

GROUP BALANCE SHEETS

ASSETS (kSEK)	December 31, 2021	December 31, 2020
Intangible assets	30 819	29 979
Tangible assets	832	410
Financial assets	914	1 659
Sum non-current assets	32 565	32 048
Trade receivables	64 792	50 611
Tax receivables	-	1 899
Other current receivables	2 216	1 725
Prepayments and accrued income	12 068	11 364
Cash and cash equivalents	85 071	69 521
Sum current assets	164 148	135 120
TOTAL ASSETS	196 712	167 168
EQUITY (kSEK)		
Shareholders' equity	1 573	1 573
Other capital contributions	115 383	115 383
Translation difference	745	1 606
Retained earnings incl. net profit for the period	-14 904	-53 490
Total equity	102 797	65 072
LIABILITIES (kSEK)		
Due to customers	27 666	25 309
Tax liabilities	544	-
Trade payables	23 507	20 000
Other current liabilities	13 731	29 229
Accrued expenses, deferred income	28 467	27 558
Total short-term liabilities	93 915	102 097
Total liabilities	93 915	102 097
TOTAL EQUITY AND LIABILITIES	196 712	167 168
Pledged (kSEK)		
Chattle	14 000	14 000
Total pledged	14 000	14 000

GROUP CASH FLOW STATEMENTS

kSEK	Full year 2021	Full year 2020
Operating activities		
Profit before tax	41 596	12 165
Adjustment of items not included in the cash flow	9 208	11 393
Income tax paid	-567	554
Cash flow from operating activities before adjustments of working capital	50 237	24 112
Cash flow from changes in working capital		
Increase (-) / Decrease (+) of current receivables	-15 377	20 611
Increase (+) / Decrease (-) of current liabilities	-8 725	19 163
Cash flow from operating activities	26 135	63 886
Investing activities		
Acquisitions/divestments, tangible assets	-624	-120
Acquisitions/divestments, intangible assets	-10 841	-7 890
Acquisitions/divestments, financial assets	879	-984
Cash flow from investing activities	-10 585	-8 994
Net cash flow for the period	15 550	54 892
Cash and cash equivalents at the beginning of the period	69 521	14 629
Cash and cash equivalents at the end of the period	85 071	69 521

GROUP KEY PERFORMANCE INDICATORS

	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales growth rate (%)	16.1	-3.9	14.2	-1.6
EBITDA (kSEK)	13 331	7 858	50 247	25 458
EBITDA margin (%)	16.9	11.6	17.0	9.8
EBIT margin (%)	13.6	7.9	13.5	6.0
Profit margin (%)	14.3	5.4	14.1	4.7
Total assets (kSEK)	196 712	167 168	196 712	167 168
Equity / Assets ratio (%)	52.3	38.9	52.3	38.9
No. of shares, end of period (pcs.)	7 863 186	7 863 186	7 863 186	7 863 186
No. of shares, average during period (pcs.)	7 863 186	7 863 186	7 863 186	7 863 186
Earnings per share, basic (SEK)	1.33	0.55	4.91	1.67
Earnings per share, diluted (SEK)	1.33	0.55	4.91	1.67
Equity per share (SEK)	13.07	8.28	13.07	8.28
Dividend per share (SEK)	n/a	n/a	1.23 ¹	0.00
No. of employees, average (pcs.)	272	238	256	252

Definitions

<i>Net sales growth rate</i>	<i>Percent of growth in net sales compared to a previous period.</i>
<i>EBITDA</i>	<i>Earnings before interest, taxes, depreciation and amortization.</i>
<i>EBITDA margin</i>	<i>EBITDA as a percentage of net sales.</i>
<i>EBIT margin</i>	<i>EBIT as a percentage of net sales.</i>
<i>Profit margin</i>	<i>Earnings before tax as a percent of net sales.</i>
<i>Equity / Assets ratio</i>	<i>Equity as a percentage of total assets.</i>
<i>Earnings per share</i>	<i>Profit attributable to the parent company's shareholders divided by average number of outstanding shares.</i>
<i>Equity per share</i>	<i>Equity divided by number of outstanding shares.</i>
<i>Dividend per share</i>	<i>Dividend for the period divided by the number of outstanding shares at the time of dividend.</i>
<i>No. of employees, average</i>	<i>Number of FTE's on average during the period.</i>

¹ Dividend proposed by the Board of Directors.

PARENT COMPANY

INCOME STATEMENTS, PARENT COMPANY

kSEK	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Other external income	511	152	2 195	1 080
	511	152	2 195	1 080
Other external costs	-350	-384	-2 090	-2 350
Personnel costs	-1 609	-1 994	-7 934	-6 560
Earnings Before Interest and Tax	-1 448	-2 227	-7 829	-7 830
Interest income and similar income items	169	233	644	812
Interest expenses and similar income items	-	-	-0	-1
Earnings after financial items	-1 279	-1 994	-7 185	-7 019
Group contribution received	27 275	12 000	27 275	12 000
Tax	-	-	-	-
Earnings After Tax	25 996	10 006	20 091	4 981

BALANCE SHEETS, PARENT COMPANY

ASSETS (kSEK)	December 31, 2021	December 31, 2020
Financial assets	116 135	96 359
Sum non-current assets	116 135	96 359
Receivables Group companies	1 108	963
Tax receivables	322	293
Other current receivables	89	18
Prepayments and accrued income	108	74
Cash and cash equivalents	1 160	1 360
Sum current assets	2 786	2 708
TOTAL ASSETS	118 921	99 068
EQUITY (kSEK)		
Shareholders' equity	1 573	1 573
Share premium reserve	115 020	115 020
Retained earnings	-20 821	-25 801
Net profit for the period	20 091	4 981
Total equity	115 863	95 772
LIABILITIES (kSEK)		
Trade payables	410	298
Other current liabilities	249	252
Accrued expenses, deferred income	2 400	2 745
Total liabilities	3 058	3 296
TOTAL EQUITY AND LIABILITIES	118 921	99 068

Note 1: Changes in equity in summary

THE GROUP (kSEK)	Shareholders' equity	Other capital contributions	Translation difference	Retained earnings incl. net profit of the period	Total equity
THE GROUP 2020					
Opening balance of equity January 1, 2020	1 573	116 325	-820	-66 622	50 456
Net profit of the period	-	-	-	13 132	13 132
Translation difference	-	-	2 426	-	2 426
Change of warrants	-	-942	-	-	-942
Closing balance of equity December 31, 2020	1 573	115 383	1 606	-53 490	65 072
THE GROUP 2021					
Opening balance of equity January 1, 2021	1 573	115 383	1 606	-53 490	65 072
Net profit of the period	-	-	-	38 586	38 586
Translation difference	-	-	-861	-	-861
Closing balance of equity December 31, 2021	1 573	115 383	745	-14 904	102 797
PARENT COMPANY (kSEK)					
	Shareholders' equity	Share premium reserve	Retained earnings incl. net profit of the period	Total equity	
PARENT COMPANY 2020					
Opening balance of equity January 1, 2020	1 573	115 020	-24 860	91 733	
Net profit of the period	-	-	4 981	4 981	
Change of warrants	-	-	-942	-942	
Closing balance of equity December 31, 2020	1 573	115 020	-20 821	95 772	
PARENT COMPANY 2021					
Opening balance of equity January 1, 2021	1 573	115 020	-20 821	95 772	
Net profit of the period	-	-	20 091	20 091	
Closing balance of equity December 31, 2021	1 573	115 020	-730	115 863	

Note 2: Segment reporting

Nepa's business can be divided into three types of segments; either depending on what the revenue model looks like (revenue type), which solution the revenue stems from, or which country the sales originated from.

In revenue type, we separate projects already sold, either through subscriptions or regular bulk purchases (recurring) and more project-based revenues (ad hoc).

Sales are also split according to the solution used. Nepa's solutions are Marketing Optimization (MO), Customer Experience (CX), Innovation Acceleration (IA) or Other revenues.

Finally, revenue is split by country.

REVENUE TYPE (MSEK)	2021	Share	Growth	2020	Share
Nepa Group	295.5	100%	36.7	258.8	100%
Recurring	186.1	63%	20.5	165.6	64%
Ad hoc	109.4	37%	16.2	93.2	36%
Share of ad hoc from recurring clients	59.9	55%	14.1	45.8	49%
Share of ad hoc from non-recurring clients	49.5	45%	2.1	47.4	51%
Sales to clients buying both recurring & ad hoc	246.0	83%	34.6	211.4	82%
Sales to clients buying ad hoc only	49.5	17%	2.1	47.4	18%

Sales of Recurring grew 12.4% to MSEK 186.1 in 2021. Ad Hoc increased by 17.4% to MSEK 109.4. The goal is to increase the share of sales of Recurring revenues in order to increase profitability.

SOLUTION (MSEK)	Net sales					Gross profit				
	2021	Share	Growth	2020	Share	2021	Share	Growth	2020	Share
Nepa Group	295.5	100%	36.7	258.8	100%	231.3	100%	41.1	190.2	100%
MO	214.2	73%	30.4	183.8	71%	161.2	70%	34.5	126.7	67%
CX	26.2	9%	-2.3	28.5	11%	24.5	10%	-0.3	24.9	13%
IA	45.1	15%	11.9	33.2	13%	36.7	16%	10.2	26.5	14%
Other	10.1	3%	-3.2	13.3	5%	8.7	4%	-2.4	11.0	6%
Eliminations	-0.1	0%	-0.1	-0.0	0%	0.2	0%	-0.8	1.1	1%

In absolute numbers, our MO-solution grew the most in 2021 (MSEK 34.5 in gross profit). Our IA-solution was our fastest growing solution in relative numbers (38.6% gross profit growth). The goal is to increase the penetration of our solutions to current clients. It provides the benefit for clients with a complete view of their consumers and the right conditions for creating growth and profitability for Nepa.

MARKET (MSEK)	Net sales					Gross profit				
	2021	Share	Growth	2020	Share	2021	Share	Growth	2020	Share
Nepa Group	295.5	100%	36.7	258.8	100%	231.3	100%	41.1	190.2	100%
Sweden	191.3	65%	21.7	169.6	66%	150.5	65%	21.9	128.6	68%
Finland	39.9	14%	5.2	34.7	13%	31.8	14%	5.9	25.8	14%
UK	33.7	11%	5.9	27.8	11%	27.4	12%	10.3	17.2	9%
All other markets	30.6	10%	4.0	26.6	10%	21.6	9%	3.0	18.6	9%

The markets Sweden, UK, Finland, India and Denmark grew in 2021, both in terms of sales and gross profit, while Norway decreased in sales and US decreased both in terms of sales and gross profit. The highest percentual gross profit growth was in India (130%) followed by UK (60%). The highest percentual decrease in gross profit was in US (-22%). Our ambition is to create profitable growth in all markets, where Sweden, Finland and UK are key focus markets.

THE BUSINESS

VISION

To become the world leading data-to-growth company.

The digital transformation of our society is pushing companies to become more customer centric. The need to listen to and to understand customers has never been more important for business success. Through innovative solutions and software, Nepa facilitates customer-oriented decision making in all parts of Nepa's clients' organizations.

BUSINESS CONCEPT

Nepa's business concept is to help companies become more customer oriented, by bringing the voice of the consumer into companies' business development and daily decision-making. Nepa combines consumer feedback data with actual behaviour data in order to transform traditional insights into financially quantifiable actions.

BUSINESS MODEL

Nepa is a ground-breaking growth company within the research industry that offers innovative solutions and software for delivering actionable insights to clients. Nepa has developed automated processes for

continuous data gathering, data analysis and the distribution of actionable insights.

Nepa's sales strategy entails solving client specific business challenges by utilizing proprietary ready-made and scalable analytics modules that support cost effective customization.

Nepa's solutions are mainly sold on a subscription basis of at least 12 months. More than 60 percent of the revenues stem from subscriptions. In addition to that, approximately 60 percent of the other revenues come from these subscription clients.

Other revenues stem from solving client specific business challenges, always with the ambition to create a long-term subscription business model and/or to develop highly scalable products that can be applied to other clients and in other industry verticals.

The proprietary platform Consumer Science Platform® is sold as a combination of:

1. A platform license for managing customer feedback with an interface that automatically enriches clients' current IT infrastructure with behaviour data.
2. Standardized products – Consumer Science Platform® Applications Suite.
3. Solving client specific business challenges.

EVENTS AFTER THE END OF THE QUARTER

With the outbreak of the war in Ukraine the uncertainty has increased significantly in the beginning of 2022. Nepa supports employees who in any way are affected by the war. For Nepa, the monetary effects of the war have so far been limited to a few customer assignments in Russia and Ukraine.

ACCOUNTING PRINCIPLES

The Group accounts have been established according to Swedish GAAP (Årsredovisningslagen and Bokföringsnämndens allmänna råd 2012:1 Årsredovisning och koncernredovisning (K3)). The Group consists of the parent company Nepa AB (publ) and nine subsidiaries, seven of which non-Swedish. Accounting principles and valuation principles correspond to the ones used in the latest annual report.

Government grants are reported in the income statement when there is reasonable assurance that the company will meet the requirements that come with the grants and that the grants will be received. The grants have been reported as other external income during the periods that the grant is to compensate.

RISKS AND UNCERTAINTIES

Nepa faces several business risks and market risks, including the dependency of qualified personnel, the ability to handle growth and technological development.

The Corona pandemic is still ongoing and may, at least regionally, affect companies' willingness to invest during a shorter or longer period.

AUDITING

This report has not been audited by the company's auditors.

THE SHARE AND DIVIDEND

The share capital of Nepa AB (publ) amounted, on December 31, 2021, to SEK 1,572,637.20 divided into 7,863,186 shares, each with a nominal value of SEK 0.20.

Nepa AB (publ) is listed on the Nasdaq First North Growth Market stock exchange since April 26th, 2016 under the ticker NEPA. A trading unit consists of one hundred and ten (110) shares. All shares are of the same

series and have the same voting rights and dividends rights.

The Board intends to propose to the Annual General Meeting that dividend at 1.23 SEK per share shall be paid out, amounting to a total of 9 646 kSEK, corresponding to 25% of the year's result.

Ten largest shareholders as of December 31, 2021

	Number of shares	Share of votes and share of capital
Ulrich Boyer	1,492,624	19.0%
Elementa Fonder	1,290,036	16.4%
Swedbank Robur Microcap	950,000	12.1%
P-O Westerlund	426,169	5.4%
Alcur Select	409,152	5.2%
Aktia Nordic Microcap	373,312	4.7%
Clients Kapitalförvaltning AB	300,000	3.8%
Lannebo Teknik Småbolag	264,998	3.4%
Daniel Nilsson	202,999	2.6%
Niclas Öhman	199,669	2.5%
Ten largest shareholders	5,908,959	75.1%
Other shareholders	1,954,227	24.9%
Total number of shares	7,863,186	100.0%

CERTIFIED ADVISER

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FINANCIAL CALENDAR

Interim report January 1 st to March 31 st , 2022	May 19 th , 2022
Annual general meeting 2022	May 19 th , 2022
Interim report April 1 st to June 30 th , 2022	August 19 th , 2022
Interim report July 1 st to September 30 th , 2022	November 18 th , 2022
Year-end report 2022	March 17 th , 2023

CERTIFICATION

The Board of Directors and the CEO certify that this interim report provides a correct depiction of the Group's and parent company's businesses, financial

position and results, and that it describes the relevant risk factors and uncertainties the company is facing.

Stockholm, March 18th, 2022
The Board of Directors of Nepa AB (publ)

Ulrich Boyer
Board member, CEO

Katarina Bonde
Chairman of the Board

Andreas Bruzelius
Board member

P-O Westerlund
Board member

Martin Burkhalter
Board member

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This is a translation of the Swedish interim report. If there should be any discrepancies, the Swedish language version governs. The Swedish version is information that Nepa AB (publ) 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 08:00 CET on March 18, 2022.
