

Year-end report
January – December 2023



YEAR-END REPORT

January – December 2023

Q4 in summary

- Annual Recurring Revenue (ARR) decreased by 4.1 percent to SEK 164.0 (170.9) compared to the corresponding period last year.
- Net sales decreased by 2.2 percent, or 4.4 percent in local currencies, to SEK 74.6 (76.3) million.
- Subscription revenue increased by 6.5 percent to SEK 44.8 (42.0) million, and ad hoc revenue from subscribers decreased by 13.6 percent to SEK 16.6 (19.2) million.
- Ad hoc revenue from non-subscribers increased by 10.0 percent to SEK 16.6 (15.1) million.
- Gross profit increased by 6.8 percent, to SEK 58.9 (55.2) million and the gross margin amounted to 79.0 (72.3) percent.
- EBIT increased to SEK -0.7 (-3.8) million and the EBIT margin amounted to -0.9 (-4.9) percent.
- Excluding items affecting comparability of SEK 5.9 (4.5) million, adjusted EBIT amounted to SEK 5.2 (0.7) million.
- Net profit amounted to SEK -0.3 (-4.9) million and Earnings per share amounted to SEK -0.04 (-0.62).

Business highlights

DURING THE QUARTER

- Solid growth in the core markets of 6.2 percent and return to profitability adjusted for items affecting comparability.
- Completion of the cost savings program, resulting in an annual cost base below the communicated SEK 220 million. It entailed items affecting comparability of SEK 5.9 million in the quarter.

Key financials

Numbers in SEK million if not stated	Q4 2023	Q4 2022	Change	FY 2023	FY 2022	Change
Annual Recurring Revenue (ARR)	164.0	170.9	-4.1%	164.0	170.9	-4.1%
Net sales	74.6	76.3	-2.2%	293.1	312.1	-6.1%
Of which subscription revenue	44.8	42.0	6.5%	177.0	169.8	4.2%
Gross profit	58.9	55.2	6.8%	219.5	236.2	-7.1%
Gross margin	79.0%	72.3%	6.7	74.9%	75.7%	-0.8
Adjusted EBIT	5.2	0.7	4.5	-0.9	29.4	-30.3
Adjusted EBIT margin	7.0%	1.0%	6.0	-0.3%	9.4%	-9.7
EBIT	-0.7	-3.8	3.1	-14.8	19.7	-34.4
EBIT margin	-0.9%	-4.9%	4.1	-5.0%	6.3%	-11.3
Net income	-0.3	-4.9	4.6	-14.4	17.5	-31.9
Profit margin	-0.4%	-6.4%	6.0	-4.9%	5.6%	-10.5
Operating cash flow	1.8	9.3	-7.4	6.1	15.9	-9.8
Net financial position	38.4	63.8	-25.4	38.4	63.8	-25.4
Earnings per share, SEK	-0.04	-0.62	0.58	-1.83	2.22	-4.05
Average number of shares outstanding	7,863,186	7,863,186	0.0%	7,863,186	7,863,186	0.0%

2023 in summary

- Net sales decreased by 6.1 percent, or 7.9 percent in local currencies, to SEK 293.1 (312.1) million.
- The decline in net sales was driven by ad hoc revenue from non-subscribers, which declined by 33.2 percent to SEK 50.2 (75.1) million.
- Subscription revenue increased by 4.2 percent to SEK 177.0 (169.8) million, and ad hoc revenue from subscribers increased by 2.9 percent to SEK 69.2 (67.2) million.
- Gross profit decreased by 7.1 percent, to SEK 219.5 (236.2) million and the gross margin amounted to 74.9 (75.7) percent.
- EBIT decreased to SEK -14.8 (19.7) million and the EBIT margin amounted to -5.0 (6.3) percent.
- Excluding items affecting comparability of SEK 13.8 (9.7) million, adjusted EBIT amounted to SEK -0.9 (29.4) million.
- Net profit amounted to SEK -14.4 (17.5) million and Earnings per share amounted to SEK -1.83 (2.22).
- The Board proposes a dividend of SEK 1.23 (0.56) per share. Last year, total dividends amounted to SEK 1.23.

AFTER THE PERIOD ENDED

- Due to a weak financial situation in Nepa APAC and its suboptimal alignment with the Group's overarching strategic direction, Nepa decided to shut down the subsidiary. It has accounted for less than 3 percent of the Group's net sales and will not impact the results.



Comments by the CEO

GOOD ENDING TO A TRANSFORMATIVE YEAR

We conclude 2023 with strong resilience in our core markets and significant progress in our return to profitability. Net sales from our core business, excluding Nepa APAC, grew by 6.2 percent, or 3.8 percent in local currencies, driven by a recovery in ad hoc revenue from non-subscribing clients and growth in subscription revenue. Adjusted EBIT amounted to SEK 5.2 (0.7) million, concluding that we now are back in a profitable state.

Reported net sales in the quarter decreased by 2.2 percent, but the negative figure is a result of revenue reversals attributable to the correction of historical accounting errors in Nepa APAC. Subscription revenue grew by 6.5 percent, while ad hoc revenue from subscribers declined by 13.6 percent, mainly from lower activity from churned clients. On the positive, and as reported in the previous quarter, we saw an uptick in business with non-subscribers, resulting in a 10.0 percent increase in ad hoc revenue from non-subscribers. Such projects are generally a strategic sell to enhance our long-term relationships.

During the year, we have aligned our sales focus towards adding new subscribers and increasing the scope of many of the trackers, partly with new add-on modules launched during the year. While we have successfully added a set of such new clients and scopes, our efforts did not offset the lower retention levels during the fall. The churn in the quarter rose to 6.1 percent from the average quarterly churn of approximately 1 percent. In total, ARR decreased to SEK 164.0 (170.9) million. Industry-wide budget constraints among our clients, coupled with our internal focus on restoring profitability, have impacted our ability to retain clients effectively in the quarter. We recognize the importance of swiftly addressing these challenges and are committed to implementing measures to improve client satisfaction, enhance the value of our offerings, and strengthen our relationships.

In response to the challenging market conditions we faced in the beginning of the year, we implemented decisive measures to adapt and restructure our business. Throughout the whole year, we initiated and completed comprehensive cost reductions, which involved reducing our headcount, optimizing our

processes, and centre our focus to core markets. While these decisions are never easy, they were necessary to streamline our organization and position ourselves for future profitable growth. Our cost position has been drastically improved, and we enter 2024 with a significantly lower and more structured cost base. Due to the successful implementation of internal efficiency enhancements, we have achieved the restoration of project margins to more satisfactory levels.

In the quarter, we demonstrated substantial improvements to our cost control and the implemented efficiency improvements have started yielding results. Excluding items affecting comparability of SEK 5.9 (4.5) million, attributable to restructuring costs from our cost reduction plan and the correction of accounting errors in Nepa APAC, adjusted EBIT amounted to SEK 5.2 (0.7) million.

PRODUCT FOCUS

In 2023, we focused more than ever on market-driven product development. We successfully launched CampaignPulse, a more automated and faster campaign test solution. We also launched AI Trend Boost, a revolutionary Brand tracking add-on to boost sample sizes and increase data accuracy. Our long-term product strategy aims at integrating our core product suite and adding more value-adding capabilities to drive new sales and increase retention with higher customer satisfaction and profitability.

FOCUS FORWARD

In 2024, our primary objective is to strengthen our sales and marketing endeavors. We will achieve this by further rebuilding our sales team and expanding our presence in larger research markets where we perceive significant potential for expanding our client base. With established tools and processes, we are committed to maintaining satisfactory project profitability across all aspects, from pricing strategies to timely delivery.

I am confident that the groundwork we have laid in 2023 will pave the way for a stronger, more resilient future for Nepa.

Ferry Wolswinkel

Interim CEO and CRO



Driving results for today – building brands for tomorrow

NEPA IN BRIEF

In recent years, brand has regained its position as the top of most marketers’ agendas, and investments in brand-building communications have increased. While there is a plethora of technology to measure and optimize short-term performance marketing, there is a lack of similar solutions to guide brand-building efforts.

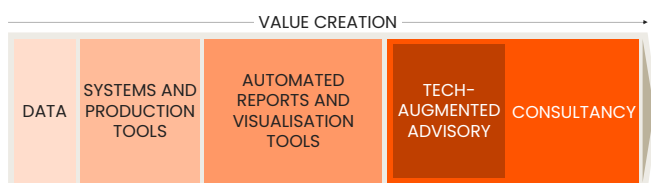
Nepa’s dynamic marketing intelligence suite offers tools and solutions for consumer brands worldwide to both maximize short-term sales and build long-term brand value. By combining continuous consumer survey data, sales data, and media investment data with sophisticated analytics and marketing expertise, Nepa creates brand and marketing-related insights.

The offering includes live brand tracking dashboards, recurring campaign evaluations, and continuous media optimizations together with value-adding consultancy insights that deliver client value to CMOs and marketing departments of more than 300 well-established brands. With offices in the Nordics, UK, US, and India, the Group tracks brands in more than 60 markets across all continents.

BUSINESS MODEL

Nepa continuously measures and analyses the impact of all marketing activities and offers brands the insights they need to make the right decisions, at the right times, both short-term and long-term. The product offering comprises subscription contracts, bulk contracts, and advisory services on a project basis.

VALUE CREATION PROCESS



Nepa turns data into growth opportunities by combining cutting-edge technology with brilliant human analysts and researchers. The value creation process comprises everything from data collection, sampling data enrichment, and analysis using in-house developed systems and production tools, to automated dashboard visualization or reports combined with tech-augmented brand and marketing advisory.

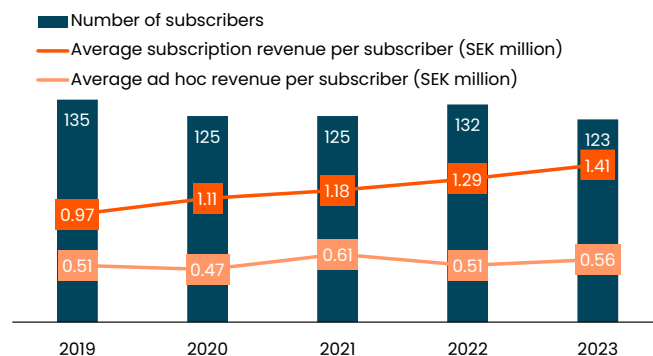
RESEARCH AND DEVELOPMENT

Nepa’s research and development support the long-term strategy by building and improving the in-house systems, production tools, and data-delivery streams, integrating existing separate solutions into Nepa’s dynamic marketing intelligence suite, and developing new products to further increase competitiveness. Shortly, the offering will expand into including cutting-edge brand modeling based on existing data.

CLIENT CONCENTRATION

Nepa has a diversified client portfolio spanning numerous industries. The five largest clients account for approximately 28 percent of the Group’s net sales. Nepa serves over 300 clients every year, of which 123 have been enrolled in a subscription contract during 2023.

OVERVIEW OF SUBSCRIBERS



The Group's financial development

REVENUE, EARNINGS, AND CASH FLOW

Revenue

Net sales decreased by 2.2 percent in the quarter to SEK 74.6 (76.3) million. In local currencies, net sales decreased by 4.4 percent. Reported net sales were negatively impacted by net revenue reversals attributable to historical accounting errors in the Nepa APAC subsidiary. The remaining markets grew by 6.2 percent, or 3.8 percent in local currencies. See page 7 for a detailed segment reporting.

Subscription revenue in the quarter increased by 6.5 percent to SEK 44.8 (42.0) million and ad hoc revenue from subscribers decreased by 13.6 percent to SEK 16.6 (19.2) million. Ad hoc revenue from non-subscribers increased by 10.0 percent to SEK 16.6 (15.0) million.

In 2023, net sales decreased by 6.1 percent to SEK 293.1 (312.1) million. In local currencies, net sales decreased by 7.9 percent. Excluding Nepa APAC, net sales declined by 3.8 percent, or 5.8 percent in local currencies.

Subscription revenue in 2023 increased by 4.2 percent to SEK 177.0 (169.8) million, and ad hoc revenue from subscribers increased by 2.9 percent to SEK 69.2 (67.2) million. Ad hoc revenue from non-subscribers declined by 33.2 percent to SEK 50.2 (75.1) million.

Earnings

Gross profit amounted to SEK 58.9 (55.2) million in the quarter for a margin of 79.0 (72.3) percent. The gross profit was positively impacted by data cost reversals attributable to historical accounting errors in the Nepa APAC subsidiary. In 2023, the gross profit amounted to SEK 219.5 (236.2) million for a gross margin of 74.9 (75.7) percent.

The operating profit (EBIT) amounted to SEK -0.7 (-3.8) million in the quarter and the EBIT margin amounted to -0.9 (-4.9) percent. Excluding items affecting

comparability of SEK 5.9 (4.5) million, attributable to restructuring costs from the cost savings program, as well as the correction of historical accounting errors and provisions for bad debt in the Nepa APAC subsidiary, adjusted EBIT amounted to SEK 5.2 (0.7) million.

In 2023, the operating profit (EBIT) amounted to SEK -14.8 (19.7) million and the EBIT margin amounted to -5.0 (6.3) percent. Excluding items affecting comparability of SEK 13.8 (9.7) million, attributable to restructuring costs from the cost savings program, as well as the correction of historical accounting errors and provisions for bad debt in the Nepa APAC subsidiary, adjusted EBIT amounted to SEK -0.9 (29.4) million.

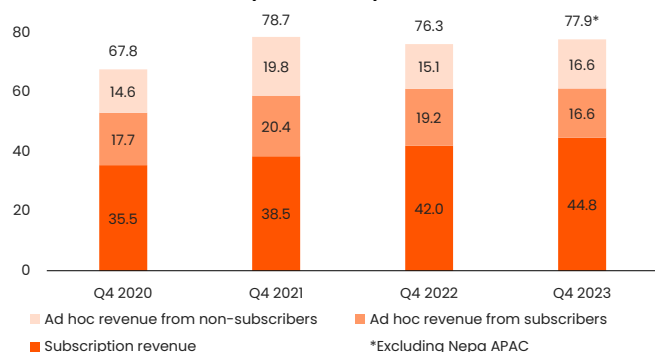
Net income for the quarter amounted to SEK -0.3 (-4.9) million and earnings per share amounted to SEK -0.04 (0.62). Net income for the fiscal year 2023 amounted to SEK -14.4 (17.5) million and earnings per share amounted to SEK -1.83 (2.22).

Cash flow

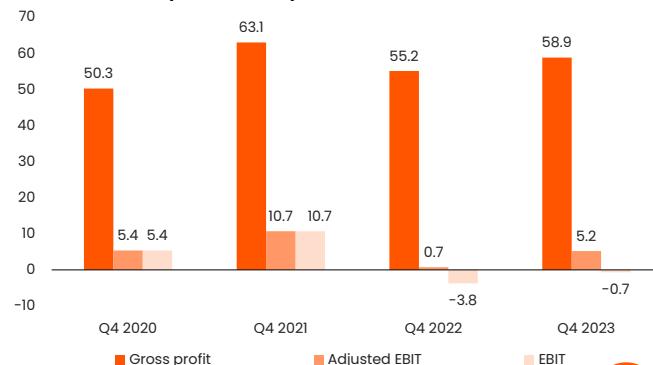
Cash flow from operating activities in the quarter amounted to SEK 1.8 (9.3) million of which the change in working capital amounted to SEK -0.4 (10.2) million. Cash flow from investing activities amounted to SEK -5.3 (-7.9) million. Cash flow from financing activities amounted to SEK 0.0 (0.0) million. Net cash flow for the period amounted to SEK -3.5 (1.3) million.

Cash flow from operating activities in 2023 amounted to SEK 6.1 (15.9) million of which the change in working capital amounted to SEK 9.7 (-12.6) million. Cash flow from investing activities amounted to SEK -21.9 (-27.5) million. Cash flow from financing activities amounted to SEK -9.7 (-9.7) million. Net cash flow for the period amounted to SEK -25.4 (-21.2) million.

REVENUE BREAKDOWN (SEK million), Q4 2020 – Q4 2023



PROFITABILITY (SEK million), Q4 2020 – Q4 2023



MULTI-YEAR FINANCIAL OVERVIEW

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Annual Recurring Revenue (ARR)	164.0	172.4	174.3	168.6	170.9	168.4	162.5	170.9	169.2	141.5	145.5	147.2	146.2
ARR growth (%)	-4.1	2.3	7.3	-1.3	1.0	19.1	11.7	16.1	15.8	2.0	5.8	4.8	12.7
Subscription revenue	44.8	44.7	44.8	42.8	42.0	40.8	44.5	42.5	38.5	36.0	36.9	36.6	35.5
Ad hoc revenue from subscribers	16.6	15.3	20.3	16.9	19.2	9.6	20.1	18.4	20.4	13.8	24.0	18.1	17.7
Ad hoc revenue from non-subscribers	16.6	10.6	10.0	13.0	15.1	19.1	22.0	19.0	19.8	17.0	17.6	16.9	14.6
Net sales	74.6	70.6	75.2	72.7	76.3	69.5	86.5	79.9	78.7	66.7	78.5	71.6	67.8
Gross profit	58.9	51.9	55.8	52.9	55.2	51.9	67.0	62.1	63.1	53.1	61.3	53.8	50.3
Gross margin (%)	79.0	73.6	74.2	72.7	72.3	74.7	77.5	77.8	80.2	79.7	78.1	75.2	74.2
Adjusted EBIT	5.2	0.6	-2.9	-3.9	0.7	4.9	11.8	11.9	10.7	11.1	11.7	6.5	5.4
Adjusted EBIT margin (%)	7.0	0.9	-3.8	-5.3	1.0	7.1	13.7	14.9	13.6	16.6	14.9	9.1	7.9
EBIT	-0.7	-0.5	-9.7	-3.9	-3.8	4.9	9.6	8.9	10.7	11.1	11.7	6.5	5.4
EBIT margin (%)	-0.9	-0.7	-13.0	-5.3	-4.9	7.1	11.1	11.1	13.6	16.6	14.9	9.1	7.9
Net income	-0.3	-0.7	-9.0	-4.5	-4.9	5.5	9.0	7.9	10.5	10.2	10.7	7.3	4.3
Profit margin (%)	-0.4	-0.9	-11.9	-6.2	-6.4	7.9	10.4	9.9	13.3	15.2	13.6	10.2	6.3
Operating cash flow	1.8	6.3	-7.6	5.6	9.3	-11.4	7.4	10.7	11.0	3.3	13.3	-1.5	16.5
Net financial position	38.4	41.8	45.1	62.7	63.8	62.5	79.6	88.7	85.1	78.5	79.2	67.0	69.5
Earnings per share (SEK)	-0.04	-0.08	-1.14	-0.57	-0.62	0.70	1.14	1.00	1.33	1.29	1.35	0.93	0.55
Dividend per share (SEK)	1.23	0.67	0.00	0.00	0.56	0.00	0.00	0.00	1.23	0.00	0.00	0.00	0.00
No. of employees, avg.	273	281	303	311	325	308	290	281	272	260	253	239	238
Other metrics													
Net Revenue Retention (NRR) (%)	93.2	99.5	103.2	97.5	101.7	90.7	101.3	108.7	104.1	97.2	100.3	101.6	103.1
Churn (%)	6.1	1.0	1.1	1.6	0.6	1.5	1.0	1.7	0.8	0.1	0.4	3.0	0.2

DEFINITIONS OF GROUP KEY RATIOS

KPI	Definition
Annual Recurring Revenue (ARR)	Subscription revenue in the last month of the period recalculated to a 12-month basis.
ARR growth	Growth in Annual Recurring Revenue (ARR) from the corresponding period the year before.
Subscription revenue	Revenue from subscription contracts.
Ad hoc revenue from subscribers	Revenue from one-time projects with clients that are enrolled in a subscription contract.
Ad hoc revenue from non-subscribers	Revenue from one-time projects with clients that are not enrolled in a subscription contract.
Gross profit	Net sales reduced with direct costs.
Gross margin	Gross profit as a percentage of net sales.
Adjusted EBIT	EBIT excluding items affecting comparability.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.
Items affecting comparability	Extraordinary items during the period.
EBIT	Earnings before interest and taxes.
EBIT margin	EBIT as a percentage of net sales.
Profit margin	Net income as a percentage of net sales.
Net financial position	Cash and cash equivalents less interest-bearing liabilities at the end of the period.
Earnings per share	Net income attributable to the parent company's shareholders divided by the average number of shares outstanding.
Dividend per share	Dividend for the period divided by the number of shares outstanding at the end of the period.
No. of employees, avg.	The average number of full-time employees during the period.
Net Revenue Retention (NRR)	Net change of upgrades, downgrades, and churn in subscription revenue from existing clients during the period as a percentage of subscription revenue in the previous period.
Churn	Lost subscription revenue from churned subscribers during the period as a percentage of subscription revenue in the previous period.



Segment breakdown

The Group segments represent the solution areas and revenue types closely monitored by the Group Management. Marketing Optimization is the core focus area, including the products Brand tracker, Campaign measurement, and Marketing Mix Modelling. Revenue is split by revenue type, consisting of subscription revenue from long-term contracts, ad hoc revenue from subscribers, and ad hoc revenue from non-subscribers.

Quarterly overview SEK million	Marketing Optimization		Customer Experience		Innovation Acceleration		Other		Eliminations ¹		Group	
	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Subscription revenue	40.3	37.3	3.5	3.6	0.0	0.1	0.9	1.0	0.0	0.0	44.8	42.0
Ad hoc revenue from subscribers	15.3	16.3	0.2	0.3	0.8	1.7	0.2	0.8	0.0	0.0	16.6	19.2
Ad hoc revenue from non-subscribers	13.3	11.5	1.6	1.4	1.5	1.8	0.1	0.3	0.0	0.0	16.6	15.1
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.3	0.0	-3.3	0.0
Net sales	68.9	65.1	5.4	5.3	2.3	3.6	1.2	2.2	-3.2	0.0	74.6	76.3
Direct costs	-19.6	-21.5	-0.5	-0.4	-0.7	-1.3	-0.3	-0.4	5.5	2.4	-15.7	-21.1
Gross profit	49.3	43.7	4.9	4.9	1.6	2.4	0.9	1.7	2.3	2.5	58.9	55.2
<i>Growth (%)</i>												
Subscription revenue	8.1	17.8	-2.5	-32.7	-100.0	-	-11.1	-37.1	-	-	6.5	9.1
Ad hoc revenue from subscribers	-6.5	18.7	-14.5	-63.9	-53.0	-66.0	-72.3	4.3	-	-	-13.6	-5.8
Ad hoc revenue from non-subscribers	15.8	-13.6	15.9	-0.1	-17.8	-63.6	-62.9	227.8	-	-	10.0	-23.9
Net sales	5.8	10.9	1.7	-29.2	-36.8	-64.1	-43.5	-11.2	-	-	-2.2	-3.1
Gross margin (%)	71.5	67.0	91.0	93.3	68.6	65.2	73.9	79.4	-	-	79.0	72.3

Yearly overview SEK million	Marketing Optimization		Customer Experience		Innovation Acceleration		Other		Eliminations ¹		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Subscription revenue	159.5	148.2	14.6	17.0	0.2	0.4	2.6	4.2	0.1	0.0	177.0
Ad hoc revenue from subscribers	57.4	51.8	2.7	2.7	8.1	10.0	1.0	2.7	0.0	0.0	69.2	67.2
Ad hoc revenue from non-subscribers	36.5	53.2	7.4	7.5	4.9	12.5	1.3	1.8	0.0	0.0	50.2	75.1
Reclassifications	0.0	-0.2	0.0	-0.3	0.0	0.2	0.0	0.3	0.0	0.0	0.0	0.0
Eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.3	0.0	-3.3	0.0
Net sales	253.5	253.0	24.7	26.9	13.2	23.1	4.9	9.0	-3.2	0.1	293.1	312.2
Direct costs	-72.6	-69.4	-2.0	-2.5	-2.2	-5.2	-1.6	-1.8	4.9	3.0	-73.6	-76.0
Gross profit	180.9	183.6	22.7	24.4	11.0	17.9	3.3	7.1	1.7	3.1	219.5	236.2
<i>Growth (%)</i>												
Subscription revenue	7.6	18.9	-14.2	-4.1	-62.2	-	-36.3	-26.6	-	-	4.2	14.8
Ad hoc revenue from subscribers	10.8	21.6	0.2	-35.0	-18.9	-63.2	-64.6	15.1	-	-	2.9	-11.9
Ad hoc revenue from non-subscribers	-31.3	13.5	-0.8	51.2	-60.7	-28.6	-31.0	1.2	-	-	-33.2	5.5
Net sales	0.2	18.1	-8.2	2.7	-42.9	-48.7	-45.9	-11.6	-	-	-6.1	5.6
Gross margin (%)	71.4	72.6	91.7	90.7	83.1	77.5	67.6	79.7	-	-	74.9	75.7

¹ For the sake of comparability, Nepa APAC is included in the elimination column in Q4 2023 and the full year 2023.



Consolidated income statements

KSEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	74 590	76 284	293 082	312 145
Capitalized expenditures	5 255	7 814	21 831	27 048
Other external income	1 880	1 120	6 160	6 810
	81 725	85 218	321 073	346 003
Direct costs	-15 675	-21 119	-73 556	-75 958
Other external costs	-13 096	-10 898	-44 760	-46 615
Personnel costs	-47 406	-52 118	-197 121	-187 625
Depreciation and amortization	-3 838	-3 089	-14 165	-11 221
Other operating costs	-2 375	-1 764	-6 244	-4 923
Operating income	-665	-3 770	-14 773	19 661
Financial income	672	88	2 844	4 802
Financial expenses	-2 146	-1 389	-3 932	-2 741
Earnings before tax	-2 139	-5 070	-15 861	21 722
Tax	1 838	212	1 468	-4 233
Net income	-301	-4 858	-14 394	17 488
Profit attributable to the parent company's shareholders	-301	-4 858	-14 394	17 488
Shares outstanding, end of period	7 863 186	7 863 186	7 863 186	7 863 186
Average number of shares outstanding during the period	7 863 186	7 863 186	7 863 186	7 863 186
Earnings per share	-0.04	-0.62	-1.83	2.22



Consolidated balance sheets

KSEK	December 31, 2023	December 31, 2022
ASSETS		
Intangible assets	54 943	46 932
Tangible assets	584	905
Financial assets	1 041	1 052
Total non-current assets	56 568	48 889
Trade receivables	59 858	76 281
Tax receivables	2 908	-
Other current receivables	2 900	2 707
Prepayments and accrued income	18 580	19 419
Cash and cash equivalents	38 378	63 825
Total current assets	122 624	162 232
TOTAL ASSETS	179 192	211 120
EQUITY		
Shareholders' equity	1 573	1 573
Other capital contributions	115 020	115 020
Translation difference	676	-180
Retained earnings incl. net profit for the period	-30 790	-6 724
Total equity	86 479	109 689
LIABILITIES		
Due to customers	24 025	25 469
Tax liabilities	-	1 342
Trade payables	23 965	27 649
Other current liabilities	11 671	13 793
Accrued expenses and deferred income	33 053	33 178
Total current liabilities	92 713	101 432
Total liabilities	92 713	101 432
TOTAL EQUITY AND LIABILITIES	179 192	211 120



Consolidated statements of changes in equity

October – December (KSEK)	Shareholders' equity	Other capital contributions	Translation difference	Retained earnings incl.	Total equity
				net profit for the period	
2022					
Opening balance of equity October 1, 2022	1 573	115 383	-1 011	-2 230	113 715
Net profit for the period	-	-	-	-4 858	-4 858
Translation difference	-	-	831	-	831
Dividend	-	-	-	-	-
Warrants	-	-363	-	363	0
Closing balance of equity December 31, 2022	1 573	115 020	-180	-6 724	109 689

2023					
Opening balance of equity October 1, 2023	1 573	115 020	-34	-30 489	86 070
Net profit for the period	-	-	-	-301	-301
Translation difference	-	-	710	-	710
Dividend	-	-	-	-	-
Warrants	-	-	-	-	-
Closing balance of equity December 31, 2023	1 573	115 020	676	-30 790	86 479

January – December (KSEK)	Shareholders' equity	Other capital contributions	Translation difference	Retained earnings incl.	Total equity
				net profit for the period	
2022					
Opening balance of equity January 1, 2022	1 573	115 383	745	-14 904	102 797
Net profit for the period	-	-	-	17 488	17 488
Translation difference	-	-	-925	-	-925
Dividend	-	-	-	-9 672	-9 672
Warrants	-	-363	-	363	0
Closing balance of equity December 31, 2022	1 573	115 020	-180	-6 724	109 689

2023					
Opening balance of equity January 1, 2023	1 573	115 020	-180	-6 724	109 689
Net profit for the period	-	-	-	-14 394	-14 394
Translation difference	-	-	855	-	855
Dividend	-	-	-	-9 672	-9 672
Warrants	-	-	-	-	-
Closing balance of equity December 31, 2023	1 573	115 020	676	-30 790	86 479



Consolidated statements of cash flow

KSEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating activities				
Profit before tax	-2 139	-5 070	-15 861	21 722
Adjustment for non-cash items	4 638	3 994	15 042	10 223
Income tax paid	-247	134	-2 783	-3 435
Cash flow from operating activities before adjustment of working capital	2 252	-942	-3 602	28 510
Increase (-) / Decrease (+) of current receivables	-6 528	-20 678	17 068	-19 330
Increase (+) / Decrease (-) of current liabilities	6 085	30 876	-7 376	6 718
Cash flow from operating activities	1 809	9 256	6 090	15 898
Investing activities				
Acquisitions/divestments of tangible assets	-1	-37	-25	-336
Acquisitions/divestments of intangible assets	-5 255	-7 814	-21 831	-27 048
Acquisitions/divestments of financial assets	-23	-96	-10	-88
Cash flow from investing activities	-5 279	-7 947	-21 866	-27 472
Financing activities				
Dividend	-	-	-9 672	-9 672
Cash flow from financing activities	-	-	-9 672	-9 672
Net cash flow for the period	-3 471	1 310	-25 447	-21 246
Cash and cash equivalents at the beginning of the period	41 849	62 516	63 825	85 071
Cash and cash equivalents at the end of the period	38 378	63 825	38 378	63 825



Parent company income statements

KSEK	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Other external income	129	493	355	1 802
	129	493	355	1 802
Other external costs	-1 805	-677	-4 316	-2 701
Personnel costs	-695	-1 232	-5 355	-5 129
Operating income	-2 370	-1 416	-9 316	-6 027
Financial income	1 030	1 187	3 510	3 252
Financial expenses	-	-0	-1	-0
Earnings before tax	-1 341	-229	-5 806	-2 776
Group contributions received	3 810	2 775	3 810	2 775
Tax	-	-	-	-
Net income	2 469	2 546	-1 996	-1



Parent company balance sheets

KSEK	December 31, 2023	December 31, 2022
ASSETS		
Financial assets	88 050	97 775
Total non-current assets	88 050	97 775
Receivables Group companies	7 435	6 410
Tax receivables	322	322
Other current receivables	233	39
Prepayments and accrued income	91	78
Cash and cash equivalents	1 130	2 949
Total current assets	9 211	9 798
TOTAL ASSETS	97 261	107 573
EQUITY		
Shareholders' equity	1 573	1 573
Share premium reserve	115 020	115 020
Retained earnings	-20 074	-10 402
Net profit for the period	-1 996	-1
Total equity	94 522	106 190
LIABILITIES		
Trade payables	1 345	204
Other current liabilities	309	247
Accrued expenses and deferred income	1 084	932
Total current liabilities	2 739	1 383
Total liabilities	2 739	1 383
TOTAL EQUITY AND LIABILITIES	97 261	107 573



Parent company statements of changes in equity

October – December (KSEK)	Shareholders' equity	Other capital contributions	Retained earnings	Total equity
			incl. net profit for the period	
2022				
Opening balance of equity October 1, 2022	1 573	115 020	-12 949	103 644
Net profit for the period	-	-	2 546	2 546
Dividend	-	-	-	-
Closing balance of equity December 31, 2022	1 573	115 020	-10 403	106 190

2023				
Opening balance of equity October 1, 2023	1 573	115 020	-24 540	92 053
Net profit for the period	-	-	2 469	2 469
Dividend	-	-	-	-
Closing balance of equity December 31, 2023	1 573	115 020	-22 071	94 522

January – December (KSEK)	Shareholders' equity	Other capital contributions	Retained earnings	Total equity
			incl. net profit for the period	
2022				
Opening balance of equity January 1, 2022	1 573	115 020	-730	115 863
Net profit for the period	-	-	-1	-1
Dividend	-	-	-9 672	-9 672
Closing balance of equity December 31, 2022	1 573	115 020	-10 403	106 190

2023				
Opening balance of equity January 1, 2023	1 573	115 020	-10 403	106 190
Net profit for the period	-	-	-1 996	-1 996
Dividend	-	-	-9 672	-9 672
Closing balance of equity December 31, 2023	1 573	115 020	-22 071	94 522



Other disclosures

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 and nine subsidiaries, seven of which non-Swedish. Accounting principles and valuation principles correspond to the ones used in the latest annual report.

RISKS AND UNCERTAINTIES

Nepa faces several business risks and market risks, including the dependency on qualified personnel, the ability to handle growth, and technological development. The macroeconomic environment with interest rate hikes and inflation as well as the geopolitical situation in the world may affect companies' willingness to invest.

AUDITING

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

CONTACT DETAILS

Edvard Hagman, Investor Relations
ir@nepa.com

THE SHARE AND DIVIDEND

The share capital of Nepa AB amounted, on December 31, 2023, to SEK 1,572,637.20 divided into 7,863,186 shares, each with a nominal value of SEK 0.20. Nepa AB is listed on the Nasdaq First North Growth Market stock exchange since April 26th, 2016, under the ticker NEPA. All shares are of the same series and have the same voting rights and dividends rights.

SHAREHOLDERS

Ten largest shareholders as of December 31, 2023	Number of shares	Votes and capital
BNP Paribas London Branch	1,519,181	19.3%
Ulrich Boyer and companies	1,450,032	18.4%
Elementa Management	1,335,958	17.0%
Försäkringsbolaget Avanza Pension	543,100	6.9%
Alcur Select	388,913	4.9%
Aktia Nordic Microcap	373,312	4.7%
Schroders Investment Management	250,000	3.2%
SEB Life International Assurance	189,047	2.4%
Nordnet Pensionsförsäkring	152,744	1.9%
Björn Nordenborg	148,000	1.9%
Ten largest shareholders	6,350,287	80.8%
Other shareholders	1,512,899	19.2%
Total number of shares	7,863,186	100.0%

FINANCIAL CALENDAR

Event	Date
Q4 Year-end report Oct – Dec, 2023	March 15, 2024
Annual report 2023	April 26, 2024
Q1 Interim report Jan – Mar, 2024	May 10, 2024
Annual General Meeting 2024	May 31, 2024
Q2 Interim report Apr – Jun, 2024	August 16, 2024
Q3 Interim report Jul – Sep, 2024	November 1, 2024
Q4 Year-end report Oct – Dec, 2024	February 28, 2025
Annual report 2024	April 25, 2025

All financial reports are published on Nepa's website:
nepa.com/investor-relations



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.

Dan Foreman
Chairman of the Board

Ulrich Boyer
Board member

Adam Lytle
Board member

Carl-Fredrik Meijer
Board member

Fredrik Beltzér
Board member

Ferry Wolswinkel
Interim CEO

Stockholm, March 15, 2024
The Board of Directors of Nepa AB

