

ALL-TIME HIGH REVENUE AND IMPROVED PROFITABILITY

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

FIRST QUARTER, JANUARY– MARCH 2021

- Net sales increased by 3.1%, or 5.3% FX adjusted, to MSEK 71.6 (69.4)
- Gross profit increased by 3.0%, or 5.8% FX adjusted, to MSEK 53.8 (52.2)
- EBIT increased to MSEK 6.5 (-0.3)
- Earnings after tax was MSEK 7.3 (0.4)
- Earnings per share was, basic SEK 0.93 (0.06), diluted SEK 0.93 (0.06)

IMPORTANT EVENTS

DURING THE PERIOD

- The board of directors decided on a new strategy for the upcoming five year period.
- Launched positioning product *BrandTouch*® *Sustainability* which quantifies consumers' willingness to pay sustainable brands.

AFTER THE PERIOD ENDED

- We have continued to welcome new customers and have not lost any customers so far.
- Lars Pahlman appointed new MD for Nepa in Sweden. Lars was being interim MD during the autumn of 2020.

A WORD FROM OUR CEO

The market was strong in the first quarter, a trend that has continued in the beginning of the second quarter. This was particularly evident in the Swedish and Finnish markets, which both grew 11 percent on an annual basis in local currency. The UK market exhibited a weaker performance as it has a higher proportion of ad hoc projects, which remain paused due to Covid-19. Overall, the demand was strong, driven by a continued need to understand consumer behaviour in a rapidly changing world.

Sales in the first quarter increased by 3.1 percent to SEK 71.6 million (69.4), which is an all-time high for a single quarter. In local currency the growth was 5.3 percent. The positive profitability trend continued as operating profit (EBIT) amounted to SEK 6.5 million, corresponding to an improvement in earnings of SEK 6.8 million compared to the first quarter of 2020. The EBIT margin amounted to 9.1 percent, while earnings after tax amounted to SEK 7.3 million (0.4).

Increased flexibility

We have worked hard to meet the strong demand during the quarter, not least in Sweden. As a result, we have, among other things, recruited senior developers and engaged sub-consultants to create increased flexibility in our deliveries. With a more adaptable workforce that can be adjusted as needed, we can more easily ensure a base profitability of the business. Despite the recruitments, personnel costs in the first quarter were 13.6 per cent lower, compared to the first quarter of last year.

We put a lot of effort into setting our strategic roadmap for the next five years. In summary, our sales efforts will focus more on certain solutions and geographies, which will increase our share of recurring revenues, as well as strengthen revenue growth and profitability. I look forward to our continued journey of change and I am

pleased that we have got the strategic direction and a stable financial position in place.

However, not everything has been positive. The pandemic is not over yet, which is particularly evident in India. My thoughts are with our affected colleagues in India who are going through a difficult time and at the same time are doing a fantastic job for Nepa.

Building the future of Nepa based on 15 years of experience

Since we were founded in May 2006, Nepa has built up a position in marketing optimization with many world-leading brands among our customers. We always put our clients' customers at the heart of our analysis as understanding their behaviour is crucial for developing and adapting the customer offering. This is becoming increasingly important as consumers' actions and preferences become ever more fast-moving and changing. The growing amount of available data for marketers is not useful unless it is analysed and interpreted so that it can be translated into insights followed by focused and meaningful actions. The experience, track record and proven technology we have built up in our field over the last 15 years provide a solid basis for the next step in our development journey.

Prospects

Overall, the business developed according to plan during the quarter. We report the highest net sales ever, whilst Nepa's profitability continues to strengthen. As a result, we are well on our way back to a stable business and to show profitable growth in the long term.

P-O Westerlund
CEO

THE GROUP

DEVELOPMENT OF THE GROUP

REVENUES

Gross profit increased in the first quarter by 3.0 percent to kSEK 53,816 (52,233), and 5.8 percent currency adjusted. Net sales increased by 3.1 percent to kSEK 71,558 (69,420), and 5.3 percent currency adjusted.

The strongest sales growth during the quarter was in Innovation Acceleration (IA). It was primarily the result of strong growth of one of our products IA Price & Packaging.

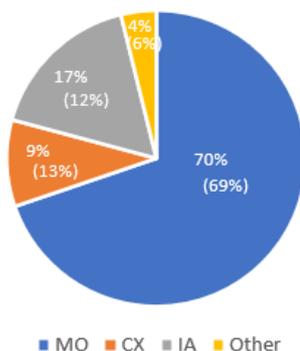
In absolute numbers, Sweden showed the highest growth, increasing sales by MSEK 4.8 equivalent to 11 percent. That is mainly due to our product IA Price & Packaging.

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

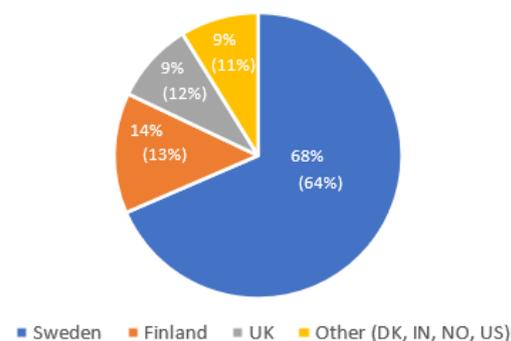
EARNINGS

The group's EBIT amounted in the first quarter to kSEK 6,534 (-253) and earnings after tax amounted to kSEK 7,311 (436).

Sales split by solution, Q1 2021



Sales split by market, Q1 2021



GROUP INCOME STATEMENTS

kSEK	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Net sales	71 558	69 420	258 753
Capitalized expenditure	886	3 187	7 890
Other external income	1 813	1 899	15 695
	74 257	74 506	282 338
Direct costs	-17 742	-17 187	-68 577
Other external costs	-7 706	-9 520	-33 956
Personnel costs	-38 400	-44 456	-147 063
Depreciations	-2 438	-2 302	-9 811
Other operating costs	-1 438	-1 294	-7 285
Earnings Before Interest and Tax	6 534	-253	15 647
Interest income and similar income items	1 557	1 368	2 398
Interest expenses and similar income items	-274	-645	-5 879
Earnings Before Tax	7 817	469	12 165
Tax	-506	-33	966
Earnings After Tax	7 311	436	13 132
Profit attributable to the parent company's shareholders	7 311	436	13 132
Number of shares, end of period(pcs.)	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
Earnings per share, basic (SEK)	0.93	0.06	1.67
Earnings per share, diluted (SEK)	0.93	0.06	1.67

GROUP BALANCE SHEETS

ASSETS (kSEK)	March 31, 2021	March 31, 2020	December 31, 2020
Intangible assets	28 448	32 632	29 979
Tangible assets	502	539	410
Financial assets	1 886	746	1 659
Sum non-current assets	30 836	33 917	32 048
Trade receivables	38 128	44 040	50 611
Tax receivables	2 564	2 384	1 899
Other current receivables	1 988	3 108	1 725
Prepayments and accrued income	18 148	18 486	11 364
Cash and cash equivalents	66 954	22 933	69 521
Sum current assets	127 783	90 950	135 120
TOTAL ASSETS	158 619	124 867	167 168
EQUITY (kSEK)			
Shareholders' equity	1 573	1 573	1 573
Other capital contributions	115 383	116 342	115 383
Translation difference	808	-1 277	1 606
Retained earnings incl. net profit for the period	-46 179	-66 186	-53 490
Total equity	71 585	50 452	65 072
LIABILITIES (kSEK)			
Due to customers	22 319	21 899	25 309
Trade payables	15 593	20 657	20 000
Other current liabilities	16 647	8 723	29 229
Accrued expenses, deferred income	32 474	23 135	27 558
Total short-term liabilities	87 034	74 415	102 097
Total liabilities	87 034	74 415	102 097
TOTAL EQUITY AND LIABILITIES	158 619	124 867	167 168
Pledged (kSEK)			
Chattle	14 000	14 000	14 000
Total pledged	14 000	14 000	14 000

GROUP CASH FLOW STATEMENTS

kSEK	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Operating activities			
Profit before tax	7 817	469	12 165
Adjustment of items not included in the cash flow	1 514	1 847	11 393
Income tax paid	-1 171	-931	554
Cash flow from operating activities before adjustments of working capital	8 160	1 385	24 112
Cash flow from changes in working capital			
Increase (-) / Decrease (+) of current receivables	5 436	18 649	20 611
Increase (+) / Decrease (-) of current liabilities	-15 063	-8 519	19 163
Cash flow from operating activities	-1 467	11 515	63 886
Investing activities			
Acquisitions/divestments, tangible assets	-91	-35	-120
Acquisitions/divestments, intangible assets	-886	-3 187	-7 890
Acquisitions/divestments, financial assets	-123	10	-984
Cash flow from investing activities	-1 100	-3 212	-8 994
Net cash flow for the period	-2 566	8 304	54 892
Cash and cash equivalents at the beginning of the period	69 521	14 629	14 629
Cash and cash equivalents at the end of the period	66 954	22 933	69 521

GROUP KEY PERFORMANCE INDICATORS

	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Net sales growth rate (%)	3.1	4.7	-1.6
EBITDA (kSEK)	8 972	2 049	25 458
EBITDA margin (%)	12.5	3.0	9.8
EBIT margin (%)	9.1	Neg	6.0
Profit margin (%)	10.9	0.7	4.7
Total assets (kSEK)	158 619	124 867	167 168
Equity / Assets ratio (%)	45.1	40.4	38.9
No. of shares, end of period (pcs.)	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
Earnings per share, basic (SEK)	0.93	0.06	1.67
Earnings per share, diluted (SEK)	0.93	0.06	1.67
Equity per share (SEK)	9.10	6.42	8.28
Dividend per share (SEK)	n/a	n/a	0.00 ¹
No. of employees, average (pcs.)	239	270	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	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Other external income	460	408	1 080
	460	408	1 080
Other external costs	-419	-782	-2 350
Personnel costs	-1 616	-2 314	-6 560
Earnings Before Interest and Tax	-1 575	-2 688	-7 830
Interest income and similar income items	173	0	812
Interest expenses and similar income items	-0	-0	-1
Earnings after financial items	-1 403	-2 689	-7 019
Group contribution received	-	-	12 000
Tax	-	-	-
Earnings After Tax	-1 403	-2 689	4 981

BALANCE SHEETS, PARENT COMPANY

ASSETS (kSEK)	March 31, 2021	March 31, 2020	December 31, 2020
Financial assets	94 859	89 361	96 359
Sum non-current assets	94 859	89 361	96 359
Receivables Group companies	633	393	963
Tax receivables	378	373	293
Other current receivables	56	1	18
Prepayments and accrued income	174	215	74
Cash and cash equivalents	511	1 595	1 360
Sum current assets	1 752	2 578	2 708
TOTAL ASSETS	96 612	91 939	99 068
EQUITY (kSEK)			
Shareholders' equity	1 573	1 573	1 573
Share premium reserve	115 020	115 020	115 020
Retained earnings	-20 821	-24 842	-25 801
Net profit for the period	-1 403	-2 689	4 981
Total equity	94 369	89 062	95 772
LIABILITIES (kSEK)			
Trade payables	112	351	298
Other current liabilities	392	201	252
Accrued expenses, deferred income	1 738	2 326	2 745
Total liabilities	2 242	2 877	3 296
TOTAL EQUITY AND LIABILITIES	96 612	91 939	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	-	-	-	436	436
Translation difference	-	-	-457	-	-457
Change of warrants	-	17	-	-	17
Closing balance of equity March 31, 2020	1 573	116 342	-1 277	-66 186	50 452
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	-	-	-	7 311	7 311
Translation difference	-	-	-798	-	-798
Closing balance of equity March 31, 2021	1 573	115 383	808	-46 179	71 585
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	-	-	-2 689	-2 689	
Change of warrants	-	-	17	17	
Closing balance of equity March 31, 2020	1 573	115 020	-27 531	89 062	
PARENT COMPANY 2021					
Opening balance of equity January 1, 2021	1 573	115 020	-20 821	95 772	
Net profit of the period	-	-	-1 403	-1 403	
Closing balance of equity March 31, 2021	1 573	115 020	-22 224	94 369	

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)	Q1 2021	Share	Growth	Q1 2020	Share
Nepa Group	71.6	100%	2.1	69.4	100%
Recurring	44.6	62%	1.0	43.6	63%
Ad hoc	27.0	38%	1.2	25.7	37%
Share of ad hoc from recurring clients	13.4	50%	3.0	10.4	40%
Share of ad hoc from non-recurring clients	13.6	50%	-1.8	15.3	60%
Sales to clients buying both recurring & ad hoc	58.0	81%	4.0	54.0	78%
Sales to clients buying ad hoc only	13.6	19%	-1.8	15.3	22%

Sales of Recurring grew 2.2% to MSEK 44.6 in the first quarter 2021. Ad Hoc increased by 4,8% to MSEK 27.0 MSEK in the quarter. The goal is to increase the share of sales of Recurring revenues in order to increase profitability.

SOLUTION (MSEK)	Net sales					Gross profit				
	Q1 2021	Share	Growth	Q1 2020	Share	Q1 2021	Share	Growth	Q1 2020	Share
Nepa Group	71.6	100%	2.1	69.4	100%	53.8	100%	1.6	52.2	100%
MO	49.9	70%	2.1	47.8	69%	35.3	66%	1.0	34.3	66%
CX	6.8	9%	-2.2	9.0	13%	6.1	11%	-1.3	7.4	14%
IA	12.1	17%	3.6	8.5	12%	10.1	19%	3.1	7.0	13%
Other	2.7	4%	-1.3	4.1	6%	2.4	4%	-1.0	3.4	7%
Eliminations	0.0	0%	-0.1	0.1	0%	-0.1	0%	-0.2	0.1	0%

In absolute numbers, our IA-solution grew the most in the first quarter 2021 (MSEK 3.1 in gross profit). Our IA-solution was also our fastest growing solution in relative numbers (44.3% 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 also gives the right conditions to create growth and profitability for Nepa.

MARKET (MSEK)	Net sales					Gross profit				
	Q1 2021	Share	Growth	Q1 2020	Share	Q1 2021	Share	Growth	Q1 2020	Share
Nepa Group	71.6	100%	2.1	69.4	100%	53.8	100%	1.6	52.2	100%
Sweden	49.0	68%	4.8	44.1	64%	37.0	69%	3.2	33.8	65%
Finland	9.8	14%	0.5	9.3	13%	7.7	14%	0.5	7.2	14%
UK	6.5	9%	-1.9	8.4	12%	4.9	9%	-0.7	5.6	11%
All other markets	6.3	9%	-1.3	7.6	11%	4.2	8%	-1.4	5.6	11%

The markets Sweden, Finland and India grew in the first quarter 2021, both in terms of sales and gross profit, while the other markets decreased both in terms of sales and gross profit. The highest percentual gross profit growth was in India (107%) and Sweden (10%). The highest percentual decrease in gross profit was in US (-82%) and Denmark (-19%). 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

We have continued to welcome new customers and have not lost any customers so far.

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 outbreak of the Corona virus has caused a dramatic change in sentiment world-wide which may affect clients' willingness to invest.

AUDITING

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

THE SHARE

The share capital of Nepa AB (publ) amounted, on March 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.

Ten largest shareholders as of March 31, 2021

	Number of shares	Share/Votes
Ulrich Boyer	1,492,624	19.0%
Elementa Fonder	1,376,840	17.5%
Swedbank Robur Microcap	950,000	12.1%
P-O Westerlund	426,169	5.4%
Aktia Nordic Microcap	373,312	4.7%
Alcur Select	321,682	4.1%
Lannebo Teknik Småbolag	279,308	3.6%
Hans Skruvfors	225,000	2.9%
Niclas Öhman	199,669	2.5%
Nordnet Pensionsförsäkring	196,807	2.5%
Ten largest shareholders	5,841,411	74.3%
Other shareholders	2,021,775	25.7%
Total number of shares	7,863,186	100.0%

CERTIFIED ADVISER

Erik Penser Bank is Nepa's Certified Adviser.
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FINANCIAL CALENDAR

Annual general meeting 2021	May 20 th , 2021
Interim report April 1 st to June 30 th , 2021	August 20 th , 2021
Interim report July 1 st to September 30 th , 2021	November 19 th , 2021
Year-end report 2021	March 18 th , 2022

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, May 20th, 2021
The Board of Directors of Nepa AB (publ)*

Ulrich Boyer
Chairman of the Board

Katarina Bonde
Board member

Martin Burkhalter
Board member

Andreas Bruzelius
Board member

Fredrik Östgren
Board member

P-O Westerlund
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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 May 20, 2021.
