

A GOOD START AND FOCUS ON THE FUTURE

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

FIRST QUARTER, JANUARY– MARCH 2022

- Net sales increased by 11.6%, or 9.6% FX adjusted, to MSEK 79.9 (71.6)
- Gross profit increased by 15.4%, or 12.9% FX adjusted, to MSEK 62.1 (53.8)
- EBIT increased to MSEK 8.9 (6.5)
- Earnings after tax was MSEK 7.9 (7.3)
- Earnings per share was SEK 1.00 (0.93)

IMPORTANT EVENTS

DURING THE PERIOD

- As previously communicated, the monetary effects of the war in Ukraine have been limited to a few customer assignments, corresponding to less than 0.5 percent of sales on an annual basis. Nepa has no customer assignments in neither Russia nor Ukraine as per today.

AFTER THE PERIOD ENDED

- No important events to report after the period.

A WORD FROM OUR CEO

The market continued to be strong during the beginning of the year, despite increased uncertainty in the second half of the quarter because of the war in Ukraine and increased inflation concerns. Sales increased just under 12 percent to SEK 79.9 million (71.6), compared with the corresponding quarter last year.

I am especially happy to report that the recurring revenues increased with 21.5 percent to SEK 54.1 million (44.6). Nepa's recurring revenues make up 68 percent of total revenue during Q1.

Gross profit increased just over 15 percent to SEK 62.1 million (53.8). The gross profit margin strengthened by 2.6 percentage points to 77.8 percent (75.2). Operating profit (EBIT) amounted to SEK 8.9 M (6.5). The EBIT margin in relation to gross profit increased to 14.3 percent (12.1) while profit after tax was SEK 7.9 million (7.3).

A year of transformation

The legacy clean-up of systems and processes that we have been working intensively on since late summer 2021 will, as planned, be completed this summer. At the same time, the efforts to strengthen our tech augmented advisory continues through increased investments in our technology platform. The focus is on rationalization, automation and integration of data collection and analysis where we have seen good leverage from our tech investments.

With data even more easily processed and through better modeling, we can add services that have not been offered before. Through closer integration of data and advisory services, we can forecast and recommend the best mix of marketing initiatives, durations, and timing with significantly higher precision in order to optimize the customer's ROI from marketing. The improvements result in reduced costs, increased pace and continuity of deliveries and thus higher value and quality of what we deliver. For customers, we become even more relevant.

Further development of our platform will help us reach our goals. During the first quarter, approximately SEK 7 million of the SEK 8.2 million increase in personnel costs is capitalized, derived from improvements and new development of platform modules. We expect investments to remain at this level for the remainder of the year.

In parallel, we are investing approximately SEK 3 million, whereof SEK 1 million personnel costs and SEK 2 million

external resources, in improved work processes throughout the group. This work will gradually decrease and be completed during this year. Excluding these temporary efforts to build future Nepa, the running costs for the daily operations are on the same level as corresponding quarter last year, even though sales increased by close to 12 percent.

In addition to the capitalized investments in our platform, and the work with improved work processes, we are also doubling our marketing efforts after evaluating various channel options in 2021. However, this is still a rather conservative level of costs compared to our competitors. The intention is that our marketing investments will grow as we continue to expand our in-house sales capacity and success.

To further focus the organization on growth, we are also investing for the first time in clear performance-based incentives.

I expect that the positive effects of these initiatives and investments taken together will be gradual, with emphasis at the end of the current year.

Outlook

Inflation is on the rise, but we see that we can raise our prices to compensate for rising costs, although there might be a lagging effect depending on the length and type of the customer's contract.

In terms of market trends, we see a rapid development in our market with a changing set of tools following advances in AI and modeling. We aim to strengthen our already strong position within "brand tech", meaning methods and tools to combine marketing and brand initiatives with the power of technology to build robust brands faster and more cost-efficiently long-term.

Companies' challenges in reaching new customers lead to generally increasing communication and branding costs. Our development initiatives aim to solve these challenges for companies and thereby take additional market share with an offering that distinguishes us from our competitors. I am convinced that our investments create value long-term. Based on our knowledge, strong track record and clear focus, we are taking Nepa to a new level.

Ulrich Boyer

CEO

THE GROUP

DEVELOPMENT OF THE GROUP

REVENUES

Gross profit increased in the first quarter by 15.4 percent to kSEK 62,127 (53,816), and 12.9 percent FX adjusted. Net sales increased by 11.6 percent to kSEK 79,877 (71,558), and 9.6 percent FX adjusted.

Marketing Optimization (MO), Nepa's largest solution area, showed the strongest sales growth during the quarter. 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 confirmation that the strategy is working.

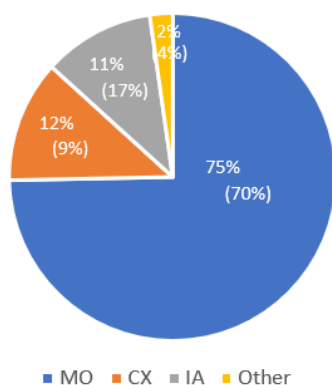
In absolute numbers, Sweden showed the highest growth, increasing sales by MSEK 5.0 equivalent to 10.3 percent. That is mainly due to our product MO Category Insight.

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

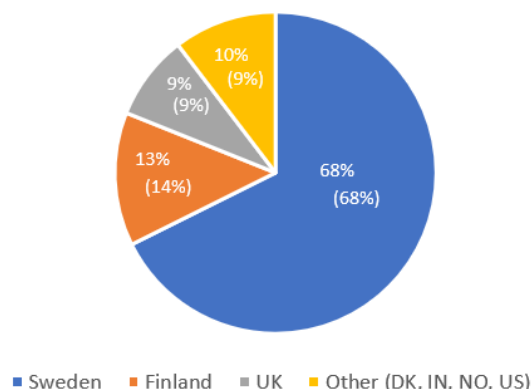
EARNINGS

The group's EBIT amounted in the first quarter to kSEK 8,876 (6,534) and earnings after tax amounted to kSEK 7,896 (7,311).

Sales split by solution, Q1 2022



Sales split by market, Q1 2022



GROUP INCOME STATEMENTS

kSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Net sales	79 877	71 558	295 457
Capitalized expenditure	6 968	886	10 841
Other external income	1 860	1 813	6 374
	88 705	74 257	312 672
Direct costs	-17 749	-17 742	-64 132
Other external costs	-11 790	-7 706	-33 216
Personnel costs	-46 577	-38 400	-161 027
Depreciations	-2 581	-2 438	-10 223
Other operating costs	-1 131	-1 438	-4 050
Earnings Before Interest and Tax	8 876	6 534	40 024
Interest income and similar income items	1 104	1 557	3 832
Interest expenses and similar income items	-577	-274	-2 259
Earnings Before Tax	9 402	7 817	41 596
Tax	-1 506	-506	-3 010
Earnings After Tax	7 896	7 311	38 586
Profit attributable to the parent company's shareholders	7 896	7 311	38 586
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 (SEK)	1.00	0.93	4.91

GROUP BALANCE SHEETS

ASSETS (kSEK)	March 31, 2022	March 31, 2021	December 31, 2021
Intangible assets	35 256	28 448	30 819
Tangible assets	821	502	832
Financial assets	913	1 886	914
Sum non-current assets	36 990	30 836	32 565
Trade receivables	42 888	38 128	64 792
Tax receivables	-	2 564	-
Other current receivables	2 545	1 988	2 216
Prepayments and accrued income	20 546	18 148	12 068
Cash and cash equivalents	88 736	66 954	85 071
Sum current assets	154 715	127 783	164 148
TOTAL ASSETS	191 705	158 619	196 712
EQUITY (kSEK)			
Shareholders' equity	1 573	1 573	1 573
Other capital contributions	115 383	115 383	115 383
Translation difference	260	808	745
Retained earnings incl. net profit for the period	-7 008	-46 179	-14 904
Total equity	110 208	71 585	102 797
LIABILITIES (kSEK)			
Due to customers	21 588	22 319	27 666
Tax liabilities	89	-	544
Trade payables	19 276	15 593	23 507
Other current liabilities	10 131	16 647	13 731
Accrued expenses, deferred income	30 413	32 474	28 467
Total short-term liabilities	81 498	87 034	93 915
Total liabilities	81 498	87 034	93 915
TOTAL EQUITY AND LIABILITIES	191 705	158 619	196 712
Pledged (kSEK)			
Chattle	14 000	14 000	14 000
Total pledged	14 000	14 000	14 000

GROUP CASH FLOW STATEMENTS

kSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Operating activities			
Profit before tax	9 402	7 817	41 596
Adjustment of items not included in the cash flow	2 085	1 514	9 208
Income tax paid	-1 961	-1 171	-567
Cash flow from operating activities before adjustments of working capital	9 527	8 160	50 237
Cash flow from changes in working capital			
Increase (-) / Decrease (+) of current receivables	13 098	5 436	-15 377
Increase (+) / Decrease (-) of current liabilities	-11 963	-15 063	-8 725
Cash flow from operating activities	10 662	-1 467	26 135
Investing activities			
Acquisitions/divestments, tangible assets	-35	-91	-624
Acquisitions/divestments, intangible assets	-6 968	-886	-10 841
Acquisitions/divestments, financial assets	7	-123	879
Cash flow from investing activities	-6 996	-1 100	-10 585
Net cash flow for the period	3 666	-2 566	15 550
Cash and cash equivalents at the beginning of the period	85 071	69 521	69 521
Cash and cash equivalents at the end of the period	88 736	66 954	85 071

GROUP KEY PERFORMANCE INDICATORS

	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Net sales growth rate (%)	11.6	3.1	14.2
EBITDA (kSEK)	11 457	8 972	50 247
EBITDA margin (%)	14.3	12.5	17.0
EBIT margin (%)	11.1	9.1	13.5
Profit margin (%)	11.8	10.9	14.1
Total assets (kSEK)	191 705	158 619	196 712
Equity / Assets ratio (%)	57.5	45.1	52.3
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 (SEK)	1.00	0.93	4.91
Equity per share (SEK)	14.02	9.10	13.07
Dividend per share (SEK)	n/a	n/a	1.23 ¹
No. of employees, average (pcs.)	281	239	256

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 2022	Jan-Mar 2021	Full year 2021
Other external income	493	460	2 195
	493	460	2 195
Other external costs	-583	-419	-2 090
Personnel costs	-1 417	-1 616	-7 934
Earnings Before Interest and Tax	-1 507	-1 575	-7 829
Interest income and similar income items	389	173	644
Interest expenses and similar income items	-0	-0	-0
Earnings after financial items	-1 118	-1 403	-7 185
Group contribution received	-	-	27 275
Tax	-	-	-
Earnings After Tax	-1 118	-1 403	20 091

BALANCE SHEETS, PARENT COMPANY

ASSETS (kSEK)	March 31, 2022	March 31, 2021	December 31, 2021
Financial assets	113 635	94 859	116 135
Sum non-current assets	113 635	94 859	116 135
Receivables Group companies	771	633	1 108
Tax receivables	410	378	322
Other current receivables	117	56	89
Prepayments and accrued income	347	174	108
Cash and cash equivalents	1 541	511	1 160
Sum current assets	3 185	1 752	2 786
TOTAL ASSETS	116 820	96 612	118 921
EQUITY (kSEK)			
Shareholders' equity	1 573	1 573	1 573
Share premium reserve	115 020	115 020	115 020
Retained earnings	-730	-20 821	-20 821
Net profit for the period	-1 118	-1 403	20 091
Total equity	114 744	94 369	115 863
LIABILITIES (kSEK)			
Trade payables	360	112	410
Other current liabilities	306	392	249
Accrued expenses, deferred income	1 409	1 738	2 400
Total liabilities	2 076	2 242	3 058
TOTAL EQUITY AND LIABILITIES	116 820	96 612	118 921

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 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
THE GROUP 2022					
Opening balance of equity January 1, 2022	1 573	115 383	745	-14 904	102 797
Net profit of the period	-	-	-	7 896	7 896
Translation difference	-	-	-485	-	-485
Closing balance of equity March 31, 2022	1 573	115 383	260	-7 008	110 208
PARENT COMPANY (kSEK)					
	Shareholders' equity	Share premium reserve	Retained earnings incl. net profit of the period	Total equity	
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	
PARENT COMPANY 2022					
Opening balance of equity January 1, 2022	1 573	115 020	-730	115 863	
Net profit of the period	-	-	-1 118	-1 118	
Closing balance of equity March 31, 2022	1 573	115 020	-1 849	114 744	

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 2022	Share	Growth	Q1 2021	Share
Nepa Group	79.9	100%	8.3	71.6	100%
Recurring	54.1	68%	9.6	44.6	62%
Ad hoc	25.8	32%	-1.2	27.0	38%
Share of ad hoc from recurring clients	11.4	44%	-2.1	13.4	50%
Share of ad hoc from non-recurring clients	14.4	56%	0.8	13.6	50%
Sales to clients buying both recurring & ad hoc	65.5	82%	7.5	58.0	81%
Sales to clients buying ad hoc only	14.4	18%	0.8	13.6	19%

Sales of Recurring grew 21.5% to MSEK 54.1 in the first quarter 2022. Ad Hoc decreased by 4.6% to MSEK 25.8 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 2022	Share	Growth	Q1 2021	Share	Q1 2022	Share	Growth	Q1 2021	Share
Nepa Group	79.9	100%	8.3	71.6	100%	62.1	100%	8.3	53.8	100%
MO	59.7	75%	9.8	49.9	70%	44.4	71%	9.1	35.3	66%
CX	9.6	12%	2.8	6.8	9%	8.5	14%	2.4	6.1	11%
IA	8.8	11%	-3.3	12.1	17%	7.4	12%	-2.7	10.1	19%
Other	1.8	2%	-0.9	2.7	4%	1.5	2%	-0.9	2.4	4%
Eliminations	0.0	0%	0.0	0.0	0%	0.3	1%	0.4	-0.1	0%

In absolute numbers, our MO-solution grew the most in the first quarter 2022 (MSEK 9.1 in gross profit). Our CX-solution was our fastest growing solution in relative numbers (39.5% 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. The drop in IA sales is related to the drop in ad hoc sales.

MARKET (MSEK)	Net sales					Gross profit				
	Q1 2022	Share	Growth	Q1 2021	Share	Q1 2022	Share	Growth	Q1 2021	Share
Nepa Group	79.9	100%	8.3	71.6	100%	62.1	100%	8.3	53.8	100%
Sweden	54.0	68%	5.0	49.0	68%	41.7	67%	4.6	37.0	69%
Finland	10.7	13%	1.0	9.8	14%	8.5	14%	0.8	7.7	14%
UK	6.8	9%	0.3	6.5	9%	5.8	9%	0.9	4.9	9%
All other markets	8.3	10%	2.0	6.3	9%	6.1	10%	2.0	4.2	8%

All markets grew in the first quarter 2022, both in terms of sales and gross profit. The highest gross profit growth in absolute numbers was in Sweden (4.6 MSEK) and US (1.2 MSEK). The highest percentual gross profit growth was in US (342%) and India (32%). Our ambition is to create profitable growth on 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

No important events to report after the period.

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 war in Ukraine and the inflation may 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 March 31, 2022, 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, 2022

	Number of shares	Share of votes and share of capital
Ulrich Boyer	1,492,624	19.0%
Elementa Fonder	1,275,413	16.2%
Swedbank Robur Microcap	950,000	12.1%
P-O Westerlund	426,169	5.4%
Aktia Nordic Microcap	373,312	4.7%
Alcur Select	371,418	4.7%
Clients Kapitalförvaltning AB	300,000	3.8%
Försäkringsbolaget Avanza Pension (FV)	227,803	2.9%
Daniel Nilsson	212,000	2.7%
Nordnet Pensionsförsäkring AB (FV)	206,607	2.6%
Ten largest shareholders	5,835,346	74.2%
Other shareholders	2,027,840	25.8%
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 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, May 19th, 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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