

Q2 Interim report
April – June 2023



Q2 INTERIM REPORT

April – June 2023

Q2 in summary

- Annual Recurring Revenue (ARR) increased by 7.3 percent to SEK 174.3 (162.5) million.
- Net sales decreased by 13.1 percent, or 14.5 percent in local currencies, to SEK 75.2 (86.5) million.
- The decline in net sales was driven by ad hoc revenue from non-subscribers, which declined by 54.3 percent to SEK 10.0 (22.0) million.
- Subscription revenue increased by 0.7 percent to SEK 44.8 (44.5) million, and ad hoc revenue from subscribers by 1.4 percent to SEK 20.3 (20.1) million.
- Gross profit decreased by 16.7 percent, or 18.6 percent in local currencies, to SEK 55.8 (67.0) million and the gross margin amounted to 74.2 (77.5) percent.
- EBIT decreased to SEK -9.7 (9.6) million and the EBIT margin amounted to -13.0 (11.1) percent.
- Excluding items affecting comparability of SEK 6.9 (2.2) million, adjusted EBIT amounted to SEK -2.9 (11.8) million.
- Net profit amounted to SEK -9.0 (9.0) million and Earnings per share amounted to SEK -1.14 (1.14).

Business highlights

DURING THE QUARTER

- Ferry Wolswinkel was appointed interim CEO on June 1st, 2023. During the quarter the Board activated a search process for a permanent CEO.
- The AGM 2023 elected Dan Foreman as Chairman of the Board and newly elected Adam Lytle, Carl-Fredrik Meijer, and Fredrik Beltzér.
- The AGM decided on a SEK 0.56 per share dividend.
- Additional cost savings entailed restructuring costs of SEK 6.9 million.

Key financials

Numbers in SEK million if not stated	Q2 2023	Q2 2022	Change	HI 2023	HI 2022	Change	FY 2022
Annual Recurring Revenue (ARR)	174.3	162.5	7.3%	174.3	162.5	7.3%	170.9
Net sales	75.2	86.5	-13.1%	147.9	166.4	-11.1%	312.1
Of which subscription revenue	44.8	44.5	0.7%	87.5	87.0	0.6%	169.8
Gross profit	55.8	67.0	-16.7%	108.7	129.1	-15.9%	236.2
Gross margin	74.2%	77.5%	-3.3	73.5%	77.6%	-4.1	75.7%
Adjusted EBIT	-2.9	11.8	-14.7	-6.8	23.7	-30.5	29.4
Adjusted EBIT margin	-3.8%	13.7%	-17.5	-4.6%	14.2%	-18.8	9.4%
EBIT	-9.7	9.6	-19.4	-13.6	18.5	-32.1	19.7
EBIT margin	-13.0%	11.1%	-24.1	-9.2%	11.1%	-20.3	6.3%
Net income	-9.0	9.0	-17.9	-13.4	16.9	-30.3	17.5
Profit margin	-11.9%	10.4%	-22.3	-9.1%	10.1%	-19.2	5.6%
Operating cash flow	-7.6	7.4	-15.0	-2.0	18.0	-20.0	15.9
Net financial position	45.1	79.6	-34.5	45.1	79.6	-34.5	63.8
Earnings per share, SEK	-1.14	1.14	-2.28	-1.71	2.15	-3.85	2.22
Average number of shares outstanding	7,863,186	7,863,186	0%	7,863,186	7,863,186	0%	7,863,186

HI in summary

- Net sales decreased by 11.1 percent, or 12.6 percent in local currencies, to SEK 147.9 (166.4) million.
- The decline in net sales decline was mainly driven by ad hoc revenue from non-subscribers, which declined by 43.8 percent to SEK 23.0 (41.0) million.
- Subscription revenue increased by 0.6 percent to SEK 87.5 (87.0) million, while ad hoc revenue from subscribers decreased by 3.0 percent to SEK 37.3 (38.4) million.
- Gross profit decreased by 15.9 percent, or 17.8 percent in local currencies, to SEK 108.7 (129.1) million and the gross margin amounted to 73.5 (77.6) percent.
- EBIT decreased to SEK -13.6 (18.5) million and the EBIT margin amounted to -9.2 (11.1) percent.
- Excluding items affecting comparability of SEK 6.9 (5.2) million, adjusted EBIT amounted to SEK -6.8 (23.7) million.
- Net profit amounted to SEK -13.4 (16.9) million and Earnings per share amounted to SEK -1.71 (2.15).

AFTER THE PERIOD ENDED

- Nepa will after cost savings in the quarter meet the previously communicated cost base (personnel and other external costs) of SEK 220 million by Q4 2023. The company continues to take measures, including redundancies, to ensure profitable operations.
- Anders Dahl was appointed as interim COO.
- The Q2 sales trend has continued into July, with ad hoc revenue from non-subscribers still contracting.



Comments by the CEO

This is my first report as interim CEO, since my appointment on the 1st of June. We conclude a challenging first half of 2023, where we faced economic headwinds that impacted our clients, and subsequently, our business required a faster and more decisive response to declining sales and market conditions.

During the summer, we have put a plan in place that addresses some of our major challenges such as cost and organizational efficiency and pricing and packaging. As one of my first steps as interim CEO, I have appointed Anders Dahl as interim COO, and he will be taking a significant role in driving these initiatives forward. We are clear on what is needed to be done, and I am confident in the mid and long-term results this will have for our business. I want to thank our amazing employees, who have shown resilience and aptitude to reshape the future of Nepa.

NET SALES

In the second quarter, net sales experienced a decline of 13.1 percent. This decrease was primarily driven by a significant 54.3 percent drop in ad hoc revenue from non-subscribing clients. While subscription revenue and ad hoc revenue from subscribers showed modest growth of 0.7 percent and 1.4 percent respectively, these increases were insufficient to counterbalance the overall decline.

As a result of recent achievements, effective upselling strategies employed with our existing client base, and a consistently low churn rate, our Annual Recurring Revenue (ARR) witnessed growth of 7.3 percent, reaching SEK 174.3 million. This growth serves to reaffirm the robustness and resilience of our core tracking business. I am confident that we are offering in-demand and competitive insights and marketing advisory to globally renowned brands.

Six months following the establishment of a dedicated sales organization we have seen clear improvements; pipeline growth has accelerated, and our sales efforts have become more focused following a data-driven approach, with well-defined incentives aimed at bolstering our subscription business. I strongly believe that this shift will lead to improved lead conversion rates and sales velocity, and an overall enhancement of our sales culture. The consumer brands added to our

prestigious client roster during the second quarter attest to this positive direction. Together with a strong sales leadership team in place, I am still able to dedicate a significant amount of time to revenue-generating activities while in the role of interim CEO.

PROFITABILITY

Regrettably, we have not yet achieved the necessary cost reductions to restore profitability due to lower-than-expected sales in the first half of the year. In this quarter, we implemented additional cost-saving measures that resulted in restructuring costs amounting to SEK 6.9 million, impacting our results negatively. Most of this was attributable to one-time severance payments. Following these measures, we are on track to meet the targeted annual cost base run rate for personnel and other external expenses of SEK 220 million by Q4 2023.

ONGOING ACTIVITIES AND OUTLOOK

The sales trend we experienced in the second quarter has continued into July, with ad hoc revenue from non-subscribers still contracting year-over-year.

Given our cautious stance amid prevailing market conditions and our pursuit of a leaner operation, we are currently taking further decisive actions, including personnel changes and redundancies, to restore profitability to healthy levels in the upcoming quarters. These additional measures go beyond the previously targeted run-rate of personnel and other external costs of SEK 220 million.

Meanwhile, our efforts continue towards seamlessly integrating regional functions into a global structure where possible, thereby empowering our exceptional client teams to cater to brands on a global level. For the second half of the year, our emphasis will be on optimizing our organizational structure to adapt to a leaner and more focused operation, continue to increase sales effectiveness, and strengthen our go-to-market activities. This strategic approach is intended to create internal efficiencies while improving ways of working, and at the same time ensuring consistent value creation for our esteemed clients through advisory and innovative solutions.

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.

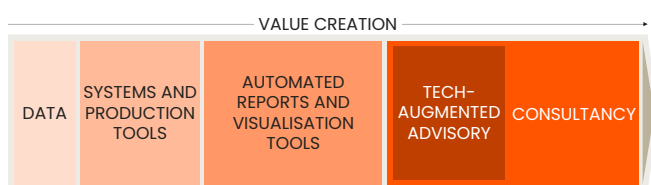
Nepa's dynamic marketing intelligence suite offers tools and solutions for consumer brands worldwide to both maximize short-term sales and build long-term brand value. By combining continuous consumer survey data, sales data, and media investment data with sophisticated analytics and marketing expertise,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

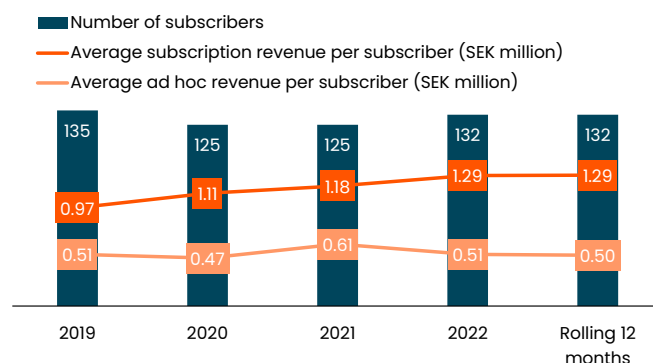
RESEARCH AND DEVELOPMENT

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 25 percent of the Group's net sales. Nepa serves over 300 clients every year, of which more than 130 are enrolled in a subscription contract.

OVERVIEW OF SUBSCRIBERS



Financial development

REVENUE, EARNINGS, AND CASH FLOW

Revenue

Net sales in the second quarter of 2023 decreased by 13.1 percent to SEK 75.2 (86.5) million compared to the corresponding quarter last year. In local currencies, net sales decreased by 14.5 percent. The decline continued to be driven by clients not enrolled in subscription contracts. Ad hoc revenue from non-subscribers declined by 54.3 percent, while ad hoc revenue from subscribers increased by 1.4 percent. Subscription revenue increased by 0.7 percent.

During the first half of 2023, net sales decreased by 11.1 percent to SEK 147.9 (166.4) million. In local currencies, net sales decreased by 12.6 percent.

Earnings

Gross profit for the second quarter of 2023 amounted to SEK 55.8 (67.0) million, a decrease of 16.7 percent to a margin of 74.2 (77.5) percent. In local currencies, the decrease was 18.6 percent.

During the first half of 2023, gross profit decreased by 15.9 percent to SEK 108.7 (129.1) million to a gross margin of 73.5 (77.6) percent. In local currencies, gross profit decreased by 17.8 percent.

Operating profit (EBIT) for the second quarter of 2023 amounted to SEK -9.7 (9.6) million and an EBIT margin of -13.0 (11.1) percent. Excluding items affecting comparability of SEK 6.9 (2.2) million, attributable to additional cost-saving measures in the second quarter of 2023, adjusted EBIT amounted to SEK -2.9 (11.8) million.

During the first half of 2023, the operating profit (EBIT) amounted to SEK -13.6 (18.5) million and an EBIT margin

of -9.2 (11.1) percent. Excluding items affecting comparability of SEK 6.9 (5.2) million, attributable to additional cost-saving measures in the second quarter of 2023, adjusted EBIT amounted to SEK -6.8 (23.7) million during the first half of 2023.

Net income for the second quarter of 2023 amounted to SEK -9.0 (9.0) million and earnings per share amounted to SEK -1.14 (1.14).

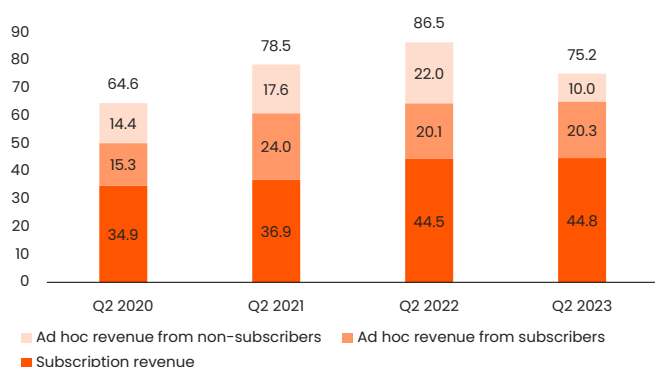
Net income for the first half of 2023 amounted to SEK -13.4 (16.9) million and earnings per share amounted to SEK -1.71 (2.15).

Cash flow

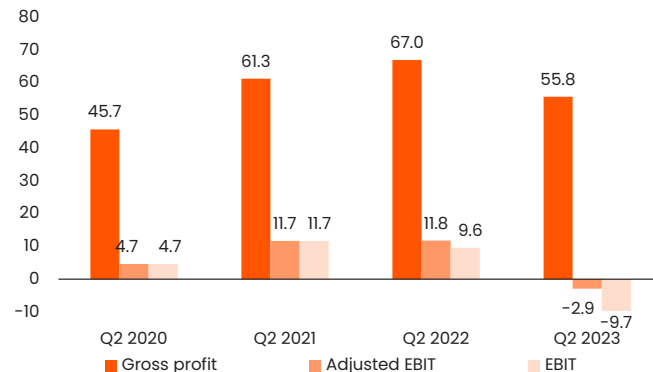
Cash flow from operating activities for the second quarter of 2023 amounted to SEK -7.6 (7.4) million of which the change in working capital amounted to SEK -1.0 (-5.0) million. Cash flow from investing activities amounted to SEK -5.6 (-6.8) million. Cash flow from financing activities amounted to SEK -4.4 (-9.7) million. Net cash flow for the period amounted to SEK -17.6 (-9.2) million.

Cash flow from operating activities for the first half of 2023 amounted to SEK -2.0 (18.0) million of which the change in working capital amounted to SEK 5.7 (-3.9) million. Cash flow from investing activities amounted to SEK -12.3 (-13.8) million. Cash flow from financing activities amounted to SEK -4.4 (-9.7) million. Net cash flow for the first half of 2023 amounted to SEK -18.7 (-5.5) million.

REVENUE BREAKDOWN (SEK million), Q2 2020 – Q2 2023



PROFITABILITY (SEK million), Q2 2020 – Q2 2023



MULTI-YEAR FINANCIAL OVERVIEW

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Annual Recurring Revenue (ARR)	174.3	168.6	170.9	168.4	162.5	170.9	169.2	141.5	145.5	147.2	146.2	138.7	137.6
ARR growth (%)	7.3	-1.3	1.0	19.1	11.7	16.1	15.8	2.0	5.8	4.8	12.7	6.5	2.8
Subscription revenue	44.8	42.8	42.0	40.8	44.5	42.5	38.5	36.0	36.9	36.6	35.5	33.8	34.9
Ad hoc revenue from subscribers	20.3	16.9	19.2	9.6	20.1	18.4	20.4	13.8	24.0	18.1	17.7	9.1	15.3
Ad hoc revenue from non-subscribers	10.0	13.0	15.1	19.1	22.0	19.0	19.8	17.0	17.6	16.9	14.6	14.2	14.4
Net sales	75.2	72.7	76.3	69.5	86.5	79.9	78.7	66.7	78.5	71.6	67.8	57.0	64.6
Gross profit	55.8	52.9	55.2	51.9	67.0	62.1	63.1	53.1	61.3	53.8	50.3	41.9	45.7
Gross margin (%)	74.2	72.7	72.3	74.7	77.5	77.8	80.2	79.7	78.1	75.2	74.2	73.5	70.9
Adjusted EBIT	-2.9	-3.9	0.7	4.9	11.8	11.9	10.7	11.1	11.7	6.5	5.4	5.9	4.7
Adjusted EBIT margin (%)	-3.8	-5.3	1.0	7.1	13.7	14.9	13.6	16.6	14.9	9.1	7.9	10.3	7.2
EBIT	-9.7	-3.9	-3.8	4.9	9.6	8.9	10.7	11.1	11.7	6.5	5.4	5.9	4.7
EBIT margin (%)	-13.0	-5.3	-4.9	7.1	11.1	11.1	13.6	16.6	14.9	9.1	7.9	10.3	7.2
Net income	-9.0	-4.5	-4.9	5.5	9.0	7.9	10.5	10.2	10.7	7.3	4.3	5.6	2.8
Profit margin (%)	-11.9	-6.2	-6.4	7.9	10.4	9.9	13.3	15.2	13.6	10.2	6.3	9.9	4.3
Operating cash flow	-7.6	5.6	9.3	-11.4	7.4	10.7	11.0	3.3	13.3	-1.5	16.5	-0.8	36.7
Net financial position	45.1	62.7	63.8	62.5	79.6	88.7	85.1	78.5	79.2	67.0	69.5	54.7	56.7
Earnings per share (SEK)	-1.14	-0.57	-0.62	0.70	1.14	1.00	1.33	1.29	1.35	0.93	0.55	0.72	0.35
Dividend per share (SEK)	0.00	0.00	0.56	0.00	0.00	0.00	1.23	0.00	0.00	0.00	0.00	0.00	0.00
No. of employees, avg.	303	311	325	308	290	281	272	260	253	239	238	242	254
Other metrics													
Net Revenue Retention (NRR) (%)	103.2	97.5	101.7	90.7	101.3	108.7	104.1	97.2	100.3	101.6	103.1	94.7	99.4
Churn (%)	1.1	1.6	0.6	1.5	1.0	1.7	0.8	0.1	0.4	3.0	0.2	0.4	0.6

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		Group	
	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022
Subscription revenue	40.4	39.5	3.6	3.8	0.1	0.1	0.7	1.0	0.1	0.0	44.8	44.5
Ad hoc revenue from subscribers	16.9	15.0	1.0	0.8	2.0	2.9	0.3	1.4	0.0	0.0	20.3	20.1
Ad hoc revenue from non-subscribers	6.8	15.4	1.9	2.2	1.0	4.1	0.4	0.2	0.0	0.0	10.0	22.0
Reclassifications	0.0	-0.2	0.0	-0.2	0.0	0.2	0.0	0.2	0.0	0.0	0.0	0.0
Net sales	64.1	69.7	6.6	6.6	3.0	7.3	1.4	2.8	0.1	0.0	75.2	86.5
Direct costs	-17.8	-16.5	-0.6	-0.7	-0.5	-1.7	-0.2	-0.6	-0.3	-0.1	-19.4	-19.5
Gross profit	46.4	53.2	6.0	5.9	2.6	5.6	1.1	2.3	-0.2	0.0	55.8	67.0
<i>Growth (%)</i>												
Subscription revenue	2.2	26.4	-4.7	-6.1	-57.9	-	-35.5	-36.3	-	-	0.7	20.4
Ad hoc revenue from subscribers	12.9	23.1	31.2	-35.7	-30.6	-70.9	-75.6	117.9	-	-	1.4	-16.5
Ad hoc revenue from non-subscribers	-56.1	29.2	-13.2	65.0	-76.1	2.6	51.8	-6.4	-	-	-54.3	25.2
Net sales	-8.0	25.8	-0.9	2.0	-58.4	-48.0	-51.9	11.3	-	-	-13.1	10.2
<i>Share of the segment (%)</i>												
Subscription revenue	63.0	56.5	54.9	55.7	1.8	1.8	48.3	38.6	-	-	59.6	51.4
Ad hoc revenue from subscribers	26.4	21.5	15.7	11.6	65.9	40.5	24.8	52.3	-	-	27.1	23.2
Ad hoc revenue from non-subscribers	10.5	22.0	29.3	32.7	32.3	57.6	27.0	9.2	-	-	13.4	25.4
Segment sales share of Group	85.3	80.6	8.7	7.6	4.1	8.5	1.8	3.3	-	-	100.0	100.0
Gross margin (%)	72.3	76.3	91.0	89.9	84.0	77.0	82.3	80.1	-	-	74.2	77.5



Consolidated income statements

KSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Net sales	75 180	86 505	147 870	166 382	312 145
Capitalized expenditures	5 581	6 392	12 314	13 360	27 048
Other external income	1 681	1 476	2 667	3 336	6 810
	82 442	94 373	162 851	183 078	346 003
Direct costs	-19 389	-19 498	-39 206	-37 247	-75 958
Other external costs	-11 144	-12 878	-20 765	-24 668	-46 615
Personnel costs	-57 335	-48 939	-107 714	-95 516	-187 625
Depreciation and amortization	-3 429	-2 681	-6 663	-5 262	-11 221
Other operating costs	-894	-766	-2 137	-1 897	-4 923
Operating income	-9 749	9 612	-13 634	18 488	19 661
Financial income	1 229	1 661	1 419	2 764	4 802
Financial expenses	-376	-335	-980	-912	-2 741
Earnings before tax	-8 896	10 938	-13 194	20 340	21 722
Tax	-62	-1 956	-235	-3 463	-4 233
Net income	-8 958	8 982	-13 430	16 878	17 488
Profit attributable to the parent company's shareholders	-8 958	8 982	-13 430	16 878	17 488
Shares outstanding, end of period	7 863 186	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	7 863 186
Earnings per share	-1.14	1.14	-1.71	2.15	2.22



Consolidated balance sheets

KSEK	June 30, 2023	June 30, 2022	December 31, 2022
ASSETS			
Intangible assets	52 751	39 033	46 932
Tangible assets	781	1 226	905
Financial assets	1 102	955	1 052
Total non-current assets	54 634	41 214	48 889
Trade receivables	63 032	44 657	76 281
Other current receivables	3 039	2 637	2 707
Prepayments and accrued income	15 848	21 909	19 419
Cash and cash equivalents	45 117	79 573	63 825
Total current assets	127 037	148 776	162 232
TOTAL ASSETS	181 671	189 990	211 120
EQUITY			
Shareholders' equity	1 573	1 573	1 573
Other capital contributions	115 020	115 383	115 020
Translation difference	276	-389	-180
Retained earnings incl. net profit for the period	-24 557	-7 698	-6 724
Total equity	92 311	108 868	109 689
LIABILITIES			
Due to customers	15 138	13 792	25 469
Tax liabilities	66	1 507	1 342
Trade payables	19 110	20 196	27 649
Other current liabilities	11 871	9 821	13 793
Accrued expenses and deferred income	43 175	35 807	33 178
Total current liabilities	89 360	81 122	101 432
Total liabilities	89 360	81 122	101 432
TOTAL EQUITY AND LIABILITIES	181 671	189 990	211 120
PLEDGED			
Chattle	14 000	14 000	14 000
Total pledged	14 000	14 000	14 000



Consolidated statements of changes in equity

KSEK	Shareholders' equity	Other capital contributions	Translation difference	Retained earnings incl. net profit for the period	Total equity
2022					
Opening balance of equity April 1, 2022	1 573	115 383	260	-7 008	110 208
Net profit for the period	-	-	-	8 982	8 982
Translation difference	-	-	-649	-	-649
Dividend	-	-	-	-9 672	-9 672
Closing balance of equity June 30, 2022	1 573	115 383	-389	-7 698	108 868
2023					
Opening balance of equity April 1, 2023	1 573	115 020	179	-11 196	105 576
Net profit for the period	-	-	-	-8 958	-8 958
Translation difference	-	-	97	-	97
Dividend	-	-	-	-4 403	-4 403
Closing balance of equity June 30, 2023	1 573	115 020	276	-24 557	92 311



Consolidated statements of cash flow

KSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Operating activities					
Profit before tax	-8 896	10 938	-13 194	20 340	21 722
Adjustment for non-cash items	3 409	1 973	6 992	4 058	10 223
Income tax paid	-1 095	-538	-1 512	-2 499	-3 435
Cash flow from operating activities before adjustment of working capital	-6 581	12 372	-7 714	21 899	28 510
Increase (-) / Decrease (+) of current receivables	-8 369	-3 225	16 487	9 873	-19 330
Increase (+) / Decrease (-) of current liabilities	7 350	-1 794	-10 795	-13 757	6 718
Cash flow from operating activities	-7 600	7 354	-2 023	18 016	15 898
Investing activities					
Acquisitions/divestments of tangible assets	-6	-454	19	-489	-336
Acquisitions/divestments of intangible assets	-5 581	-6 392	-12 314	-13 360	-27 048
Acquisitions/divestments of financial assets	13	0	13	7	-88
Cash flow from investing activities	-5 573	-6 846	-12 282	-13 842	-27 472
Financing activities					
Dividend	-4 403	-9 672	-4 403	-9 672	-9 672
Cash flow from financing activities	-4 403	-9 672	-4 403	-9 672	-9 672
Net cash flow for the period	-17 577	-9 163	-18 708	-5 498	-21 246
Cash and cash equivalents at the beginning of the period	62 694	88 736	63 825	85 071	85 071
Cash and cash equivalents at the end of the period	45 117	79 573	45 117	79 573	63 825



Parent company income statements

KSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Other external income	42	480	206	973	1 802
	42	480	206	973	1 802
Other external costs	-1 035	-941	-1 571	-1 523	-2 701
Personnel costs	-2 631	-1 317	-4 069	-2 735	-5 129
Operating income	-3 624	-1 778	-5 434	-3 285	-6 027
Financial income	990	677	1 859	1 066	3 252
Financial expenses	-1	-	-1	-0	-0
Earnings before tax	-2 636	-1 101	-3 576	-2 219	-2 776
Group contributions received	-	-	-	-	2 775
Tax	-	-	-	-	-
Net income	-2 636	-1 101	-3 576	-2 219	-1



Parent company balance sheets

KSEK	June 30, 2023	June 30, 2022	December 31, 2022
ASSETS			
Financial assets	96 150	102 835	97 775
Total non-current assets	96 150	102 835	97 775
Receivables Group companies	1 901	1 436	6 410
Tax receivables	498	498	322
Other current receivables	5	107	39
Prepayments and accrued income	246	175	78
Cash and cash equivalents	2 349	762	2 949
Total current assets	4 998	2 979	9 798
TOTAL ASSETS	101 148	105 813	107 573
EQUITY			
Shareholders' equity	1 573	1 573	1 573
Share premium reserve	115 020	115 020	115 020
Retained earnings	-14 806	-10 402	-10 402
Net profit for the period	-3 576	-2 219	-1
Total equity	98 211	103 972	106 190
LIABILITIES			
Trade payables	92	341	204
Other current liabilities	108	128	247
Accrued expenses and deferred income	2 737	1 372	932
Total current liabilities	2 937	1 841	1 383
Total liabilities	2 937	1 841	1 383
TOTAL EQUITY AND LIABILITIES	101 148	105 813	107 573



Parent company statements of changes in equity

KSEK	Shareholders' equity	Other capital contributions	Retained earnings incl. net profit for the period	Total equity
2022				
Opening balance of equity April 1, 2022	1 573	115 020	-1 849	114 744
Net profit for the period	-	-	-1 101	-1 101
Dividend	-	-	-9 672	-9 672
Closing balance of equity June 30, 2022	1 573	115 020	-12 621	103 972
2023				
Opening balance of equity April 1, 2023	1 573	115 020	-11 343	105 250
Net profit for the period	-	-	-2 636	-2 636
Dividend	-	-	-4 403	-4 403
Closing balance of equity June 30, 2023	1 573	115 020	-18 382	98 211



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 (publ) 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 war in Ukraine 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 (publ) amounted, on June 30, 2023, 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. All shares are of the same series and have the same voting rights and dividends rights.

SHAREHOLDERS

Ten largest shareholders as of June 30, 2023	Number of shares	Votes and capital
Ulrich Boyer and companies	1,496,396	19.0%
Elementa Management	1,274,506	16.2%
Swedbank Robur Microcap	950,000	12.1%
Försäkringsbolaget Avanza Pension	543,042	6.9%
Aktia Nordic Microcap	373,312	4.7%
Alcur Select	342,224	4.4%
Cliens Kapitalförvaltning AB	300,000	3.8%
Schroders Investment Management	250,000	3.2%
Niclas Öhman and companies	199,669	2.5%
SEB Life International Assurance	175,000	2.2%
Ten largest shareholders	5,904,149	75.1%
Other shareholders	1,959,037	24.9%
Total number of shares	7,863,186	100.0%

FINANCIAL CALENDAR

Event	Date
Q1 Interim report Jan – Mar, 2023	May 16, 2023
Annual General Meeting 2023	June 9, 2023
Q2 Interim report Apr – Jun, 2023	August 18, 2023
Q3 Interim report Jul – Sep, 2023	November 17, 2023
Q4 Year-end report Oct – Dec, 2023	March 15, 2024



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, August 18, 2023

The Board of Directors of Nepa AB (publ)

