

Q3 Interim report  
July – September 2023



# Q3 INTERIM REPORT

July – September 2023

## Q3 in summary

- Annual Recurring Revenue (ARR) increased by 2.3 percent and reached SEK 172.4 (168.4) by the end of the quarter.
- Net sales increased by 1.6 percent, -0.8 percent in local currencies, to SEK 70.6 (69.5) million.
- Subscription revenue increased by 9.6 percent to SEK 44.7 (40.8) million, and ad hoc revenue from subscribers increased by 59.7 percent to SEK 15.3 (9.6) million.
- Ad hoc revenue from non-subscribers declined by 44.5 percent to SEK 10.6 (19.1) million.
- Gross profit increased by 0.1 percent, to SEK 51.9 (51.9) million and the gross margin amounted to 73.6 (74.7) percent.
- EBIT decreased to SEK -0.5 (4.9) million and the EBIT margin amounted to -0.7 (7.1) percent.
- Excluding items affecting comparability of SEK 1.1 (0.0) million, adjusted EBIT amounted to SEK 0.6 (4.9) million.
- Net profit amounted to SEK -0.7 (5.5) million and Earnings per share amounted to SEK -0.08 (0.70).

## Business highlights

### DURING THE QUARTER

- Anders Dahl was appointed as interim COO and Robert Beatus was appointed as CPO.
- The EGM decided on a SEK 0.67 per share extra dividend.
- Additional cost-saving measures entailed restructuring costs of SEK 1.1 million.

## Key financials

Numbers in SEK million if not stated	Q3 2023	Q3 2022	Change	YTD 2023	YTD 2022	Change	FY 2022
Annual Recurring Revenue (ARR)	172.4	168.4	2.3%	172.4	168.4	2.3%	170.9
Net sales	70.6	69.5	1.6%	218.5	235.9	-7.4%	312.1
Of which subscription revenue	44.7	40.8	9.6%	132.3	127.8	3.5%	169.8
Gross profit	51.9	51.9	0.1%	160.6	181.0	-11.3%	236.2
Gross margin	73.6%	74.7%	-1.1	73.5%	76.7%	-3.2	75.7%
Adjusted EBIT	0.6	4.9	-4.3	-6.1	28.6	-34.8	29.4
Adjusted EBIT margin	0.9%	7.1%	-6.2	-2.8%	12.1%	-15.0	9.4%
EBIT	-0.5	4.9	-5.4	-14.1	23.4	-37.5	19.7
EBIT margin	-0.7%	7.1%	-7.8	-6.5%	9.9%	-16.4	6.3%
Net income	-0.7	5.5	-6.1	-14.1	22.3	-36.4	17.5
Profit margin	-0.9%	7.9%	-8.8	-6.4%	9.5%	-15.9	5.6%
Operating cash flow	6.3	-11.4	17.7	4.3	6.6	-2.4	15.9
Net financial position	41.8	62.5	-20.7	41.8	62.5	-20.7	63.8
Earnings per share, SEK	-0.08	0.70	-0.78	-1.79	2.84	-4.63	2.22
Average number of shares outstanding	7,863,186	7,863,186	0.0%	7,863,186	7,863,186	0.0%	7,863,186

## 9 months in summary

- Net sales decreased by 7.4 percent, or 9.4 percent in local currencies, to SEK 218.5 (235.9) million.
- The decline in net sales was mainly driven by ad hoc revenue from non-subscribers, which declined by 44.0 percent to SEK 33.6 (60.0) million.
- Subscription revenue increased by 3.5 percent to SEK 132.3 (127.8) million, and ad hoc revenue from subscribers increased by 9.6 percent to SEK 52.6 (48.0) million.
- Gross profit decreased by 11.3 percent, to SEK 160.6 (181.0) million and the gross margin amounted to 73.5 (76.7) percent.
- EBIT decreased to SEK -14.1 (23.4) million and the EBIT margin amounted to -6.5 (9.9) percent.
- Excluding items affecting comparability of SEK 8.0 (5.2) million, adjusted EBIT amounted to SEK -6.1 (28.6) million.
- Net profit amounted to SEK -14.1 (22.3) million and Earnings per share amounted to SEK -1.79 (2.84).

### AFTER THE PERIOD ENDED

- Continued implementation of cost-saving measures.



# Comments by the CEO

## Q3 IN BRIEF

In the third quarter, net sales grew by 1.6 percent to SEK 70.6 (69.5) million. This marks a record-breaking third quarter revenue-wise and is attributed to the strong development in our subscribing client segment. Subscription revenue rose by 9.6 percent to SEK 44.7 (40.8) million, and ad hoc revenue from subscribers increased by 59.7 percent to SEK 15.3 (9.6) million. Most of the increase stems from the ever-increasing focus on our Marketing Optimization offering, where we over the years have built a great product market fit.

The results are, however, not increasing across the board. We have in the past quarters experienced a tougher market climate for certain high-margin ad hoc projects, predominantly in the UK. In the third quarter, ad hoc revenue from non-subscribers declined by 44.5 percent to SEK 10.6 (19.1) million. However, this business started picking up again during the later part of the quarter, resulting in some important wins yet to be realized. As a result of lower levels of ad hoc business and a continued weak currency development, the gross margin amounted to 73.6 (74.7) percent.

Albeit a topline record for the third quarter, the full effect of our recent cost savings is not yet visible in the results. EBIT for the third quarter amounted to SEK -0.5 (4.9) million. Excluding restructuring costs of SEK 1.1 (0.0) million, adjusted EBIT amounted to SEK 0.6 (4.9) million.

## RESTORING PROFITABILITY IS A TOP PRIORITY

We have in the third quarter stuck to our plan and addressed the major challenges on the path to restored profitability. One of the bright spots has been the improved future cost position, and we are now set to beat the targeted cost base for other external costs and personnel costs of SEK 220 million in 2024. The work has been focused on rightsizing the organization while simultaneously driving efficiency improvements and a new way of working to ensure continued capacity to deliver outstanding customer value. By integrating global resources, all with broad industry experience and research methodology expertise, we can unlock previous locally focused or idle capacity much better. In addition to that, we put more focus than ever on project management, staffing, and follow-up.

Simultaneously, we have made a comprehensive review of our go-to-market approach, pricing, and packaging strategy, and put increased emphasis on

business-driven product development following the recent appointment of a new Chief Product Officer. This should not be regarded as a sign of a ramped-up investment level, but rather the review and formation of a more market-driven approach. For example, Sales and Product are currently repackaging our current offering, making it easier for both clients and our employees to understand what we sell and what our scope of delivery is.

## RECENT ACHIEVEMENTS

I want to take the opportunity to celebrate some recent achievements of the brilliant team at Nepa, showcasing the quality of our market insights built on our excellent research design and employees. At the ESOMAR industry congress, Nepa was awarded Dynata's 2023 RISE "Recognising Innovation in Survey Engagement" award and one of our data scientists won a silver medal for an outstanding pitch on AI and digital consumer profiles. This shows that we are on top of the latest developments in the market research industry.

## OUTLOOK

In the preceding quarters, we have observed a negative sales trend that bottomed out in Q3. However, we have during the later part of the fall experienced an elevated cost pressure among our clients, resulting in slightly lower retention rates than normal. At the end of the quarter, the Annual Recurring Revenue (ARR) amounted to SEK 172.4 (168.4) million, representing a growth of 2.3 percent year-over-year, but 1.1 percent lower than Q2. Addressing churn remains a top priority, and we are actively implementing strategies to reduce attrition and enhance customer retention. Historically, Nepa has focused on expanding existing clients but lagged in attracting new ones. The change in sales focus this year has already led to several wins of major global brands with promising growth opportunities, but not enough to offset the overall decline. This sales focus will increase in 2024.

As we look ahead, we are dedicated to delivering improved profitability, and we remain firmly committed to executing our strategic plan while adapting to the ever-evolving business landscape.

## 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.

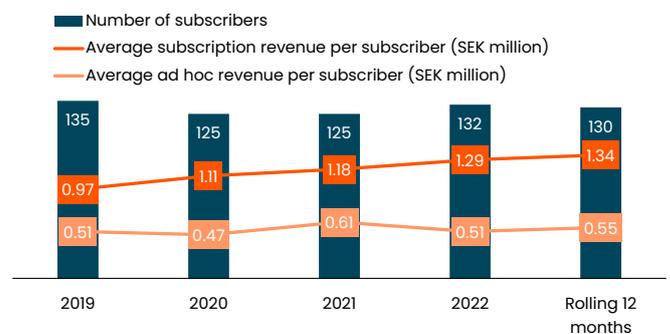
## RESEARCH AND DEVELOPMENT

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 130 have been enrolled in a subscription contract.

## OVERVIEW OF SUBSCRIBERS



# The Group's financial development

## REVENUE, EARNINGS, AND CASH FLOW

### Revenue

Net sales in the third quarter of 2023 increased by 1.6 percent to SEK 70.6 (69.5) million compared to the corresponding quarter last year. In local currencies, net sales decreased by 0.8 percent. Subscription revenue increased by 9.6 percent to SEK 44.7 (40.8) million and ad hoc revenue from subscribers increased by 59.7 percent to SEK 15.3 (9.6) million. Ad hoc revenue from non-subscribers decreased by 44.5 percent to SEK 10.6 (19.1) million.

During the first nine months of 2023, net sales decreased by 7.4 percent to SEK 218.5 (235.9) million. In local currencies, net sales decreased by 9.4 percent.

### Earnings

Gross profit for the third quarter of 2023 amounted to SEK 51.9 (51.9) million, an increase of 0.1 percent to a margin of 73.6 (74.7) percent.

During the first nine months of 2023, the gross profit decreased by 11.3 percent to SEK 160.6 (181.0) million to a gross margin of 73.5 (76.7) percent.

Operating profit (EBIT) for the third quarter of 2023 amounted to SEK -0.5 (4.9) million and an EBIT margin of -0.7 (7.1) percent. Excluding items affecting comparability of SEK 1.1 (0.0) million, attributable to cost-saving measures, adjusted EBIT amounted to SEK 0.6 (4.9) million.

During the first nine months of 2023, the operating profit (EBIT) amounted to SEK -14.1 (23.4) million and an EBIT

margin of -6.5 (9.9) percent. Excluding items affecting comparability of SEK 8.0 (5.2) million, attributable to cost-saving measures in the second and third quarter of 2023, adjusted EBIT amounted to SEK -6.1 (28.6) million during the first nine months of 2023.

Net income for the third quarter of 2023 amounted to SEK -0.7 (5.5) million and earnings per share amounted to SEK -0.08 (0.70).

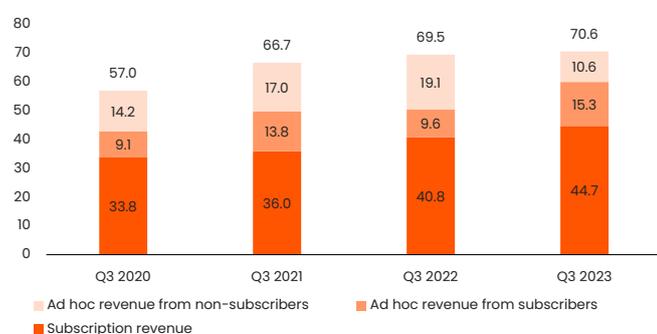
Net income for the first nine months of 2023 amounted to SEK -14.1 (22.3) million and earnings per share amounted to SEK -1.79 (2.84).

### Cash flow

Cash flow from operating activities for the third quarter of 2023 amounted to SEK 6.3 (-11.4) million of which the change in working capital amounted to SEK 4.4 (-18.9) million. Cash flow from investing activities amounted to SEK -4.3 (-5.7) million. Cash flow from financing activities amounted to SEK -5.3 (0.0) million. Net cash flow for the period amounted to SEK -3.3 (-17.1) million.

Cash flow from operating activities for the first nine months of 2023 amounted to SEK 4.3 (6.6) million of which the change in working capital amounted to SEK 10.1 (-22.8) million. Cash flow from investing activities amounted to SEK -16.6 (-19.5) million. Cash flow from financing activities amounted to SEK -9.7 (-9.7) million. Net cash flow for the period amounted to SEK -22.0 (-22.6) million.

REVENUE BREAKDOWN (SEK million), Q3 2020 – Q3 2023



PROFITABILITY (SEK million), Q3 2020 – Q3 2023



## MULTI-YEAR FINANCIAL OVERVIEW

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Annual Recurring Revenue (ARR)	172.4	174.3	168.6	170.9	168.4	162.5	170.9	169.2	141.5	145.5	147.2	146.2	138.7
ARR growth (%)	2.3	7.3	-1.3	1.0	19.1	11.7	16.1	15.8	2.0	5.8	4.8	12.7	6.5
Subscription revenue	44.7	44.8	42.8	42.0	40.8	44.5	42.5	38.5	36.0	36.9	36.6	35.5	33.8
Ad hoc revenue from subscribers	15.3	20.3	16.9	19.2	9.6	20.1	18.4	20.4	13.8	24.0	18.1	17.7	9.1
Ad hoc revenue from non-subscribers	10.6	10.0	13.0	15.1	19.1	22.0	19.0	19.8	17.0	17.6	16.9	14.6	14.2
Net sales	70.6	75.2	72.7	76.3	69.5	86.5	79.9	78.7	66.7	78.5	71.6	67.8	57.0
Gross profit	51.9	55.8	52.9	55.2	51.9	67.0	62.1	63.1	53.1	61.3	53.8	50.3	41.9
Gross margin (%)	73.6	74.2	72.7	72.3	74.7	77.5	77.8	80.2	79.7	78.1	75.2	74.2	73.5
Adjusted EBIT	0.6	-2.9	-3.9	0.7	4.9	11.8	11.9	10.7	11.1	11.7	6.5	5.4	5.9
Adjusted EBIT margin (%)	0.9	-3.8	-5.3	1.0	7.1	13.7	14.9	13.6	16.6	14.9	9.1	7.9	10.3
EBIT	-0.5	-9.7	-3.9	-3.8	4.9	9.6	8.9	10.7	11.1	11.7	6.5	5.4	5.9
EBIT margin (%)	-0.7	-13.0	-5.3	-4.9	7.1	11.1	11.1	13.6	16.6	14.9	9.1	7.9	10.3
Net income	-0.7	-9.0	-4.5	-4.9	5.5	9.0	7.9	10.5	10.2	10.7	7.3	4.3	5.6
Profit margin (%)	-0.9	-11.9	-6.2	-6.4	7.9	10.4	9.9	13.3	15.2	13.6	10.2	6.3	9.9
Operating cash flow	6.3	-7.6	5.6	9.3	-11.4	7.4	10.7	11.0	3.3	13.3	-1.5	16.5	-0.8
Net financial position	41.8	45.1	62.7	63.8	62.5	79.6	88.7	85.1	78.5	79.2	67.0	69.5	54.7
Earnings per share (SEK)	-0.08	-1.14	-0.57	-0.62	0.70	1.14	1.00	1.33	1.29	1.35	0.93	0.55	0.72
Dividend per share (SEK)	0.67	0.00	0.00	0.56	0.00	0.00	0.00	1.23	0.00	0.00	0.00	0.00	0.00
No. of employees, avg.	281	303	311	325	308	290	281	272	260	253	239	238	242
<b>Other metrics</b>													
Net Revenue Retention (NRR) (%)	99.5	103.2	97.5	101.7	90.7	101.3	108.7	104.1	97.2	100.3	101.6	103.1	94.7
Churn (%)	1.0	1.1	1.6	0.6	1.5	1.0	1.7	0.8	0.1	0.4	3.0	0.2	0.4

## DEFINITIONS OF GROUP KEY RATIOS

KPI	Definition
<b>Annual Recurring Revenue (ARR)</b>	Subscription revenue in the last month of the period recalculated to a 12-month basis.
<b>ARR growth</b>	Growth in Annual Recurring Revenue (ARR) from the corresponding period the year before.
<b>Subscription revenue</b>	Revenue from subscription contracts.
<b>Ad hoc revenue from subscribers</b>	Revenue from one-time projects with clients that are enrolled in a subscription contract.
<b>Ad hoc revenue from non-subscribers</b>	Revenue from one-time projects with clients that are not enrolled in a subscription contract.
<b>Gross profit</b>	Net sales reduced with direct costs.
<b>Gross margin</b>	Gross profit as a percentage of net sales.
<b>Adjusted EBIT</b>	EBIT excluding items affecting comparability.
<b>Adjusted EBIT margin</b>	Adjusted EBIT as a percentage of net sales.
<b>Items affecting comparability</b>	Extraordinary items during the period.
<b>EBIT</b>	Earnings before interest and taxes.
<b>EBIT margin</b>	EBIT as a percentage of net sales.
<b>Profit margin</b>	Net income as a percentage of net sales.
<b>Net financial position</b>	Cash and cash equivalents less interest-bearing liabilities at the end of the period.
<b>Earnings per share</b>	Net income attributable to the parent company's shareholders divided by the average number of shares outstanding.
<b>Dividend per share</b>	Dividend for the period divided by the number of shares outstanding at the end of the period.
<b>No. of employees, avg.</b>	The average number of full-time employees during the period.
<b>Net Revenue Retention (NRR)</b>	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.
<b>Churn</b>	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	
	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022
Subscription revenue	40.4	36.0	3.8	3.6	0.0	0.1	0.5	1.1	0.0	0.0	44.7	40.8
Ad hoc revenue from subscribers	11.6	8.6	0.2	0.1	3.4	0.8	0.1	0.2	0.0	0.0	15.3	9.6
Ad hoc revenue from non-subscribers	7.6	14.0	1.8	1.7	1.2	2.5	0.0	0.9	0.0	0.0	10.6	19.1
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
<b>Net sales</b>	<b>59.5</b>	<b>58.5</b>	<b>5.8</b>	<b>5.4</b>	<b>4.6</b>	<b>3.4</b>	<b>0.7</b>	<b>2.2</b>	<b>0.0</b>	<b>0.0</b>	<b>70.6</b>	<b>69.5</b>
Direct costs	-17.7	-16.2	-0.4	-0.4	-0.4	-0.9	-0.1	-0.5	0.0	0.3	-18.7	-17.6
<b>Gross profit</b>	<b>41.8</b>	<b>42.3</b>	<b>5.4</b>	<b>5.0</b>	<b>4.2</b>	<b>2.5</b>	<b>0.5</b>	<b>1.7</b>	<b>0.0</b>	<b>0.4</b>	<b>51.9</b>	<b>51.9</b>
<i>Growth (%)</i>												
Subscription revenue	12.2	16.9	5.2	-7.7	-99.1	-	-51.1	-13.8	-	-	9.6	13.5
Ad hoc revenue from subscribers	34.9	4.7	257.7	-79.3	335.5	-83.8	-36.5	-61.4	-	-	59.7	-30.3
Ad hoc revenue from non-subscribers	-45.8	26.7	3.2	26.3	-51.0	-33.8	-97.3	3.9	-	-	-44.5	12.4
Net sales	1.7	16.7	7.6	-1.7	38.0	-61.6	-69.6	-10.8	-	-	1.6	4.2
<i>Share of the segment (%)</i>												
Subscription revenue	67.8	61.5	65.5	67.0	0.0	2.6	81.4	50.7	-	-	63.3	58.7
Ad hoc revenue from subscribers	19.5	14.7	4.0	1.2	73.8	23.4	14.8	7.1	-	-	21.7	13.8
Ad hoc revenue from non-subscribers	12.7	23.9	30.6	31.9	26.2	73.7	3.8	42.0	-	-	15.0	27.5
Segment sales share of Group	84.3	84.2	8.3	7.8	6.6	4.8	0.9	3.1	-	-	100.0	100.0
Gross margin (%)	70.3	72.3	92.4	93.0	90.6	74.0	79.2	77.6	-	-	73.6	74.7



## Consolidated income statements

KSEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Net sales	70 621	69 479	218 492	235 861	312 145
Capitalized expenditures	4 262	5 874	16 576	19 234	27 048
Other external income	1 614	2 353	4 280	5 690	6 810
	<b>76 497</b>	<b>77 706</b>	<b>239 348</b>	<b>260 784</b>	<b>346 003</b>
Direct costs	-18 675	-17 591	-57 881	-54 839	-75 958
Other external costs	-10 899	-11 049	-31 664	-35 717	-46 615
Personnel costs	-42 002	-39 990	-149 716	-135 506	-187 625
Depreciation and amortization	-3 664	-2 870	-10 327	-8 132	-11 221
Other operating costs	-1 731	-1 263	-3 869	-3 160	-4 923
<b>Operating income</b>	<b>-475</b>	<b>4 942</b>	<b>-14 108</b>	<b>23 430</b>	<b>19 661</b>
Financial income	753	1 949	2 172	4 714	4 802
Financial expenses	-806	-441	-1 786	-1 353	-2 741
<b>Earnings before tax</b>	<b>-528</b>	<b>6 451</b>	<b>-13 722</b>	<b>26 792</b>	<b>21 722</b>
Tax	-135	-983	-370	-4 446	-4 233
<b>Net income</b>	<b>-663</b>	<b>5 468</b>	<b>-14 092</b>	<b>22 346</b>	<b>17 488</b>
Profit attributable to the parent company's shareholders	-663	5 468	-14 092	22 346	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	-0.08	0.70	-1.79	2.84	2.22



## Consolidated balance sheets

KSEK	September 30, 2023	September 30, 2022	December 31, 2022
<b>ASSETS</b>			
Intangible assets	53 440	42 115	46 932
Tangible assets	698	999	905
Financial assets	1 079	991	1 052
<b>Total non-current assets</b>	<b>55 217</b>	<b>44 105</b>	<b>48 889</b>
Trade receivables	57 088	52 648	76 281
Other current receivables	3 892	2 868	2 707
Prepayments and accrued income	14 653	22 213	19 419
Cash and cash equivalents	41 849	62 516	63 825
<b>Total current assets</b>	<b>117 482</b>	<b>140 244</b>	<b>162 232</b>
<b>TOTAL ASSETS</b>	<b>172 699</b>	<b>184 349</b>	<b>211 120</b>
<b>EQUITY</b>			
Shareholders' equity	1 573	1 573	1 573
Other capital contributions	115 020	115 383	115 020
Translation difference	-34	-1 011	-180
Retained earnings incl. net profit for the period	-30 489	-2 230	-6 724
<b>Total equity</b>	<b>86 070</b>	<b>113 715</b>	<b>109 689</b>
<b>LIABILITIES</b>			
Due to customers	14 436	12 023	25 469
Tax liabilities	-	1 421	1 342
Trade payables	21 666	15 871	27 649
Other current liabilities	13 143	9 928	13 793
Accrued expenses and deferred income	37 384	31 392	33 178
<b>Total current liabilities</b>	<b>86 629</b>	<b>70 634</b>	<b>101 432</b>
<b>Total liabilities</b>	<b>86 629</b>	<b>70 634</b>	<b>101 432</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>172 699</b>	<b>184 349</b>	<b>211 120</b>
<b>PLEDGED</b>			
Chattle	14 000	14 000	14 000
<b>Total pledged</b>	<b>14 000</b>	<b>14 000</b>	<b>14 000</b>



## Consolidated statements of changes in equity

KSEK	Shareholders' equity	Other capital contributions	Translation difference	Retained earnings incl. net profit for the period	Total equity
<b>2022</b>					
Opening balance of equity July 1, 2022	1 573	115 383	-389	-7 698	108 868
Net profit for the period	-	-	-	5 468	5 468
Translation difference	-	-	-622	-	-622
Dividend	-	-	-	-	-
Closing balance of equity September 30, 2022	1 573	115 383	-1 011	-2 230	113 715
<b>2023</b>					
Opening balance of equity July 1, 2023	1 573	115 020	276	-24 557	92 311
Net profit for the period	-	-	-	-663	-663
Translation difference	-	-	-310	-	-310
Dividend	-	-	-	-5 268	-5 268
Closing balance of equity September 30, 2023	1 573	115 020	-34	-30 489	86 070



## Consolidated statements of cash flow

KSEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
<b>Operating activities</b>					
Profit before tax	-528	6 451	-13 722	26 792	21 722
Adjustment for non-cash items	3 412	2 170	10 404	6 228	10 223
Income tax paid	-1 024	-1 069	-2 536	-3 569	-3 435
<b>Cash flow from operating activities before adjustment of working capital</b>	<b>1 860</b>	<b>7 552</b>	<b>-5 854</b>	<b>29 451</b>	<b>28 510</b>
Increase (-) / Decrease (+) of current receivables	7 109	-8 525	23 596	1 349	-19 330
Increase (+) / Decrease (-) of current liabilities	-2 665	-10 402	-13 461	-24 158	6 718
<b>Cash flow from operating activities</b>	<b>6 304</b>	<b>-11 374</b>	<b>4 281</b>	<b>6 642</b>	<b>15 898</b>
<b>Investing activities</b>					
Acquisitions/divestments of tangible assets	-42	190	-24	-299	-336
Acquisitions/divestments of intangible assets	-4 262	-5 874	-16 576	-19 234	-27 048
Acquisitions/divestments of financial assets	-0	0	13	8	-88
<b>Cash flow from investing activities</b>	<b>-4 304</b>	<b>-5 683</b>	<b>-16 586</b>	<b>-19 525</b>	<b>-27 472</b>
<b>Financing activities</b>					
Dividend	-5 268	-	-9 672	-9 672	-9 672
<b>Cash flow from financing activities</b>	<b>-5 268</b>	<b>-</b>	<b>-9 672</b>	<b>-9 672</b>	<b>-9 672</b>
<b>Net cash flow for the period</b>	<b>-3 269</b>	<b>-17 057</b>	<b>-21 977</b>	<b>-22 555</b>	<b>-21 246</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>45 117</b>	<b>79 573</b>	<b>63 825</b>	<b>85 071</b>	<b>85 071</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>41 849</b>	<b>62 516</b>	<b>41 849</b>	<b>62 516</b>	<b>63 825</b>



## Parent company income statements

KSEK	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Other external income	20	336	226	1 309	1 802
	<b>20</b>	<b>336</b>	<b>226</b>	<b>1 309</b>	<b>1 802</b>
Other external costs	-940	-501	-2 511	-2 024	-2 701
Personnel costs	-592	-1 162	-4 660	-3 897	-5 129
<b>Operating income</b>	<b>-1 512</b>	<b>-1 327</b>	<b>-6 945</b>	<b>-4 612</b>	<b>-6 027</b>
Financial income	622	999	2 481	2 065	3 252
Financial expenses	-	-	-1	-0	-0
<b>Earnings before tax</b>	<b>-890</b>	<b>-327</b>	<b>-4 466</b>	<b>-2 547</b>	<b>-2 776</b>
Group contributions received	-	-	-	-	2 775
Tax	-	-	-	-	-
<b>Net income</b>	<b>-890</b>	<b>-327</b>	<b>-4 466</b>	<b>-2 547</b>	<b>-1</b>



## Parent company balance sheets

KSEK	September 30, 2023	September 30, 2022	December 31, 2022
<b>ASSETS</b>			
Financial assets	90 550	97 775	97 775
<b>Total non-current assets</b>	<b>90 550</b>	<b>97 775</b>	<b>97 775</b>
Receivables Group companies	2 490	2 332	6 410
Tax receivables	586	586	322
Other current receivables	119	46	39
Prepayments and accrued income	185	146	78
Cash and cash equivalents	1 087	4 480	2 949
<b>Total current assets</b>	<b>4 468</b>	<b>7 590</b>	<b>9 798</b>
<b>TOTAL ASSETS</b>	<b>95 018</b>	<b>105 365</b>	<b>107 573</b>
<b>EQUITY</b>			
Shareholders' equity	1 573	1 573	1 573
Share premium reserve	115 020	115 020	115 020
Retained earnings	-20 074	-10 402	-10 402
Net profit for the period	-4 466	-2 547	-1
<b>Total equity</b>	<b>92 053</b>	<b>103 644</b>	<b>106 190</b>
<b>LIABILITIES</b>			
Trade payables	650	157	204
Other current liabilities	133	135	247
Accrued expenses and deferred income	2 182	1 430	932
<b>Total current liabilities</b>	<b>2 965</b>	<b>1 721</b>	<b>1 383</b>
<b>Total liabilities</b>	<b>2 965</b>	<b>1 721</b>	<b>1 383</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>95 018</b>	<b>105 365</b>	<b>107 573</b>



## Parent company statements of changes in equity

KSEK	Shareholders' equity	Other capital contributions	Retained earnings incl. net profit for the period	Total equity
<b>2022</b>				
Opening balance of equity July 1, 2022	1 573	115 020	-12 621	103 972
Net profit for the period	-	-	-327	-327
Dividend	-	-	-	-
Closing balance of equity September 30, 2022	1 573	115 020	-12 949	103 644
<b>2023</b>				
Opening balance of equity July 1, 2023	1 573	115 020	-18 382	98 211
Net profit for the period	-	-	-890	-890
Dividend	-	-	-5 268	-5 268
Closing balance of equity September 30, 2023	1 573	115 020	-24 540	92 053



## 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 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 (publ) amounted, on September 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 September 30, 2023	Number of shares	Votes and capital
Ulrich Boyer and companies	1,496,396	19.0%
Elementa Management	1,285,919	16.4%
Swedbank Robur Microcap	927,785	11.8%
Försäkringsbolaget Avanza Pension	649,261	8.3%
Aktia Nordic Microcap	373,312	4.7%
Cliens Kapitalförvaltning AB	300,000	3.8%
Alcur Select	299,891	3.8%
Schroders Investment Management	250,000	3.2%
Niclas Öhman and companies	199,669	2.5%
SEB Life International Assurance	195,674	2.5%
<b>Ten largest shareholders</b>	<b>5,977,907</b>	<b>76.0%</b>
Other shareholders	1,885,279	24.0%
<b>Total number of shares</b>	<b>7,863,186</b>	<b>100.0%</b>

### 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, November 17, 2023

The Board of Directors of Nepa AB (publ)

