

Q2 Interim report

April – June 2024

Q2 INTERIM REPORT

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Q2 in summary

- Annual Recurring Revenue (ARR) decreased by 8.2 percent to SEK 160.1 (174.3) compared to the same period last year.
- Net sales decreased by 6.9 percent, or 7.1 percent in local currencies, to SEK 70.0 (75.2) million.
- Subscription revenue decreased by 4.3 percent to SEK 42.8 (44.8) million, and ad hoc revenue from subscribers decreased by 37.8 percent to SEK 12.7 (20.3) million. Ad hoc revenue from other clients increased by 42.6 percent to SEK 14.3 (10.0) million.
- Gross profit amounted to SEK 53.8 (55.8) million and the gross margin to 76.9 (74.2) percent.
- EBIT increased to SEK 1.7 (-9.7) million and the EBIT margin amounted to 2.4 (-13.0) percent.
- Excluding items affecting comparability of SEK 0.0 (6.9) million, adjusted EBIT increased to SEK 1.7 (-2.9) million.
- Net profit increased to SEK 1.3 (-9.0) million and Earnings per share increased to SEK 0.16 (-1.14).

HI in summary

- Net sales decreased by 7.0 percent, or 7.3 percent in local currencies, to SEK 137.5 (147.9) million.
- Subscription revenue decreased by 3.0 percent to SEK 84.9 (87.5) million, and ad hoc revenue from subscribers decreased by 28.7 percent to SEK 26.6 (37.3) million. Ad hoc revenue from other clients decreased by 12.3 percent to SEK 25.9 (23.0) million.
- Gross profit amounted to SEK 104.5 (108.7) million and the gross margin to 76.0 (73.5) percent.
- EBIT increased to SEK 0.2 (-13.6) million and the EBIT margin amounted to 0.1 (-9.2) percent.
- Excluding items affecting comparability of SEK 1.3 (6.9) million, relating to restructuring costs, adjusted EBIT increased to SEK 1.5 (-6.8) million.
- Net profit increased to SEK 0.7 (-13.4) million and Earnings per share increased to SEK 0.09 (-1.71).

Business highlights

DURING THE QUARTER

- Solid profitability improvements were achieved, despite the continuing slow market.
- Sara Davidsson Nyman assumed the role as Chief Revenue Officer.
- The AGM 2024 re-elected Dan Foreman as Chairman of the Board, and Ulrich Boyer, Fredrik Lundqvist, Ashkan Senobari, and Eric Gustavsson as board members.
- The AGM decided on a SEK 1.23 per share dividend.

AFTER THE PERIOD ENDED

- Continued good profitability development in July.

Key financials

Numbers in SEK million if not stated	Q2 2024	Q2 2023	Change	HI 2024	HI 2023	Change	FY 2023
Annual Recurring Revenue (ARR)	160.1	174.3	-8.2%	160.1	174.3	-8.2%	164.0
Net sales	70.0	75.2	-6.9%	137.5	147.9	-7.0%	293.1
Of which subscription revenue	42.8	44.8	-4.3%	84.9	87.5	-3.0%	177.0
Gross profit	53.8	55.8	-3.5%	104.5	108.7	-3.8%	219.5
Gross margin	76.9%	74.2%	2.7	76.0%	73.5%	2.5	74.9%
Adjusted EBIT	1.7	-2.9	4.6	1.5	-6.8	8.2	-0.9
Adjusted EBIT margin	2.4%	-3.8%	6.2	1.1%	-4.6%	5.6	-0.3%
EBIT	1.7	-9.7	11.4	0.2	-13.6	13.8	-14.8
EBIT margin	2.4%	-13.0%	15.4	0.1%	-9.2%	9.4	-5.0%
Net income	1.3	-9.0	10.2	0.7	-13.4	14.1	-14.4
Profit margin	1.8%	-11.9%	13.7	0.5%	-9.1%	9.6	-4.9%
Operating cash flow	-8.9	-7.6	-1.3	-1.1	-2.0	0.9	6.1
Net financial position	24.9	45.1	-20.2	24.9	45.1	-20.2	38.4
Earnings per share, SEK	0.16	-1.14	1.30	0.09	-1.71	1.80	-1.83
Average number of shares outstanding	7,863,186	7,863,186	0.0%	7,863,186	7,863,186	0.0%	7,863,186



Comments by the CEO

IMPROVED PROFITABILITY IN A SLOW MARKET

Net sales for the second quarter amounted to SEK 70.0 (75.2) million, reflecting a 2.1 percent decrease from the same period last year, excluding Nepa APAC where operations ended at the beginning of 2024. In total, net sales declined by 6.9 percent. Despite lower net sales, our targeted efforts to lower costs and enhance efficiency have strengthened profitability, with the adjusted EBIT margin rising to 2.4 (-3.8) percent. We are leaving a challenging period of restructuring behind and are now shifting gears to drive profitable growth.

STRENGTHENING OUR PROFITABLE GROWTH FOCUS

As we are moving into the next phase of the company, we are professionalizing key functions such as Sales and Marketing, which up until recently have been quite limited. By developing a proactive, outbound, and highly skilled salesforce, we see strong potential to materially improve the growth trajectory.

Over the past three quarters, we have experienced a slowdown in the growth of our subscription products and an increase in churn, leading to a decline in revenue from subscribers during the second quarter. Subscription revenue, our largest revenue stream, decreased by 4.3 percent, and ad hoc revenue from subscribers declined by 37.8 percent. However, ad hoc revenue from other clients gained momentum, increasing by 42.6 percent, primarily driven by former subscribers returning for ad hoc services. Our strong relationships with former clients have been crucial, as they frequently return to us for valuable insights.

At the end of the quarter, our Annual Recurring Revenue (ARR) stood at SEK 160 million, with a net revenue retention of 95.4 percent. The lower retention was primarily due to the contraction of a major client, which new sales or upsells did not fully offset. Despite ongoing cautious demand, we maintained high sales activity throughout the quarter. We are actively engaged in numerous client discussions and events, with a growing emphasis on expanding our ARR offering. With that said, there is still considerable room for improvement.

In light of the current market conditions, we remain firm in our commitment to build a stronger sales team to drive profitable growth. During the second quarter, we recruited new leaders for our sales and marketing organization. Our goal is to clearly differentiate growth from new versus existing clients and to enhance our marketing capabilities. We are continually refining our

sales strategies, with a greater focus on driving ARR growth from new clients while also maximizing retention.

EFFECTIVE COST CONTROL CONTINUES

The gross margin continued to develop positively, with an increase of 2.7 percentage points to 76.9 (74.2) percent in the quarter. This is a result of improved project profitability, data quality management, and supplier strategy. Furthermore, we have achieved significant improvements in our cost structure across the Group. Over the past year, measures to reduce operating costs and initiatives to improve efficiency have led to a 26 percent decline in personnel costs (net of restructuring) and a significant increase in average project and product profitability. Adjusted EBIT increased to SEK 1.7 (-2.9) million, and the adjusted EBIT margin improved to 2.4 (-3.8) percent. Project and product profitability continues to be a top priority, and through the increased focus on ARR, we aim to scale profitably.

DEVELOPING THE MARKETING INTELLIGENCE SUITE

Our Brand Tracker stands as our most successful product to date. Alongside Campaign Evaluation and Marketing Mix Modeling, it has empowered brands worldwide to fully understand their marketing impact and take timely, informed actions. We are now focused on advancing our core offering within an integrated environment to better appeal to brand experts. Our goal is to enable brands to seamlessly track performance, optimize media expenditure, and evaluate marketing campaigns - all within a single platform. We have noted a growing interest from clients in this integrated, always-on solution and are eager to take our marketing intelligence suite to the next level.

OUTLOOK

The summer generally represents a period of lower activity, and we anticipate that the soft market conditions will continue in the short term. In the third quarter, we will reinforce our client-facing teams to build long-term sales momentum. We remain deeply committed to operate a profitable business and plan to achieve this by accelerating growth through strategically fitting products and improved operating leverage.

Anders Dahl
CEO



Driving results for today – building brands for tomorrow

NEPA IN BRIEF

In recent years, brand has regained its position at 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.

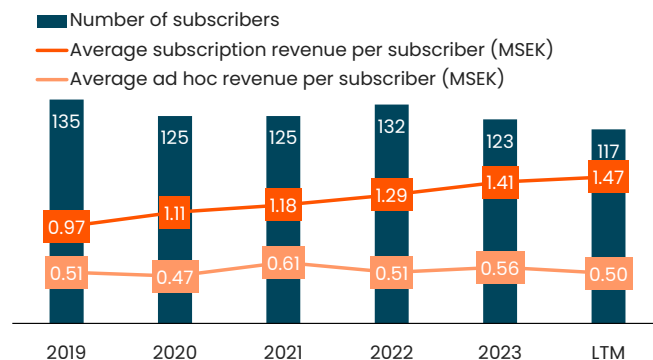
RESEARCH AND DEVELOPMENT

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.

OVERVIEW OF SUBSCRIBERS



The Group's financial development

REVENUE, EARNINGS, AND CASH FLOW

Revenue

Net sales decreased by 6.9 percent in the second quarter to SEK 70.0 (75.2) million. In local currencies, net sales decreased by 7.1 percent. Subscription revenue decreased by 4.3 percent to SEK 42.8 (44.8) million, and ad hoc revenue from subscribers decreased by 37.8 percent to SEK 12.7 (20.3) million. Ad hoc revenue from other clients increased by 42.6 percent to SEK 14.3 (10.0) million. During the first half of the year, net sales decreased by 7.0 percent, or 7.3 percent in local currencies, to SEK 137.5 (147.9) million.

Earnings

Gross profit amounted to SEK 53.8 (55.8) million in the second quarter for a margin of 76.9 (74.2) percent. During the first half of the year, the gross profit decreased to SEK 104.5 (108.7) million, while the gross margin increased to 76.0 (73.5) percent. The positive gross margin development is driven by improved project profitability, data quality management, and supplier strategy.

The past year's cost-saving measures and efficiency improvements have contributed to improved profitability. The operating profit (EBIT) increased to SEK 1.7 (-9.7) million in the second quarter and the EBIT margin increased to 2.4 (-13.0) percent. Items affecting comparability amounted to SEK 0.0 (6.9) million and adjusted EBIT increased to SEK 1.7 (-2.9) million. The adjusted EBIT margin increased to 2.4 (-3.8) percent.

During the first half of the year, the operating profit (EBIT) increased to SEK 0.2 (-13.6) million and the EBIT margin increased to 0.1 (-9.2) percent. The adjusted EBIT, excluding items affecting comparability of SEK 1.3 (6.9) million, increased to SEK 1.5 (-6.8) million and the adjusted EBIT margin increased to 1.1 (-4.6) percent.

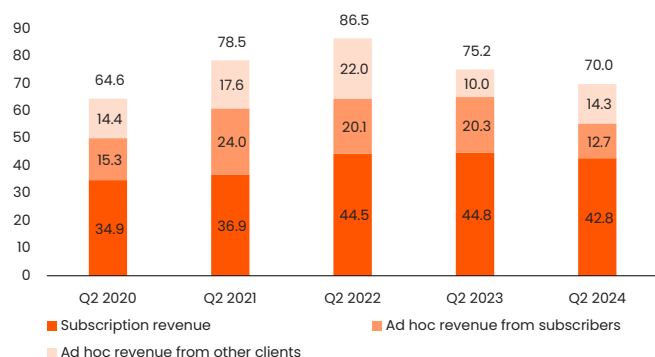
Net income for the quarter increased to SEK 1.3 (-9.0) million and earnings per share increased to SEK 0.16 (-1.14). During the first half of the year, the net income increased to SEK 0.7 (-13.4) million and the earnings per share increased to SEK 0.09 (-1.71).

Cash flow

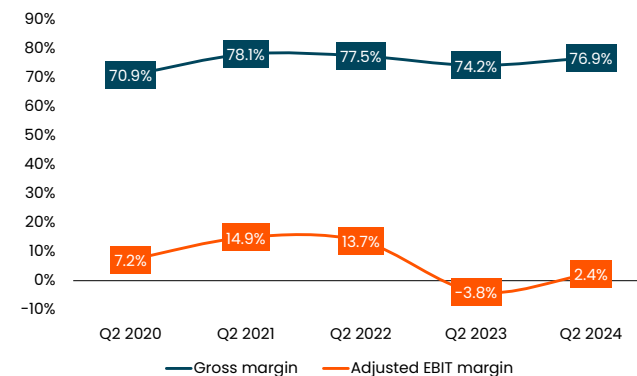
Cash flow from operating activities in the quarter amounted to SEK -8.9 (-7.6) million of which the change in working capital amounted to SEK -13.2 (-1.0) million. Cash flow from investing activities amounted to SEK -0.2 (-5.6) million. Cash flow from financing activities amounted to SEK -9.7 (-4.4) million. Net cash flow for the period amounted to SEK -18.8 (-17.6) million. At the end of the quarter, the net financial position amounted to SEK 24.9 (45.1) million.

Cash flow from operating activities during the first half of the year amounted to SEK -1.1 (-2.0) million of which the change in working capital amounted to SEK -5.7 (5.7) million. Cash flow from investing activities amounted to SEK -2.7 (-12.3) million. Cash flow from financing activities amounted to SEK -9.7 (-4.4) million. Net cash flow for the first half of the year amounted to SEK -13.5 (-18.7) million.

REVENUE BREAKDOWN (SEK million), Q2 2020 – Q2 2024



PROFITABILITY, Q2 2020 – Q2 2024



MULTI-YEAR FINANCIAL OVERVIEW

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Annual Recurring Revenue (ARR)	160.1	167.3	164.0	172.4	174.3	168.6	170.9	168.4	162.5	170.9	169.2	141.5	145.5
ARR growth (%)	-8.2	-0.7	-4.1	2.3	7.3	-1.3	1.0	19.1	11.7	16.1	15.8	2.0	5.8
Subscription revenue	42.8	42.1	44.8	44.7	44.8	42.8	42.0	40.8	44.5	42.5	38.5	36.0	36.9
Ad hoc revenue from subscribers	12.7	13.9	16.6	15.3	20.3	16.9	19.2	9.6	20.1	18.4	20.4	13.8	24.0
Ad hoc revenue from other clients	14.3	11.5	16.6	10.6	10.0	13.0	15.1	19.1	22.0	19.0	19.8	17.0	17.6
Net sales	70.0	67.5	74.6	70.6	75.2	72.7	76.3	69.5	86.5	79.9	78.7	66.7	78.5
Gross profit	53.8	50.7	58.9	51.9	55.8	52.9	55.2	51.9	67.0	62.1	63.1	53.1	61.3
Gross margin (%)	76.9	75.1	79.0	73.6	74.2	72.7	72.3	74.7	77.5	77.8	80.2	79.7	78.1
Adjusted EBIT	1.7	-0.2	5.2	0.6	-2.9	-3.9	0.7	4.9	11.8	11.9	10.7	11.1	11.7
Adjusted EBIT margin (%)	2.4	-0.3	7.0	0.9	-3.8	-5.3	1.0	7.1	13.7	14.9	13.6	16.6	14.9
EBIT	1.7	-1.5	-0.7	-0.5	-9.7	-3.9	-3.8	4.9	9.6	8.9	10.7	11.1	11.7
EBIT margin (%)	2.4	-2.2	-0.9	-0.7	-13.0	-5.3	-4.9	7.1	11.1	11.1	13.6	16.6	14.9
Net income	1.3	-0.6	-0.3	-0.7	-9.0	-4.5	-4.9	5.5	9.0	7.9	10.5	10.2	10.7
Profit margin (%)	1.8	-0.8	-0.4	-0.9	-11.9	-6.2	-6.4	7.9	10.4	9.9	13.3	15.2	13.6
Operating cash flow	-8.9	7.8	1.8	6.3	-7.6	5.6	9.3	-11.4	7.4	10.7	11.0	3.3	13.3
Net financial position	24.9	43.7	38.4	41.8	45.1	62.7	63.8	62.5	79.6	88.7	85.1	78.5	79.2
Earnings per share (SEK)	0.16	-0.07	-0.04	-0.08	-1.14	-0.57	-0.62	0.70	1.14	1.00	1.33	1.29	1.35
Dividend per share (SEK)	0.00	0.00	1.23	0.67	0.00	0.00	0.56	0.00	0.00	0.00	1.23	0.00	0.00
No. of employees, avg.	218	242	273	281	303	311	325	308	290	281	272	260	253
Other metrics													
Net Revenue Retention (NRR) (%)	95.4	101.5	93.2	99.5	103.2	97.5	101.7	90.7	101.3	108.7	104.1	97.2	100.3
Churn (%)	0.6	0.2	6.1	1.0	1.1	1.6	0.6	1.5	1.0	1.7	0.8	0.1	0.4

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 other clients. "Other" constitutes Nepa's products and consultancy services within Customer Experience, Innovation Acceleration, and panels.

Quarterly overview	Marketing Optimization		Other		Eliminations		Group	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023
SEK million								
Subscription revenue	38.9	40.4	4.0	4.3	-	0.1	42.8	44.8
Ad hoc revenue from subscribers	10.9	16.9	1.7	3.4	-	-	12.7	20.3
Ad hoc revenue from other clients	10.1	6.8	4.2	3.3	-	-	14.3	10.0
Eliminations	-	-	-	-	0.2	-	0.2	-
Net sales	60.0	64.1	9.9	11.0	0.2	0.1	70.0	75.2
Direct costs	-15.0	-17.8	-1.2	-1.3	0.0	-0.3	-16.2	-19.4
Gross profit	45.0	46.4	8.7	9.6	0.2	-0.2	53.8	55.8
<i>Growth (%)</i>								
Subscription revenue	-3.8	2.2	-8.4	-12.4	-	-	-4.3	0.7
Ad hoc revenue from subscribers	-35.6	12.9	-48.7	-33.3	-	-	-37.8	1.4
Ad hoc revenue from other clients	49.9	-56.1	28.1	-50.2	-	-	42.6	-54.3
Net sales	-6.5	-8.0	-9.9	-34.6	-	-	-6.9	-13.1
Gross margin (%)	75.0	72.3	87.7	88.0	-	-	76.9	74.2



Consolidated income statements

KSEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Net sales	70 009	75 180	137 530	147 870	293 082
Capitalized expenditures	169	5 581	2 665	12 314	21 831
Other external income	1 351	1 681	3 064	2 667	6 160
	71 528	82 442	143 259	162 851	321 073
Direct costs	-16 188	-19 389	-33 027	-39 206	-73 556
Other external costs	-10 712	-11 144	-21 254	-20 765	-44 760
Personnel costs	-37 249	-57 335	-78 147	-107 714	-197 121
Depreciation and amortization	-4 057	-3 429	-8 011	-6 663	-14 165
Other operating costs	-1 636	-894	-2 632	-2 137	-6 244
Operating income	1 687	-9 749	188	-13 634	-14 773
Financial income	813	1 229	2 079	1 419	2 844
Financial expenses	-1 142	-376	-1 264	-980	-3 932
Earnings before tax	1 358	-8 896	1 003	-13 194	-15 861
Tax	-85	-62	-295	-235	1 468
Net income	1 273	-8 958	708	-13 430	-14 394
Profit attributable to the parent company's shareholders	1 273	-8 958	708	-13 430	-14 394
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	0.16	-1.14	0.09	-1.71	-1.83



Consolidated balance sheets

KSEK	June 30, 2024	June 30, 2023	December 31, 2023
ASSETS			
Intangible assets	49 751	52 751	54 943
Tangible assets	447	781	584
Financial assets	1 157	1 102	1 041
Total non-current assets	51 355	54 634	56 568
Trade receivables	30 103	63 032	59 858
Tax receivables	6 632	-	2 908
Other current receivables	3 213	3 039	2 900
Prepayments and accrued income	23 845	15 848	18 580
Cash and cash equivalents	24 902	45 117	38 378
Total current assets	88 695	127 037	122 624
TOTAL ASSETS	140 050	181 671	179 192
EQUITY			
Shareholders' equity	1 573	1 573	1 573
Other capital contributions	115 020	115 020	115 020
Translation difference	393	276	676
Retained earnings incl. net profit for the period	-39 753	-24 557	-30 790
Total equity	77 232	92 311	86 479
LIABILITIES			
Due to customers	12 207	15 138	24 025
Tax liabilities	-	66	-
Trade payables	10 698	19 110	23 965
Other current liabilities	7 822	11 871	11 671
Accrued expenses and deferred income	32 091	43 175	33 053
Total current liabilities	62 818	89 360	92 713
Total liabilities	62 818	89 360	92 713
TOTAL EQUITY AND LIABILITIES	140 050	181 671	179 192



Consolidated statements of changes in equity

April – June (KSEK)	Shareholders' equity	Other capital contributions	Translation difference	Retained earnings incl.	Total equity
				net profit for the period	
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

2024					
Opening balance of equity April 1, 2024	1 573	115 020	421	-31 354	85 660
Net profit for the period	-	-	-	1 273	1 273
Translation difference	-	-	-29	-	-29
Dividend	-	-	-	-9 672	-9 672
Closing balance of equity June 30, 2024	1 573	115 020	393	-39 753	77 232

January – June (KSEK)	Shareholders' equity	Other capital contributions	Translation difference	Retained earnings incl.	Total equity
				net profit for the period	
2023					
Opening balance of equity January 1, 2023	1 573	115 020	-180	-6 724	109 689
Net profit for the period	-	-	-	-13 430	-13 430
Translation difference	-	-	455	-	455
Dividend	-	-	-	-4 403	-4 403
Closing balance of equity June 30, 2023	1 573	115 020	276	-24 557	92 311

2024					
Opening balance of equity January 1, 2024	1 573	115 020	676	-30 790	86 479
Net profit for the period	-	-	-	708	708
Translation difference	-	-	-283	-	-283
Dividend	-	-	-	-9 672	-9 672
Closing balance of equity June 30, 2024	1 573	115 020	393	-39 753	77 232



Consolidated statements of cash flow

KSEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Operating activities					
Profit before tax	1 358	-8 896	1 003	-13 194	-15 861
Adjustment for non-cash items	4 038	3 409	7 654	6 992	15 042
Income tax paid	-1 094	-1 095	-4 019	-1 512	-2 783
Cash flow from operating activities before adjustment of working capital	4 302	-6 581	4 638	-7 714	-3 602
Increase (-) / Decrease (+) of current receivables	1 758	-8 369	24 177	16 487	17 068
Increase (+) / Decrease (-) of current liabilities	-14 972	7 350	-29 896	-10 795	-7 376
Cash flow from operating activities	-8 912	-7 600	-1 081	-2 023	6 090
Investing activities					
Acquisitions/divestments of tangible assets	4	-6	11	19	-25
Acquisitions/divestments of intangible assets	-169	-5 581	-2 665	-12 314	-21 831
Acquisitions/divestments of financial assets	-56	13	-69	13	-10
Cash flow from investing activities	-221	-5 573	-2 723	-12 282	-21 866
Financing activities					
Dividend	-9 672	-4 403	-9 672	-4 403	-9 672
Cash flow from financing activities	-9 672	-4 403	-9 672	-4 403	-9 672
Net cash flow for the period	-18 805	-17 577	-13 475	-18 708	-25 447
Cash and cash equivalents at the beginning of the period	43 707	62 694	38 378	63 825	63 825
Cash and cash equivalents at the end of the period	24 902	45 117	24 902	45 117	38 378



Parent company income statements

KSEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Other external income	268	42	285	206	355
	268	42	285	206	355
Other external costs	-692	-1 035	-1 560	-1 571	-4 316
Personnel costs	-946	-2 631	-1 655	-4 069	-5 355
Operating income	-1 369	-3 624	-2 930	-5 434	-9 316
Financial income	601	990	1 362	1 859	3 510
Financial expenses	-	-1	-	-1	-1
Earnings before tax	-768	-2 636	-1 568	-3 576	-5 806
Group contributions received	-	-	-	-	3 810
Tax	-	-	-	-	-
Net income	-768	-2 636	-1 568	-3 576	-1 996



Parent company balance sheets

KSEK	June 30, 2024	June 30, 2023	December 31, 2023
ASSETS			
Financial assets	81 860	96 150	88 050
Total non-current assets	81 860	96 150	88 050
Receivables Group companies	1 385	1 901	7 435
Tax receivables	498	498	322
Other current receivables	7	5	233
Prepayments and accrued income	106	246	91
Cash and cash equivalents	883	2 349	1 130
Total current assets	2 879	4 998	9 211
TOTAL ASSETS	84 739	101 148	97 261
EQUITY			
Shareholders' equity	1 573	1 573	1 573
Share premium reserve	115 020	115 020	115 020
Retained earnings	-31 743	-14 806	-20 074
Net profit for the period	-1 568	-3 576	-1 996
Total equity	83 282	98 211	94 522
LIABILITIES			
Trade payables	38	92	1 345
Other current liabilities	155	108	309
Accrued expenses and deferred income	1 263	2 737	1 084
Total current liabilities	1 456	2 937	2 739
Total liabilities	1 456	2 937	2 739
TOTAL EQUITY AND LIABILITIES	84 739	101 148	97 261



Parent company statements of changes in equity

April – June (KSEK)	Shareholders' equity	Other capital contributions	Retained earnings	Total equity
			incl. net profit for the period	
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

2024				
Opening balance of equity April 1, 2024	1 573	115 020	-22 871	93 722
Net profit for the period	-	-	-768	-768
Dividend	-	-	-9 672	-9 672
Closing balance of equity June 30, 2024	1 573	115 020	-33 310	83 282

January – June (KSEK)	Shareholders' equity	Other capital contributions	Retained earnings	Total equity
			incl. net profit for the period	
2023				
Opening balance of equity January 1, 2023	1 573	115 020	-10 403	106 190
Net profit for the period	-	-	-3 576	-3 576
Dividend	-	-	-4 403	-4 403
Closing balance of equity June 30, 2023	1 573	115 020	-18 382	98 211

2024				
Opening balance of equity January 1, 2024	1 573	115 020	-22 071	94 522
Net profit for the period	-	-	-1 568	-1 568
Dividend	-	-	-9 672	-9 672
Closing balance of equity June 30, 2024	1 573	115 020	-33 310	83 282



Other disclosures

GENERAL DISCLOSURES

ACCOUNTING PRINCIPLES

The Group accounts have been established according to Swedish GAAP (Årsredovisningslagen and Bokföringsnämndens allmänna råd 2012:1 Årsredovisning och koncernredovisning (K3)). The Group consists of the parent company Nepa AB and nine subsidiaries, seven of which non-Swedish. Accounting principles and valuation principles correspond to the ones used in the latest annual report.

RISKS AND UNCERTAINTIES

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

AUDITING

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

CONTACT DETAILS

Edvard Hagman, Investor Relations
ir@nepa.com

THE SHARE AND DIVIDEND

The share capital of Nepa AB amounted, on June 30, 2024, to SEK 1,572,637.20 divided into 7,863,186 shares, each with a nominal value of SEK 0.20. Nepa AB has been 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 28, 2024	Number of shares	Votes and capital
Hanover Investors	1,519,181	19.3%
Ulrich Boyer and companies	1,450,032	18.4%
Elementa Management	1,339,774	17.0%
Alcur Select	477,477	6.1%
Försäkringsbolaget Avanza Pension	443,077	5.6%
Aktia Nordic Microcap	373,312	4.7%
Schroders International Selection Fund	250,000	3.2%
SEB Life International Assurance	189,047	2.4%
Nordnet Pensionsförsäkring	160,908	2.0%
Björn Nordenborg	134,256	1.7%
Ten largest shareholders	6,337,064	80.6%
Other shareholders	1,526,122	19.4%
Total number of shares	7,863,186	100.0%

FINANCIAL CALENDAR

Event	Date
Q1 Interim report Jan – Mar 2024	May 7, 2024
Annual General Meeting 2024	May 31, 2024
Q2 Interim report Apr – Jun 2024	August 16, 2024
Q3 Interim report Jul – Sep 2024	October 25, 2024
Q4 Year-end report Oct – Dec 2024	February 21, 2025
Annual report 2024	April 25, 2025

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



DEFINITIONS OF GROUP KEY RATIOS

KPI	Definition
Annual Recurring Revenue (ARR)	The sum of the annualized value of all recurring client contracts at the end of the period.
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 other clients	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 Annual Recurring Revenue (ARR) from existing clients during the period as a percentage of ARR in the previous period.
Churn	Lost Annual Recurring Revenue (ARR) from churned subscribers during the period as a percentage of ARR in the previous period.



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

Fredrik Lundqvist
Board member

Eric Gustavsson
Board member

Ashkan Senobari
Board member

Anders Dahl
CEO

Stockholm, August 16, 2024
The Board of Directors of Nepa AB

