

Net Insight Interim Report

January – March 2022



Net Insight AB (publ) corp.id.no. 556533–4397

January – March 2022

- Net sales amounted to SEK 109.7 (77.9) million, an increase of 40.8% year-on-year. In comparable currencies net sales increased by 32.9%.
- Operating earnings amounted to SEK 10.7 (3.1) million, corresponding to an operating margin of 9.7% (4.0%). Excluding foreign exchange rate differences of SEK 0.5 (7.6) million, operating earnings were SEK 10.2 (-4.6) million.
- Net income for the period for continuing operations was SEK 8.2 (3.9) million and for the Group, including discontinued operations, SEK 8.2 (-33.0) million.
- Earnings per share diluted for the Group was SEK 0.02 (-0.09).
- Total cash flow for the Group was SEK -1.2 (14.1) million. Excluding the cash impact of the divestment of operations and repurchase of own shares, cash flow was SEK 35.5 (-1.0) million.

Continuous growth and strong earnings

Crister Fritzson, CEO, Net Insight

Q1 Highlights:

- Strong sales across all regions
- Strong earnings
- Repurchase program finished
- Component availability uncertain

FINANCIAL HIGHLIGHTS

SEK millions	Jan-Mar		Change	Apr 2021-	Jan-Dec	Change
	2022	2021		Mar 2022	2021	
Continued operations						
Net sales	109.7	77.9	40.8%	412.5	380.7	8.3%
Operating earnings	10.7	3.1	242.0%	34.3	26.8	28.3%
Operating margin	9.7%	4.0%	143.0%	8.3%	7.0%	18.4%
Net income	8.2	3.9	108.5%	28.0	23.8	17.8%
EBITDA	25.6	17.0	50.5%	93.1	84.5	10.2%
EBITDA margin	23.3%	21.8%		22.6%	22.2%	
EBITDA 2	5.0	2.6	93.2%	30.5	28.1	8.6%
EBITDA 2 margin	4.6%	3.3%		7.4%	7.4%	
Total Group, including discontinued operations						
Net Income	8.2	-33.0		28.0	-13.1	
Total cash flow	-1.2	14.1		55.8	71.0	-21.5%

Business area Resource Optimization was divested in 2021 and is reported separately as discontinued operations in this report.

The definition of EBITDA has been changed, so that capitalization of development expenditures is no longer reversed. EBITDA 2 corresponds to previous years' definition, where the capitalization of development expenditures is reversed.

For definitions and calculation of KPI's, see pages 16-20.

CEO's Statement

Strong quarter in a turbulent market



Our steady growth trend and progress in 5G synchronization continue, despite market uncertainties.

Crister Fritzson, CEO Net Insight



It was a strong start to the year, despite continuous challenges with component shortages and increased uncertainty in general due to the geopolitical situation. Revenue in Q1 amounted to SEK 109.7 million, of which SEK 11.3 million related to the 5G synchronization (initiated in Q4 2021). Sales in the period increased 40.8% compared to the corresponding quarter in the previous year (in comparable currencies 32.9%), and increased compared to the previous quarter by 1.7%. The growth is driven by strong sales across all regions and by 5G synchronization sales.

Operating earnings totaled SEK 10.7 million, compared to SEK 3.1 million in Q1 2021 and SEK 3.3 million in the previous quarter. Gross margin was positively affected by high proportion of service sales in the quarter. Operating expenses were lower than in the previous quarter which was impacted by non-recurring costs related to the 5G synchronization initiative.

Our recurring revenue streams increased in the quarter, partly from our cloud offering (Nimbra Edge) but also from increased license and support revenue from our core business Nimbra MSR.

Positive response from the market

I received positive feedback on our new products, like Nimbra Edge during my trip to the US and Canada in March, when I had the opportunity to meet with some large media companies and service providers. The market is experiencing a rapid technological transformation across many areas which is driven towards Cloud and IP-based workflows. The work we have invested in

strengthening and supporting our customers in their businesses have made us closer, and our ability to help customers in this transformation give us a strong market position.

Significant interest in our 5G synch solution

5G is based on TDD (Time Division Duplex) which among other things enables increased capacity and the opportunity to develop new functionality. The synchronization is a prerequisite for the TDD networks to function due to the high precision requirement and high demand on low latency.

The advantages with our synch solution are many and have generated a significant amount of interest among our mobile operator target group. For example, there is no need to upgrade the entire network, lower operational costs and it enables a faster roll-out across the network. The uncertain geopolitical situation has also generated a strong awareness of the importance of critical networks like 5G being constructed independently of GPS.

Out of nearly 800 mobile operators in the world, we have identified our target group using parameters such as type of network, number of network equipment suppliers and phase in their 5G roll-out. The customers are primarily located in Europe and APAC (excluding China).

Sanctions against Russia and Belarus

It goes without saying that we will comply with the current sanctions levied against Russia and Belarus. This implies to both direct and indirect sales, deliveries and support to customers, subcontractors and partners in Russia and

Belarus. Our exposure to these markets is very limited and we have assessed that the sanctions will not have a significant impact on the business.

Uncertain component availability continues

As expected, the component shortages continued to affect us in the quarter through delivery difficulties and price increases within some component categories. The price adjustments we carried out from February 1, aimed to compensate for these price increases. We now expect further uncertainty during the whole of 2022.

Repurchase program finished

The repurchase program of own shares, which commenced in November, has finished. 14 million shares were repurchased for a total amount of SEK 70 million.

It will be proposed at the AGM that a renewed mandate is passed for the repurchase of shares for up to a maximum of 10% of shares issued, and that all repurchased shares should be cancelled.

Clear focus in an uncertain world

We experience significant interest in our new products, we are strengthening our marketing position and we are on target to reach our financial goals. This is reassuring.

I am proud of the commitment and clear direction we have and would like to thank all our employees for their endurance and engagement.

Solna Sweden, April 29, 2022

Crister Fritzson, CEO



EXTRAORDINARY EVENTS

Divested operations

The business area Resource Optimization (ScheduALL) was divested on March 31, 2021, and is reported as discontinued operations in this report. For more information on discontinued operations, see tables on page 11.

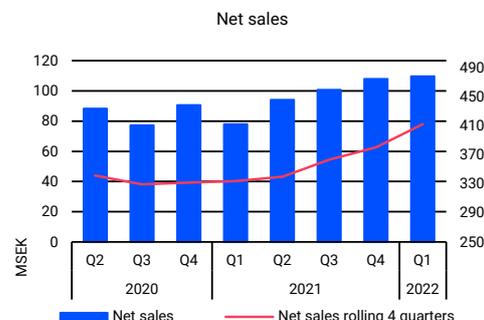
Comments in this report have reference to continuing operations, unless otherwise specified.

REVENUES

Net sales in the first quarter of 2022 were SEK 109.7 (77.9) million, an increase of 40.8%. In comparable currencies, sales increased by 32.9%. Compared to the previous quarter, the fourth quarter 2021, the increase was 1.7%.

The continued positive revenue development is primarily driven by a continued strong development in EMEA, a strong quarter in the Americas including a number of major deliveries and service revenues related to the Winter Games in Beijing. The 5G synchronization deal, which was signed at the end of 2021, also contributed to revenue in the first quarter. SEK 4.2 million of the initial order and SEK 7.1 million of the NRE fee was recognized in the quarter, totaling SEK 11.3 million. The remaining part of the initial order (ca SEK 12.5 million) are expected to be delivered in 2022.

During the first quarter, despite increased uncertainty in the world and continued challenges with shortage of components, we have been able to complete most of our deliveries. We also seen an effect of customers placing orders to secure deliveries for future needs. Uncertainty regarding the availability of components is expected to remain high for the remainder of 2022



EARNINGS

Gross profit for the fourth quarter was SEK 68.0 (45.1) million, an increase by 50.8%. Compared to the previous quarter, the fourth quarter 2021, the increase was 4.5%. The increase is primarily driven by the sharp increase in revenue compared to last year, as well as a high proportion of service revenues in the quarter where the costs related to these revenues are mainly fixed. Gross profit included amortization of capitalized development expenditure of SEK -11.3 (-9.9) million. Gross margin excluding and including amortization of capitalized development expenditure was 72.2% (70.5%) and 62.0% (57.9%) respectively.

Operating expenses in the first quarter of SEK -57.9 (-49.8) million, an increase by 16.2% compared to last year. The main reason for the increased compared with previous year is the strengthening of the organization link to the 5G synchronization business, where recruitments has been carried out in both development and sales for the comparing period the operating expenses was positively affected with SEK 0.8 million related to governmental Covid-19 relief support, no corresponding grants during this period.

Sales and marketing expenses were SEK -31.0 (-23.0) million, and administration expenses to SEK -13.5 (-13.1). Development expenses were SEK -13.3 (-13.7) million and the total development expenditure, i.e. before capitalization, were SEK -33.9 (-28.1) million. The increase in development expenditure relates to the investment in 5G synchronization, which began in the last quarter of 2021.

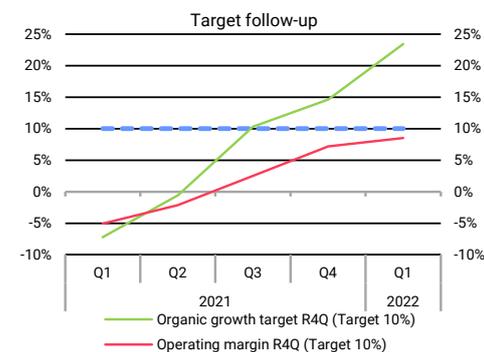
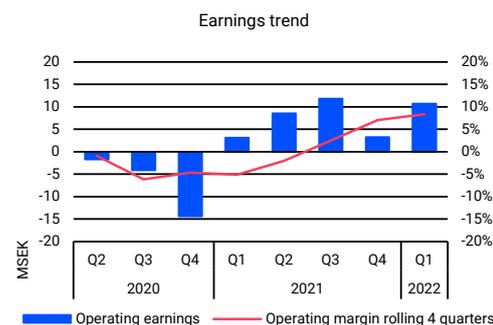
Other operating income and expenses were SEK 0.6 (7.9) million, of which foreign exchange rate differences of SEK 0.5 (7.6) million.

Operating earnings were SEK 10.7 (3.1) million, corresponding to an operating margin of 9.7% (4.0%). Excluding foreign exchange rate differences of SEK 0.5 (7.6) million, operating profit amounted to SEK 10.2 (-4.6) million. See also table Material profit and loss items on page 20.

The definition of EBITDA has been changed, so that capitalization of development expenditures is no longer reversed. EBITDA 2 corresponds to previous years' definition, where the capitalization of development expenditures is reversed. EBITDA and EBITDA 2 amounted to SEK 25.6 M (17.0) and SEK 5.0 M (2.6), respectively, which corresponded to an EBITDA margin of 23.3% (21.8) and an EBITDA 2 margin. about 4.6% (3.3). The improvement is primary attributable to the higher revenue.

In the first quarter, net financial items amounted to SEK -0.1 (1.5) million, of which foreign exchange rate differences of SEK -0.1 (1.8) million.

Profit before tax was SEK 10.6 (4.7) million, and net income was SEK 8.2 (3.9) million, corresponding to a net margin of 7.4% (5.0%). Including Discontinued operations, net income was SEK 8.2 (-33.0) million.



Target follow-up

Financial targets 2021-2025:

- * an average annual organic growth of at least 10%
- * an average annual EBIT margin (operating margin) of at least 10%

Key Ratios continued operations	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Net sales, SEK millions	109.7	77.9	412.5	380.7
Net sales YoY, change in %	40.8%	2.6%	23.5%	14.6%
Gross earnings	68.0	45.1	251.3	228.4
Gross margin	62.0%	57.9%	60.9%	60.0%
Operating earnings	10.7	3.1	34.3	26.8
Operating margin	9.7%	4.0%	8.3%	7.0%
EBITDA	25.6	17.0	93.1	84.5
EBITDA margin	23.3%	21.8%	22.6%	22.2%
EBITDA-2	5.0	2.6	30.5	28.1
EBITDA 2 margin	4.6%	3.3%	7.4%	7.4%

INVESTMENTS

First quarter investments were SEK 21.4 (14.9) million, of which SEK 20.6 (14.4) million related to capitalization of expenditure for development. The increase in capitalized development expenditure relates to the investment in 5G synchronization, which began in the last quarter of 2021. Depreciation and amortization in the first quarter totaled SEK -14.9 (-16.2) million, of which SEK -11.3 (-9.9) million related to amortization of capitalized expenditure for development.

At the end of the period, net value of capitalized expenditure for development was SEK 167.6 million, against SEK 158.3 million as of December 31, 2021.

Including discontinued operations, the first quarter 2021 investments were SEK 18.1 million, of which SEK 17.6 million related to capitalization of expenditure for development. Depreciation and amortization in the first quarter 2021 totaled SEK -16.2 million, of which SEK -11.2 million related to amortization of capitalized expenditure for development.

CASH FLOW AND FINANCIAL POSITION INCLUDING DISCONTINUED OPERATIONS

From April 2021, only the continued operations (Media Networks business area) are included in the cash flow. The impact of discontinued operations on cash flow in previous periods is presented in table on page 11.

Cash flow from operating activities in the first quarter was SEK 58.0 (19.3) million. Total cash flow was SEK -1.2 (14.9) million. During the quarter, SEK 28.2 million (-) was received for the second half the NRE-fee from the 5G sync business mentioned in Revenue, a prepaid revenue that is recognized as revenue during the development of the new products for 5G synchronization. Payment of the first half of the NRE-fee was received at the end of 2021. During the quarter, a major repurchase program of own shares was completed, which had negative affected on cash flow of SEK -36.7 (-) million. Previous year included a net cash effect from the divestment of the Resource Optimization business area of SEK 15.1 million. More information about discontinued operations can be found in tables on page 11 and more information about the repurchase program can be found on page 13. Excluding the cash impact of the divestment of operations and repurchase of own shares, cash flow was SEK 35.5 (-1.0) million. The improvement is primarily driven by both improved earnings and tied up capital.

Cash and cash equivalents were SEK 353.7 million at the end of the period, against SEK 354.9 million as of 31 December 2021.

Remaining tax loss carry-forwards for group companies amounted to SEK 68.9 million at the end of the period, compared to SEK 79.4 million as of December 31, 2021. Deferred tax has been recognized for the tax loss carry-forwards. For more information, see the section Tax on page 13.

Equity was SEK 618.2 million at the end of the period, against SEK 646.5 million as of 31 December 2021. The equity/assets ratio was 76.1%, against 78.0% as of 31 December 2021. The fact that equity decreased despite a positive result during the year is due to the repurchase of own shares. For information about warrants, share repurchases and share structure, see the section Contributed equity on page 13.

EMPLOYEES

The average number of employees and consultants at Net Insight during the first quarter was 168 (153), of which 136 (124) in the parent company Net Insight AB (publ).

PARENT COMPANY

Parent company net sales were SEK 109.7 (77.9) million in the first quarter, and net income was SEK 7.5 (-67.2) million. The net financials in 2021 included result from participation in group companies of SEK -70.1 million, attributable to capital loss from divestment of subsidiaries. In the first quarter, intra-group sales totaled SEK 0.0 (0.0) million, and intra-group purchases SEK -15.6 (-12.0) million.

Progress in the parent company in the first quarter largely shadowed Group progress as indicated above (except for the effect of the sale of operations/subsidiaries).

RISK AND SENSITIVITY ANALYSIS

Net Insight's operations and results of operations are affected by a number of external and internal factors. The company conducts a continuous process to identify all risks present, and to assess how each risk should be managed.

Primarily, the risks the company is exposed to are market-related risks (including competition, technological progress and political risks), operational risks (including product liability, intellectual property, disputes, customer dependency and contract risks) as well as financial and sustainability-related risks.

At the end of 2021, the current situation of component shortages has meant increased uncertainty. In 2021, we did not see any significant negative effects of this, but we see a continued uncertainty in 2022. The war in Ukraine that began in the first quarter has contributed to increased uncertainty and risk associated with operations and the implementation of events, especially in Ukraine, Russia and Belarus. The company's exposure to these markets is extremely limited and the decision to comply with the sanctions in force at the time of reporting is therefore not considered to have any material impact on the company's operations, assets or earnings. However, how the war develops is difficult to predict and the company makes ongoing evaluations of the need to take action.

Except for this, no additional critical risks and uncertainty factors, other than those reviewed in the Annual Report for 2021, arose during the period or are anticipated in 2022.

For a complete review of the company's risk and sensitivity analysis, and its risk management process, see pages 46-47, 48-49 and 67-68 of the Annual Report for 2021.

SEASONALITY

In the past three calendar years, average seasonality has been fairly modest. However, there is a certain variation in revenue between the quarters due to the fact that in some quarters there is a concentration of large business.

CONSOLIDATED INCOME STATEMENT, IN SUMMARY

SEK thousands	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Continued operations				
Net sales	109,713	77,938	412,462	380,687
Cost of sales	-41,723	-32,840	-161,186	-152,303
Gross earnings	67,990	45,098	251,276	228,384
Sales and marketing expenses	-31,019	-23,015	-112,312	-104,308
Administration expenses	-13,534	-13,092	-52,319	-51,877
Development expenses	-13,340	-13,716	-52,587	-52,963
Other operating income and expenses	592	7,850	280	7,538
Operating earnings	10,689	3,125	34,338	26,774
Net financial items	-131	1,536	267	1,934
Profit/loss before tax	10,558	4,661	34,605	28,708
Tax	-2,400	-748	-6,558	-4,906
Net income continued operations	8,158	3,913	28,047	23,802
Discontinued operations, net after tax	-	-36,926	-	-36,926
Net Income	8,158	-33,013	28,047	-13,124
Net income for the period attributable to the shareholders of the parent company	8,158	-33,013	28,047	-13,124

Earnings per share, based on net income attributable to the parent company's shareholders during the period	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Earnings per share from continued operations				
-Basic, SEK	0.02	0.01	0.07	0.06
-Diluted, SEK	0.02	0.01	0.07	0.06
Earnings per share including discontinued operations				
-Basic, SEK	0.02	-0.09	0.07	-0.03
-Diluted, SEK	0.02	-0.09	0.07	-0.03
Average number of outstanding shares in thousands				
-Basic	373,971	382,758	379,877	382,162
-Diluted	377,026	383,206	382,500	384,174

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK thousands	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Net income	8,158	-33,013	28,047	-13,124
Other comprehensive income				
<i>Items that may be reclassified subsequently to the income statement</i>				
Translation differences	191	80	561	450
Total other comprehensive income, after tax	191	80	561	450
Total other comprehensive income for the period	8,349	-32,933	28,608	-12,674
Total comprehensive income for the period attributable to the shareholders of the parent company	8,349	-32,933	28,608	-12,674

CONSOLIDATED BALANCE SHEET, IN SUMMARY

SEK thousands	31 Mar 2022	31 Dec 2021
ASSETS		
Non-current assets		
Capitalized expenditure for development	167,573	158,263
Goodwill	38,751	38,751
Other intangible assets	1,705	1,950
Right-of-use assets	31,711	33,614
Equipment	18,679	19,293
Deferred tax asset	14,693	16,888
Deposits	4,729	4,784
Total non-current assets	277,841	273,543
Current assets		
Inventories	52,157	53,712
Accounts receivable	89,447	106,069
Other receivables	38,960	40,436
Cash and cash equivalents	353,660	354,863
Total current assets	534,224	555,080
TOTAL ASSETS	812,065	828,623
EQUITY AND LIABILITIES		
Equity attributable to parent company's shareholders		
Share capital	15,597	15,597
Other paid-in capital	1,192,727	1,192,727
Translation reserve	374	183
Accumulated deficit	-590,483	-561,979
Total shareholders' equity	618,215	646,528
Non-current liabilities		
Lease liabilities	22,920	24,914
Other liabilities	12,867	11,378
Total non-current liabilities	35,787	36,292
Current liabilities		
Lease liabilities	9,345	9,286
Accounts payable	15,499	36,588
Other liabilities	133,219	99,929
Total current liabilities	158,063	145,803
TOTAL EQUITY AND LIABILITIES	812,065	828,623

CHANGES IN CONSOLIDATED EQUITY, IN SUMMARY

SEK thousands	Attributable to parent company's shareholders				Total shareholders' equity
	Share capital	Other paid-in capital	Translation reserve	Accumulated deficit	
January 1, 2021	15,597	1,192,727	-267	-515,441	692,616
Repurchase of own shares	-	-	-	-33,414	-33,414
Total comprehensive income	-	-	450	-13,124	-12,674
December 31, 2021	15,597	1,192,727	183	-561,979	646,528
January 1, 2022	15,597	1,192,727	183	-561,979	646,528
Repurchase of own shares	-	-	-	-36,662	-36,662
Total comprehensive income	-	-	191	8,158	8,349
March 31, 2022	15,597	1,192,727	374	-590,483	618,215

CONSOLIDATED STATEMENT OF CASH FLOWS INCLUDING DISCONTINUED OPERATIONS

SEK thousands	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Ongoing activities				
Profit/loss before tax	10,558	-32,333	34,605	-8,286
Income tax paid	-119	-	-901	-782
Depreciation & amortization	14,881	16,168	58,774	60,061
Other items not affecting liquidity	1,057	27,596	8,060	34,599
Cash flow from operating activities before changes in working capital	26,377	11,431	100,538	85,592
Changes in working capital				
Increase-/decrease+ in inventories	372	-4,645	400	-4,617
Increase-/decrease+ in receivables	17,984	-3,491	-17,192	-38,667
Increase+/decrease- in liabilities	14,067	15,974	59,501	61,408
Cash flow from operating activities	58,800	19,269	143,247	103,716
Investment activities				
Capitalized expenditure	-20,561	-17,563	-62,583	-59,585
Investment in tangible assets	-827	-552	-2,400	-2,125
Disposal of subsidiary, net effect on cash	-	15,129	55,213	70,342
Cash flow from investment activities	-21,388	-2,986	-9,770	8,632
Financing activities				
Amortization leasing	-1,935	-2,190	-7,636	-7,891
Repurchase of own shares	-36,662	-	-70,076	-33,414
Cash flow from financing activities	-38,597	-2,190	-77,712	-41,305
Net change in cash and cash equivalents	-1,185	14,093	55,765	71,043
Exchange differences in cash and cash equivalents	-18	1,028	-410	636
Cash and cash equivalents at the beginning of the period	354,863	283,184	298,305	283,184
Cash and cash equivalents at the end of the period	353,660	298,305	353,660	354,863

DISAGGREGATION OF REVENUE

SEK thousands	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Net sales by product group				
Hardware	44,883	34,855	177,452	167,424
Software licenses	17,921	15,314	79,537	76,930
Support and Services*	46,909	27,769	155,473	136,333
Total	109,713	77,938	412,462	380,687
Net sales by region**				
EMEA	61,067	45,692	242,811	227,436
AM	37,978	25,318	129,576	116,916
APAC	10,668	6,928	40,075	36,335
Total	109,713	77,938	412,462	380,687
Timing of revenue recognition				
Products and services transferred at a point in time	62,813	50,201	257,027	244,415
Services transferred over time*	46,900	27,737	155,435	136,272
Total	109,713	77,938	412,462	380,687

*) Of which NRE fee; 7.1 MSEK in Q1 2022 and 4.7 MSEK in Q4 2021.

***) The regional follow-up was changed on 1 January 2022. Comparative periods have been recalculated.

FINANCIAL ASSETS AND LIABILITIES

Group's financial instruments by category - Assets	Mar 31, 2022			31 Dec 2021		
	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss
SEK thousands						
Assets in Balance Sheet						
Derivative instruments	2		-	2		-
Accounts receivable and other receivables, excluding non-financial assets		105,515			116,705	
Cash and cash equivalents		353,660			354,863	
Total		459,175	-		471,568	-

Group's financial instruments by category - Liabilities	Mar 31, 2022			31 Dec 2021		
	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss	Value-tier	Measured at amortized cost	Measured at fair value through profit or loss
SEK thousands						
Liabilities in Balance Sheet						
Synthetic options	2		-	2		-
Derivative instruments	2		1,590	2		2,104
Accounts payable and other liabilities, excluding non-financial liabilities		25,033			41,964	
Lease liabilities		32,265			34,200	
Total		57,298	1,590		76,164	2,104

Financial instruments in tier 2

The fair value of derivative instruments is measured using exchange rates of currency forwards on the reporting date. The closing balance for synthetic options represents the total assessed value of a number of outstanding options, which has been measured on the basis of accepted market principles and are based on Net Insight's share price.

INCOME FROM DISCONTINUED OPERATIONS

SEK thousands	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Revenues	-	15,101	-	15,101
Expenses	-	-16,176	-	-16,176
Capital gain/loss on disposal of discontinued operations	-	-35,919	-	-35,919
Profit/loss before tax	-	-36,994	-	-36,994
Tax	-	68	-	68
Net income discontinued operations	-	-36,926	-	-36,926

ASSETS HELD FOR SALE

SEK thousands	Jan-Mar	Jan-Dec
	2021	2021
Disposed assets and liabilities		
Capitalized expenditure for development	70,198	70,198
Goodwill	22,932	22,932
Other intangible assets	3,642	3,642
Right-of-use assets	3,617	3,617
Equipment	2,688	2,688
Deferred tax asset	6,261	6,261
Deposits	407	407
Accounts receivable	7,916	7,916
Other receivables	1,859	1,859
Cash and cash equivalents	2,274	2,274
Lease liabilities, non-current	-2,593	-2,593
Other liabilities, non-current	-5,862	-5,862
Lease liabilities	-1,291	-1,291
Accounts payable	-1,702	-1,702
Other liabilities	-32,596	-32,596
Net assets and liabilities	77,750	77,750
Cash consideration	49,538	49,538
Less: Escrow	-24,428	-24,428
Less: Cash and cash equivalents in discontinued operations	-2,274	-2,274
Less: Transaction costs	-7,707	-7,707
Effect on group's cash and cash equivalents	15,129	15,129
Final settlements	-	55,213
Disposal of subsidiary, net effect on cash	15,129	70,342

CASHFLOW FROM DISCONTINUED OPERATIONS

SEK thousands	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Cash flow from discontinued operations, net				
Cash flow from operating activities	-	899	-	899
Cash flow from investment activities	-	11,960	55,213	67,173
Cash flow from financing activities	-	-	-	-
Cash flow from discontinued operations, net	-	12,859	55,213	68,072

PARENT COMPANY INCOME STATEMENT, IN SUMMARY

SEK thousands	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Net sales	109,655	77,879	412,229	380,453
Cost of sales	-41,689	-31,768	-161,935	-152,014
Gross earnings	67,966	46,111	250,294	228,439
Sales and marketing expenses	-31,600	-28,411	-110,391	-107,202
Administration expenses	-13,593	-13,278	-51,794	-51,479
Development expenses	-13,975	-10,413	-57,700	-54,138
Other income expenses	732	7,767	-5,125	1,910
Operating earnings	9,530	1,776	25,284	17,530
Net financial items	129	-68,274	1,788	-66,615
Profit/loss before tax	9,659	-66,498	27,072	-49,085
Tax	-2,166	-708	-6,026	-4,568
Net income	7,493	-67,206	21,046	-53,653

PARENT COMPANY BALANCE SHEET, IN SUMMARY

SEK thousands	31 Mar 2022	31 Dec 2021
ASSETS		
Non-current assets		
Capitalized expenditure for development	167,573	158,263
Other intangible assets	1,705	1,950
Equipment	17,232	17,686
Participations in group companies	174,895	174,895
Deferred tax asset	14,185	16,350
Deposits	4,628	4,686
Total non-current assets	380,218	373,830
Current assets		
Inventories	52,157	53,712
Accounts receivable	90,029	106,676
Other receivables	41,092	42,680
Cash and cash equivalents	341,390	350,422
Total current assets	524,668	553,490
TOTAL ASSETS	904,886	927,320
EQUITY AND LIABILITIES		
Equity		
Restricted equity	234,838	221,277
Non-restricted equity	345,664	388,394
Total equity	580,502	609,671
Non-current liabilities		
Other liabilities	12,539	11,190
Total non-current liabilities	12,539	11,190
Current liabilities		
Accounts payable	15,273	36,376
Liabilities to group companies	166,870	173,810
Other liabilities	129,702	96,273
Total current liabilities	311,845	306,459
TOTAL EQUITY AND LIABILITIES	904,886	927,320

ACCOUNTING POLICIES

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations of the Swedish Annual Accounts Act. The Interim Report of the parent company complies with chapter 9 of the Swedish Annual Accounts Act, Interim Financial Reporting, and RFR 2 Accounting for Legal Entities.

Disclosures in accordance with IAS 34 are presented in the interim financial statements and the associated notes as well as elsewhere in the interim financial report.

There are no new or amended International Financial Reporting Standards (IFRS) that have had a material impact on the Company's financial reporting.

The same accounting principles and basis of calculation as those used in the latest Annual Report have been applied to the group and parent company. For a description of these accounting principles, please refer to the Annual Report for 2021.

The preparation of the Interim Report requires management to make judgements, estimates and assumptions that affect the company's earnings and position and information presented generally. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. For a description of these estimates and assumptions, please refer to the Annual Report for 2021.

Figures in brackets in this report refer to comparison with the corresponding period or date in the previous year, if not stated otherwise. Divergences due to rounding may occur in this report.

TAX

The group reported tax of total SEK -2.4 (-0.7) million for the period January–March 2022, of which SEK -2.4 (-0.7) million relates to continuing operations. Reported tax corresponds to an effective tax rate of 22.7 (-0.7) percent and 22.7 (16.0) percent, respectively. In 2021, the group recognized a capital loss/gain from discontinued operations of SEK -35.9 million, which is a non-taxable income. The effective tax rate is also affected by the relative effects of foreign tax rates and temporary differences.

Remaining tax loss carry-forwards for group companies amounted to SEK 68.9 million at the end of the period, compared to SEK 79.4 million as of December 31, 2021. Deferred tax has been recognized for the tax loss carry-forwards.

CONTRIBUTED EQUITY

The 2021 AGM resolved to authorize the board of directors to resolve to repurchase, on one or several occasions until the next annual general meeting, as many own shares as may be purchased without the company's holding at any time exceeding ten per cent of the total number of shares in the company. Further, the AGM resolved to authorize the board of directors to resolve on one or several occasions until the next annual general meeting, to transfer (sell) own shares.

At the Board meeting on November 8, 2021, the board of Directors of Net Insight AB decided to utilize the repurchase mandate given at the AGM and begin to repurchase own shares. The repurchase commenced on November 11, 2021, and will last until the AGM on May 13, 2022, and will amount to at most 16 million shares or SEK 70 million.

The repurchase program run during the period November 2021 to March 2022 when the parent company acquired 14,000,000 of its own class B shares through purchases on Nasdaq Stockholm for a total amount of SEK 70.1 million, including transaction costs, of which 8,550,000 shares during the period January-March 2022 for SEK 36.7 million.

At the end of the reporting period, the parent company had a total of 21,175,000 of its own class B shares, at an average cost of SEK 4.81 per share and with a par value of SEK 0.04 per share. The shares are held as own shares. The parent company has the right to reissue these shares at a later date.

All shares issued by the parent company were fully paid.

The Board intends to apply for authorization from the 2022 Annual General Meeting regarding cancellation of previously repurchased shares and a new mandate for repurchase of own shares.

The Company has two warrant programs where management and key personnel acquired a total of 3,055,000 warrants for a market premium. The warrants have a vesting period of three years, after which the holder has the right to exercise the warrants for subscription of B shares in the parent company for a period of three months at an exercise price of SEK 2.80 and SEK 2.00 respectively. When calculating earnings per share, a dilution effect arises when the average price for the period exceeds the exercise price for the warrants. For more information about the programs and the accounting principles, see Note 7 in the 2021 Annual Report.

The division of shares	31 Mar, 2022			31 Dec, 2021		
	A-shares	B-shares	Total	A-shares	B-shares	Total
Outstanding shares	1,000,000	367,758,009	368,758,009	1,000,000	376,308,009	377,308,009
Repurchased own shares	-	21,175,000	21,175,000	-	12,625,000	12,625,000
Issued shares	1,000,000	388,933,009	389,933,009	1,000,000	388,933,009	389,933,009

TRANSACTIONS WITH RELATED PARTIES

No transactions with related parties during the period.

AUDITORS' REVIEW

This Report has not been reviewed by the company's auditors.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after the end of the reporting period.

THIS IS NET INSIGHT

Business concept and model

Net Insight is defining new ways to deliver media. Net Insight is driving the transformation of video networks with open IP, virtualized and cloud solutions that enable our customers to simply and cost-effectively create live experiences.

With the product area Media Networks, Net Insight is opening up new routes for customers to produce and deliver content to viewers anywhere. Revenues are generated through sales of hardware and software solutions and services.

Strategy

Net Insight wants to set the benchmark for media transport and help broadcasters, production companies, service providers and enterprises to transform their media businesses – enabling them to benefit from new software defined, virtual and distributed media workflows, without discarding their existing hardware investments. Net Insight wants to empower customers to work smarter through remote/distributed production and flexible networks.

Net Insight is technology agnostic and has built the market's most open and cloud-ready video centric media delivery platform, allowing customers to deliver content on any network, their way.

The main strategic objective is to accelerate growth, in both existing and closely related market and customer segments. This will be achieved through a combination of leveraging our unique portfolio and our industry expertise, strengthened solutions competitiveness, and improved internal execution.

Value creators

The solutions are deployed by the world's leading media brands to keep their mission-critical media networks running smoothly. New technology is enabling these players to adopt new, more cost efficient and flexible ways to produce and deliver content. Net Insight can play an important role to support our customers making this gradual transition.

Net Insight benefits from underlying market trends like the general increase in video traffic, live streaming and file-based transfers. Other trends supporting the company's growth prospects include the broader coverage of live events, move towards remote production and increased use of Internet and cloud for media production and transport.

REPORTING DATES

Annual General Meeting
Interim report January – June
Interim report January – September

May 13, 2022
July 20, 2022
November 8, 2022

Solna, Sweden, April 29, 2022

Crister Fritzson
CEO

This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish interim report and the English translation the former shall have precedence.

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This information is information that Net Insight AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 7:30 am CEST on April 29, 2022.

FINANCIAL INFORMATION

SEK millions (if not defined differently)	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Earnings continued operations				
Net sales	109.7	77.9	412.5	380.7
Gross earnings	68.0	45.1	251.3	228.4
Operating expenses	57.9	49.8	217.2	209.1
Total development expenditure	33.9	28.1	115.2	109.4
EBITDA	25.6	17.0	93.1	84.5
EBITDA 2	5.0	2.6	30.5	28.1
Operating earnings	10.7	3.1	34.3	26.8
Profit/loss before tax	10.6	4.7	34.6	28.7
Net income	8.2	3.9	28.0	23.8
Balance sheet and cash flow including discontinued operations				
Cash and cash equivalents	353.7	298.3	353.7	354.9
Working capital	47.8	71.2	66.4	73.1
Total cash flow	-1.2	14.1	55.8	71.0
The share				
Dividend per share, SEK	-	-	-	-
Earnings per share, basic continued operations, SEK	0.02	0.01	0.07	0.06
Earnings per share, diluted continued operations, SEK	0.02	0.01	0.07	0.06
Earnings per share including discontinued operations, basic, SEK	0.02	-0.09	0.07	-0.03
Earnings per share including discontinued operations, diluted, SEK	0.02	-0.09	0.07	-0.03
Cash flow per share, basic, SEK	-0.00	0.04	0.15	0.19
Cash flow per share, diluted, SEK	-0.00	0.04	0.15	0.18
Equity per share basic, SEK	1.65	1.72	1.65	1.69
Equity per share diluted, SEK	1.64	1.72	1.64	1.68
Average number of outstanding shares basic, thousands	373,971	382,758	379,877	382,162
Average number of outstanding shares diluted, thousands	377,026	383,206	382,500	384,174
Number of outstanding shares at the end of the period, basic, thousands	368,758	382,758	368,758	377,308
Number of outstanding shares at the end of the period, diluted, thousands	371,813	383,653	371,813	380,363
Share price at end of period, SEK	4.04	2.61	4.04	6.62
Employees and consultants continued operations				
Average number of employees and consultants	168	153	159	154
KPI continued operations				
Net sales YoY, change in %	40.8%	2.6%	23.5%	14.6%
Gross margin	62.0%	57.9%	60.9%	60.0%
Total development expenditure/Net sales	30.9%	36.1%	27.9%	28.7%
Operating margin	9.7%	4.0%	8.3%	7.0%
EBITDA margin	23.3%	21.8%	22.6%	22.2%
EBITDA 2 margin	4.6%	3.3%	7.4%	7.4%
Net margin	7.4%	5.0%	6.8%	6.3%
KPI Group including discontinued operations				
Return on capital employed	5.0%	-1.2%	4.8%	3.9%
Equity/asset ratio	76.1%	82.4%	76.1%	78.0%
Return on equity	4.3%	-6.3%	4.3%	-2.0%

ALTERNATIVE PERFORMANCE MEASURES AND OTHER DEFINITIONS

Non-IFRS financial measures are presented to enhance an investors and management possibility to evaluate the ongoing operating results, to aid in forecasting future periods and to facilitate meaningful comparison of result between periods. The APMs in this report may differ from similar-titled measures used by other companies. APMs regarding to the income statement are calculated on continuing operations unless otherwise stated. APMs regarding the balance sheet are calculated on the whole group including discontinuing operations, unless otherwise stated.

Calculation of performance measures not included in IFRS framework

Performance measures			Various types of performance measures and margin measures as a percentage of sales.		
Non-IFRS performance measures		Description	Reason for use of the measure		
Gross margin	Gross earnings as a percentage of net sales.	The gross margin is of major importance, showing the margin for covering the operating expenses.			
Gross margin excl. amortization of capitalized development	Gross earnings excl. amortization of capitalized development as a percentage of net sales.				
Operating expenses	Sales and marketing expenses, administration expenses and development expenses.				
Operating expenses/net sales	Operating expenses as a percentage of net sales.	Used in charts to illustrate trend.			
Operating earnings	Calculated as operating earnings before financial items and tax.	Operating earnings provides an overall picture of earnings generated in the operating activities.			
Operating margin	Operating earnings as a percentage of net sales.	The operating margin is a key measure together with sales growth and capital employed for monitoring value creation.			
Net sales YoY, change in %	The relation between net sales for the period and the corresponding sales for the comparative period in previous year.	The sales growth is a key measure together with operating margin and capital employed for monitoring value creation.			
Change in Net sales in comparable currencies	The relation between the net sales for the period, recalculated using the foreign currency rates from the comparative period, and the corresponding sales for the comparative period in previous year. Only sales from business combinations that has been part of the Group for the whole comparative period are recalculated.	This measure is of major importance for management in its monitoring of underlying sales growth driven by changes in volume, price and product mix for comparable currency rates between different periods.			
Net margin	Net Income as a percentage of net sales.	The net margin shows the remaining share of net sales after all the company's costs have been deducted.			
Total development (R&D) expenditure	Development expenses and capitalized expenditures for development.	The measure is a good complement to development expenses, as it shows the company's total expenditure in development. The development expenditures effect on income, financial position, and presentation in the statement of cashflow is affected by the periods level of capitalized development expenditures.			
Capitalization rate	Capitalized development expenditures as a percentage of total development expenditures.				
Total development (R&D) expenditure/net sales	Total development expenditure as percentage of net sales.				
EBITDA	Operating earnings before depreciation and amortization.	The measures are good complements to operating earnings and margin as it, simplified, shows the earnings-generated cash flow in the operation and it shows operating earnings without influence of variations in the level of capitalized development expenditures in the company's development projects.			
EBITDA-2	Operating earnings before depreciation and amortization and capitalization of development expenditure.				
EBITDA & EBITA-2 margin	EBITDA & EBITDA-2 as a percentage of net sales.				
Regions	Regions. <ul style="list-style-type: none"> • EMEA – Europe, the Middle East and Africa. • Americas (AM) - North and South America. • APAC – Asia and Pacific. 	The regional follow-up was changed on 1 January 2022. Comparative periods have been recalculated.			

Change in net sales in comparable currencies SEK millions (if not defined differently)	Jan-Mar		Jan-Dec
	2022	2021	2021
Net sales	109.7	77.9	380.7
Net currency effect of comparable currencies	-6.1	6.8	14.9
Net sales in comparable currencies	103.6	84.8	395.6
Change in net sales in comparable currencies	32.9%	11.6%	19.1%

KPI Income Statement SEK millions (if not defined differently)	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Continued operations				
Net sales	109.7	77.9	412.5	380.7
<i>Net sales YoY, change in %</i>	40.8%	2.6%	23.5%	14.6%
Cost of sales ex. amortization of capitalized development	-30.5	-23.0	-116.9	-109.4
Gross earnings ex. amortization of capitalized development	79.2	54.9	295.6	271.3
<i>Gross margin ex. amortization of capitalized development</i>	72.2%	70.5%	71.7%	71.3%
Cost of sales amortization of capitalized development	-11.3	-9.9	-44.3	-42.9
Gross earnings	68.0	45.1	251.3	228.4
<i>Gross margin</i>	62.0%	57.9%	60.9%	60.0%
Sales and marketing expenses	-31.0	-23.0	-112.3	-104.3
Administration expenses	-13.5	-13.1	-52.3	-51.9
Development expenses	-13.3	-13.7	-52.6	-53.0
Operating expenses	-57.9	-49.8	-217.2	-209.1
<i>Operating expenses/net sales</i>	52.8%	63.9%	-52.7%	54.9%
Other operating income and expenses	0.6	7.9	0.3	7.5
Operating earnings	10.7	3.1	34.3	26.8
<i>Operating margin</i>	9.7%	4.0%	8.3%	7.0%
Net financial items	-0.1	1.5	0.3	1.9
Profit/loss before tax	10.6	4.7	34.6	28.7
Tax	-2.4	-0.7	-6.6	-4.9
Net income continued operations	8.2	3.9	28.0	23.8
Net margin continued operations	7.4%	5.0%	6.8%	6.3%
Discontinued operations, net after tax	-	-36.9	-	-36.9
Net Income	8.2	-33.0	28.0	-13.1

EBITDA margin continued operations SEK millions (if not defined differently)	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Net sales	109.7	77.9	412.5	380.7
Operating earnings	10.7	3.1	34.3	26.8
Amortization of capitalized development expenditure	11.3	9.9	44.3	42.9
Other depreciation, amortization & impairment	3.6	4.0	14.4	14.8
EBITDA	25.6	17.0	93.1	84.5
EBITDA margin	23.3%	21.8%	22.6%	22.2%
Capitalization of development expenditure	-20.6	-14.4	-62.6	-56.4
EBITDA 2	5.0	2.6	30.5	28.1
EBITDA 2 margin	4.6%	3.3%	7.4%	7.4%

Development expenditure continued operations SEK millions (if not defined differently)	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Development expenses	13.3	13.7	52.6	53.0
Capitalization of development expenditure	20.6	14.4	62.6	56.4
Total development expenditure	33.9	28.1	115.2	109.4
Capitalization rate	60.7%	51.2%	54.3%	51.6%
Net Sales	109.7	77.9	412.5	380.7
Total development expenditure/net sales	30.9%	36.1%	27.9%	28.7%

Capital and return measures	Shows how capital is utilized and the company's financial strength. Return is a financial term that describes how much the value of an asset changes from an earlier point in time.	
Non-IFRS performance measure	Description	Reason for use of the measure
Working capital	Current assets less cash and cash equivalents, accounts payable and other interest-free current liabilities. The Company has no interest-bearing liabilities, excluding lease liabilities. Changes in working capital in the cash flow statement also includes adjustments for items not affecting liquidity and changes in non-current operating assets and liabilities.	This measure shows how much working capital that is tied up in the operations and can be put in relation to sales to understand how effectively tied up working capital is used.
Capital employed	The Company capital employed is calculated as an average of total assets, less total liabilities, excluding interest-bearing liabilities. The Company has no interest-bearing liabilities, excluding lease liabilities.	Return on capital employed is the central ratio for measuring the return on the capital tied up in operations.
Return on capital employed	Operating earnings plus interest income, in relation to average capital employed, rolling four quarters.	
Equity/asset ratio	Shareholders' equity divided by the balance sheet total.	A traditional measure for showing financial risk, expressing the ratio of the assets that is financed by the owners.
Return on equity	Net income as a percentage of average shareholders' equity, rolling four quarters (R4Q).	Return on equity shows the total return on shareholders' capital and reflects the effect of the company's profitability as well as the financial leverage. The measure is primarily used to analyze shareholder profitability over time.
Investments	Investments in intangible and tangible assets.	
Total cash flow	Change in cash and cash equivalents during the period, excluding exchange differences in cash and cash equivalents.	

Working capital SEK millions	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Current assets	544.7	459.8	507.7	491.7
Cash and cash equivalents	-354.3	-290.7	-332.2	-318.1
No interest-bearing short term liabilities	-142.6	-97.9	-109.1	-100.5
Working capital	47.8	71.2	66.4	73.1

Return on capital employed including discontinued operations SEK millions (if not defined differently)	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
<i>Capital employed</i>				
Total balance	820.2	831.5	810.0	820.1
No interest-bearing liabilities	-154.7	-112.6	-120.4	-112.9
Capital employed	665.4	718.9	689.6	707.1
<i>Operating earnings less interest income R4Q</i>				
Operating earnings R4Q	34.3	-8.2	34.3	28.7
Interest income R4Q	1.2	0.6	1.2	1.1
Operating earnings less interest income R4Q	33.1	-8.8	33.1	27.6
Return on capital employed	5.0%	-1.2%	4.8%	3.9%

Equity/asset ratio SEK millions (if not defined differently)	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Equity	618.2	659.7	618.2	646.5
Total equity and liabilities	812.1	800.8	812.1	828.6
Equity/asset ratio	76.1%	82.4%	76.1%	78.0%

Return on equity including discontinued operations SEK millions (if not defined differently)	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Net income - R4Q	28.0	-44.0	28.0	-13.1
Average equity - R4Q	653.6	698.2	653.6	668.5
Return on equity	4.3%	-6.3%	4.3%	-2.0%

Shareholders' information		Measures related to the share.	
Non-IFRS performance measure	Description	Reason for use of the measure	
Dividend per share	Dividend divided by the average number of outstanding shares during the period.	Measures showing the return of the business to the owners, per share.	
Earnings per share (EPS)	Net income divided by the average number of outstanding shares during the period.		
Cash flow per share	Total cash flow, divided by average number of outstanding shares during the period.		
Equity per share	Shareholders' equity divided by number of outstanding shares at the end of the period.		
Average number of outstanding shares	Total number of shares in the Parent company, less the number of group companies' holdings of shares in the Parent company (own/treasury shares).		

Employees		Measures related to employees.	
Non-IFRS performance measure	Description	Reason for use of the measure	
Average number of employees and consultants/co-workers	The average number of employees and consultants for non-temporary positions (longer than nine months) and who do not replace absent employees, in FTE (Full-time equivalent).	To supplement the number of employees with consultants gives a better measure of the Company's cost.	

Average number of employees and consultants	Jan-Mar		Apr 2021-	Jan-Dec
	2022	2021	Mar 2022	2021
Average number of employees	128	169	129	139
Average number of consultants	40	28	30	26
Total average number of employees and consultants	168	197	159	165
Average number of employees and consultants discontinued operations	-	-44	-	-11
Net Average number of employees and consultants continued operations	168	153	159	154

MATERIAL PROFIT AND LOSS ITEMS

The group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the group:

Material profit and loss items, continued operations		Jan-Mar		Apr 2021-	Jan-Dec
SEK millions	Note	2022	2021	Mar 2022	2021
Effects of the Net Insight share price development during the period					
Share-based benefits	(a)	0.2	-0.2	-0.0	-0.4
Synthetic options, change in value	(b)	-	-	-0.6	-0.6
Total		0.2	-0.2	-0.7	-1.1
Exchange rate differences					
Part of Other operating income & expenses		0.5	7.6	-0.4	6.6
Part of Net Financial Items		-0.1	1.8	0.8	2.7
Total Exchange rate differences		0.5	9.3	0.4	9.3
Government grants Covid-19					
Reduction of employee expenses		-	0.8	-	0.8
Other operating income		-	0.1	-0.3	-0.2
Total		-	0.9	-0.3	0.6
Items affecting comparability					
Restructuring	(c)	-	-	-0.8	-0.8
Government grants Covid-19, other operating income	(d)	-	0.1	-0.3	-0.2
Adjustment cost for advisory services disposal of discontinued operations	(e)	-	-	0.4	0.4
Total		-	0.1	-0.8	-0.7
Operating earnings excluding items affecting comparability					
Operating earnings		10.7	3.1	34.3	26.8
Items affecting comparability, as per above		-	-0.1	0.8	0.7
Total		10.7	3.0	35.1	27.4
Operating earnings excluding exchange rate differences					
Operating earnings		10.7	3.1	34.3	26.8
Exchange rate differences, as per above		-0.5	-7.6	0.4	-6.6
Total		10.2	-4.4	34.8	20.2
Operating earnings excluding exchange rate differences & items affecting comparability					
Operating earnings		10.7	3.1	34.3	26.8
Exchange rate differences, as per above		-0.5	-7.6	0.4	-6.6
Items affecting comparability, as per above		-	-0.1	0.8	0.7
Total		10.2	-4.6	35.6	20.8
Cash Flow excluding disposal of subsidiary, net effect on cash, and repurchase of own shares					
	(f)				
Net change in cash and cash equivalents		-1.2	14.1	55.8	71.0
Disposal of subsidiary, net effect on cash		-	-15.1	-55.2	-70.3
Repurchase of own shares		36.7	-	70.1	33.4
Total		35.5	-1.0	70.6	34.1

All items in the table above effects operating earnings, except for (b) that effects net financial items and (f) that effects cash flow.

- (a) Share-based benefits are value changes in amounts held in escrow for participation in the synthetic share program.
- (b) During 2015-2019, Net Insight issued synthetic option programs. The synthetic options are revaluated on a current basis to fair value by applying an options valuation model. The changes in value during the term of the options, 3 years, are presented as a financial item. To financially hedge future cash flow effects of the company's commitments in the synthetic option programs, if the share price would exceed the strike price, the parent company has repurchased its own shares. The repurchased of own shares is deducted from equity, retained earnings, and are not revaluated to fair value on a current basis.
- (c) Severance pay in due to structural changes.
- (d) Covid-19 related government grants for personnel and other resources that still contribute to creating value for the Company.
- (e) During the second quarter of 2021, the final costs for advisory services in connection with the divestment of business area Resource Optimization (ScheduALL), which is presented as other operating income.
- (f) Presenting the cash flow without effects from divestments of the Resource Optimization (ScheduALL operations) and Streaming Solutions (Sye operations) business areas and the repurchase program of own shares provides a better understanding and comparison of the underlying operations' cash flow.

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