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# Net Insight

Q2 2025



## Speakers



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## Prepared Remarks

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**Andreas Joelsson**  
Senior Equity Research Analyst | DNB Carnegie

Good morning, everyone, and welcome to this Q2 presentation from Net Insight. I am Andreas Joelsson, responsible for the coverage of Net Insight here at DNB Carnegie. With me in the studio, I have Net Insight's CEO, Crister Fritzson, and CFO, Cecilia Höjgård Höök. Before I hand over to you, I will encourage everyone to send in your questions in the chat function that you find on the same webpage as you see me right now. Please send in the questions, and I will read them after the presentation. With that, I hand over to Crister and Cecilia.



**Crister Fritzson**  
CEO | Net Insight

Thank you, Andreas, and everyone, welcome to the Q2 report for Net Insight. The agenda for today is that we will go through the highlights during the quarter and the business overview, and we will start with media and time synchronization followed by that. Cecilia will go through the financials, and then we will do a sum up of the Q2. As Andreas was saying, we will have a Q&A after our presentation. If you look into the Q2 result, I'm so happy to see that the revenue is coming back, and we have an increased revenue compared with Q4 and Q1, and that's glad to see. Also, if you compare with last year Q2, we have an increase if we take out the one-off software deal that we received in Q2 2024 and have the currency effect also excluded. Then we have a 4% growth quarter to quarter.



**Crister Fritzson**  
CEO | Net Insight

That's really great to see. We see still that the market remains very uncertain and the risk of delayed orders. I mean, the orders are in the market, but they can be delayed or move out to the next quarter, so they're not disappearing. That's the same as we have seen in the last two quarters, that there's a high activity level in the market. We see a strong demand for our product and service, both in the media part of the business and in the time synchronization.



**Crister Fritzson**  
CEO | Net Insight

If you look into the Q2 and the different deals that we have made during Q2, we are so happy to announce that we have received one of our largest media deals ever in the company history, and that definitely demonstrates our competitiveness and strong position in the key growth areas that we are investing in and what we have invested in in the last three to four years. It's a high-capacity solution that we have delivered, and it's IP-based and remote production. That's specifically those areas that we have invested in in the last years. During the quarter, we secured our first time synchronization deal in the media market. We know that in the media market, when we are moving over to IP, the media market needs PPP, time synchronization.



**Crister Fritzson**  
CEO | Net Insight

During the Q2, we have developed the media profile for the time synchronization product that we have, and we secured a deal with one of the major global sports events. That's like a step into the media business that we have a strong position that we see that we can see growth in that area of our time synchronization product that we have. That's definitely a product that can be driven or a solution that can be driven off time as a service, and that can supply that service to the media market, which will drive volumes for us in the time synchronization product portfolio. We received a field trial order from a new 5G operator in North America during the quarter. We have not seen the growth in time synchronization we invested for during the last six months.



**Crister Fritzson**  
CEO | Net Insight

However, we continue to experience a strong interest and a strong demand from the 5G market, and robust synchronization is becoming a global priority. We see that definitely the 5G operator is looking to have a GPS/GNSS-independent solution. We see the government and regulatory bodies that really are focused on time synchronization and looking into how you should handle that without using the GPS or GNSS. To mitigate the effect of the temporarily hesitant market, we initiated a cost-saving program during the quarter that we announced in Q1, and the cost reduction that we will do is SEK 30 million on an annual basis, and it will have a full effect in Q1 2026 and gradually increase during Q3 and Q4 and be fully implemented in the beginning of next year.



**Crister Fritzson**  
CEO | Net Insight

If we move into the specific market and start with the media, it has definitely been an intense and eventful period for the media segment the first six months this year. We have launched a number of key products and features into the market, and we have started a strategic collaboration with other partners. Just a few examples. I mean, we can see that we have a partnership with NetIn Technology, that we integrated the AI solution into our cloud product. That definitely will strengthen our product and give a number of new features to our customer. We are deepening our partnership with Globecast in moving live support from satellite to cloud. You know that we have discussed that this is a growing area to move content from satellite to cloud. One driver is that the frequency band in the U.S.



**Crister Fritzson**  
CEO | Net Insight

is moved from satellite, which means that you need to take down capacity and solutions from satellite and move them over to cloud. That's definitely an area that we have been focused on, and we are glad to see that we have a close relation with one of the major satellite operators, Globecast. One thing that gets more and more important in our product solution is security of the content. When you move over to unmanaged, but also in a managed network, but definitely in an unmanaged network, we need to have security of the content that is transported. We have launched a new feature we call Facility Connect that gives that security, sorry, facility security that gives that security for the content moving in an unmanaged network.



**Crister Fritzson**  
CEO | Net Insight

A number of new features that we have launched strengthen our position in the market, which will over time, of course, gain new revenue streams. The major order that we secured in the U.S. reflects the broader market shift that demands for increased capacity at the venues. We have seen that for like two to three years that the increased capacity will move from the core out to the venues due to the fact this is more content distributed and many new features and functions and increased cameras at the venues. This is really one of the key trends that we see in the market that will drive our solution, and we are focused on the capacity. As you know, we are launching a 400 GW platform in this year, beginning of next year, which will strengthen our position.



**Crister Fritzson**  
CEO | Net Insight

This order reflects that 40 venues now are installed with a 100 GW platform, Nimbra 1060s. That is just a low number of venues that we see in the U.S. and a low number of the, this is to an existing customer, and they have a lot more venues that can be installed by the 1060 for increased capacity. This order was secured in a very high competition, which means that we see that our solutions are really strong and we can go up against competitors and winning deals like this. It is really glad to see that the SEK 6 million orders are coming in, and we have started to deliver that in Q2, and we will continue in the second half of this year.



**Crister Fritzson**  
CEO | Net Insight

If you look into the high-capacity product, the 1060, it is actually doubled if you see from 2022 to 2026, going from 30% of our revenue to 26% of revenue, showing the trend that you see that high-capacity products will grow over time. The high significant part of our sales is based on our new product that we have developed, IP-based solution and cloud solution. That is really taking off, and we see that there is a high demand of those products in the market. As I mentioned, we will launch the 400 GW platform that will secure our strong position in high-capacity offering to the media market. Moving over to time synchronization, the need of GPS/GNSS-independent solution is growing. I know that we have been saying that for a number of quarters, but it's still increasing.



**Crister Fritzson**  
CEO | Net Insight

I don't think any operator in the market realized that they need to handle the time synchronization in another way than they have done in the past. That is really obvious when we talk to operators, that the need of GPS/GNSS-independent solutions is increasing. We also see, of course, that the government is also looking into that. Regulators are also looking into that. We see in the U.S., FTC has started investigating to see how they should solve this. We see that the EU is looking into the vulnerability around the GPS synchronization. The U.K. has started. India has started. This is a trend that we see going forward that, of course, will drive the need for our product. That's a good trend and definitely is something that we will see in the future, increased demand. Currently, we have more than 15 existing customers.



**Crister Fritzson**  
CEO | Net Insight

We added two new customers during the quarter. As you can see, we have the same level of order book as we had in Q2. This is coming on from the customers that we have, which are in the rollout phase, had not placed any order during Q2. That's one of the reasons why we have, or that's the reason why we have a low revenue coming from the time synchronization. The good thing is that we see that in Turkey, the license process has started, and we see that the estimate is that they will issue the 5G license in Turkey during Q3, which means that Turk Telekom will move into the rollout phase in the second half of this year, beginning of next year. That will definitely drive volumes and revenue for us.



**Crister Fritzson**  
CEO | Net Insight

We see very positive progress with customers in the evaluation phase or early pilot testing is moving forward. We added two new major operators beginning testing our solution this quarter. We have a good trend and a good progress on the customers that are in the evaluation phase. We expect that customers that are in the evaluation phase right now hopefully will select our solution during the second half of this year and begin the deployment of the network towards the end of this year, beginning of next year. We have talked about the standardization quite a lot, and it's moving forward. The meeting in June was positive, even though we see that it will be completed now in mid-2026. It's moved forward like three to six months, what we had expected in the past.



**Crister Fritzson**  
CEO | Net Insight

I will just take some time to present or explain the selection procedure to select a new vendor. This is a specific process for 5G or network-based solutions. This is more or less a standardized process that you have for any vendor that the 5G operator will add into the network. If you just go through the different steps, it starts with the sales discussion where we explain our product. After that, it moves into a PoC, a PoC proof of concept. The PoC is in the lab. It's not in the active network. It's in the lab. You test the product through specific procedures that we agree with the customer. What type of solution, function, feature would you like to test? You could go through the test and show the customer that our products are meeting the expectation from the customer.



**Crister Fritzson**  
CEO | Net Insight

The PoCs that we have done with Syntyc for the last one and a half years have had a 100% success rate. All the tests that we have done have been successful and meet the expectation from the customer. The next phase that you're doing is a field trial. A field trial can be combined with lab products. You have products in the lab and in the network. It's a combination of lab and a field trial in the open network. We had the first pilot installation. That's the first time that you install products into your active network. It will be in operation into the active network. As you can see, we have a conversion rate from the PoC to 50%. That's the number today. We have a number of PoCs that just have ended.



**Crister Fritzson**  
CEO | Net Insight

We have a number of PoCs that have moved over to field trial that then will move over to first pilot installation. This will, the conversion rate will go up over time. After the first pilot installation, one of the reasons that you have a pilot installation of a number, it can be tens of units that you install, is that you can see how you should do your network planning when you will roll out it in your whole network. We move over to contract negotiation. This is like an installation that rollout will go for many years. The customer needs to budget that. The next phase is, of course, rollout. As you can see, we have estimated this to 12-24 months. The interesting thing is that it can vary quite a lot.



**Crister Fritzson**  
CEO | Net Insight

The order that we just received in Q3 for the field trial, we did a PoC in Q2, and we received a field trial order in Q2. During the quarter, they moved from PoC to field trial. That was really a good and very concise and well-planned activity together with the customer. It varies quite a lot. We have customers that we have been spending like 12-16, 18 months with. It could take a much longer time. This can vary between the customers. We need to understand that this time synchronization is a critical function in the network, a 5G network. The lifespan is five to 10 years or even longer.



**Crister Fritzson**

CEO | Net Insight

The 5G operators need to carefully select and test the product because this is very difficult for operators to shift to a new supplier during the rollout or after the rollout phase because it will be very costly. Some countries can have regulatory demands that the 5G operator would like to wait and see what demands the regulator will put onto the operator. One important part is that the time synchronization for 5G operators is fairly new. In a 3G, 4G network, time synchronization was not an important part. It's very few individuals in the operator that have deep knowledge around the product. It's building up right now, but it takes a little bit more time for the operator to understand all the needs and the specific product specification within the time synchronization. This is just showing the phases from sales discussion to rollout phase.



**Crister Fritzson**

CEO | Net Insight

As we have four customers in the rollout phase, we hopefully hope that we will add another few in the end of this year. Thank you. I will hand over to Cecilia to take the financials.



**Cecilia Höök**

CFO | Net Insight

Hello. I will start with our revenue. For a longer period of time, we have had shown growth, but the growth has been temporarily offset by a softened market, increased geopolitical uncertainty, and now with FX headwinds resulting in a revenue decrease mainly in Q4 and Q1. In Q2, we rebound with a revenue of SEK 143 million, and that corresponds to a growth of 24% compared to Q1 this year. In the quarter, as Cris has said, we received one of our largest orders in history, and we started delivery during the quarter, and it will be finalized during the second half of the year. Year-on-year comparison is affected by the non-recurring software deal of SEK 30 million that we had last year and strong FX headwinds.



**Cecilia Höök**

CFO | Net Insight

However, if we compare in comparable currency and adjusted for the software deal, we have, as Cris has said, a growth of 4%. Going forward, we still see there's a hesitant market, and this results in decision-making processes taking longer time and risk of orders being pushed forward. Now, revenue, and we start with revenue by region. We see that all of our regions have improved versus last quarter. EMEA and APAC had stable performance, whilst our strategic focus area, Americas, shows strong performance continuing from the last year. On the right side, we have our product groups. Here we can see last year's high revenue in software coming from the non-recurring software order. To our gross margin, our unadjusted gross margin for the quarter was 68.8%, and for the last 12 months, 70%. This is slightly below our three-year average.



**Cecilia Höök**

CFO | Net Insight

The gross margin has been affected by the FX headwinds and to some extent also by the lower margin that we have in the deal that we announced in June. Our gross profit amounted to SEK 77.9 million with a margin of 54.6%. Here again, the year-on-year decrease in gross profit and gross margin is disordered by the non-recurring software order. For us, our future is very important with innovation and technological advancement. Therefore, we invest very much in our R&D. For the last 12 months, we have invested 25.7% of our revenue in R&D. Of that, 66% has been capitalized. This reflects our focus on long-term value creation. Going forward to our results and looking at EBITDA, these figures are all excluding the one-off cost of SEK 10 million. EBITDA adjusted was SEK 23.9 million in Q2 with a margin of 16.7%.



**Cecilia Höök**

CFO | Net Insight

For the last 12 months, SEK 112.9 million with a margin of 20.6%. We have seen a decrease in the EBITDA during the last quarters, and that is primarily due to the absence of growth we have invested for, mainly in time synchronization, along with the significant currency headwinds from the strengthened krona. To counteract the decrease in EBITDA, we have initiated a cost-saving program during the quarter. The program will have yearly savings of SEK 30 million. In the quarter, we have generated one-off costs of SEK 10 million from this program. If we look at our EBITDA, and EBITDA that is EBITDA including capitalization of development costs, they amounted to SEK 1.8 million in the quarter, adjusted for the one-off cost. Now to operating margin, and here as well, these figures are excluding one-off costs.



**Cecilia Höök**  
CFO | Net Insight

Operating margin for the quarter was SEK 0.3 million with a margin of 0.2%. For the last 12 months, SEK 21 million with a margin of 3.9%. The trend of the operating earning and the explanation of the decrease that we had is the same as for the EBITDA. We expect the operating earnings and EBITDA to increase during the second half of the year. Net cash, we have had a negative net cash of SEK 58 million during the quarter. If we start with cash flow from operating activities, they were negative at SEK 34.6 million. That is mainly due to the one-off cost of SEK 10 million, and then the increase on working capital we have had of SEK 39 million. Cash flow from investment activities amounted to a negative of SEK 23 million, and cash flow from financing activities amounted to SEK 1.3 million.



**Cecilia Höök**  
CFO | Net Insight

Net cash position at the end of the quarter was SEK 98 million. If we include our unutilized credit facility of SEK 50 million, we have available liquidity of SEK 148 million.



**Crister Fritzson**  
CEO | Net Insight

Thank you, Cecilia. Yes, to do the summary, we are so glad that the media revenue improved during the quarter, but we still feel that the market remains uncertain with the risks that we can see delay in orders. The activity level in the market, the media market is very high. We continue to see a strong demand for our product and service, both in media and synchronization. Glad to secure the large media deal that really demonstrates our competitiveness and strong position in the growth areas. The growth areas with high capacity that we are investing in, the 400 GW platform coming out this year and being in the next year, IP-based solution that we have invested in the last three years, and remote production that we have been involved in for many years.



**Crister Fritzson**  
CEO | Net Insight

For time synchronization, we see positive progress with customers in the evaluation phase and early pilot testing. We see that some of the customers that are in that phase will select our solution during the second half of this year and begin deployment towards the end, beginning next year. The first order in the media market for the time synchronization is a good sign that we have that product right now in the market because we are strong in the media industry. We will definitely see an opportunity to gain more revenue coming from that market segment. The field trial order from a new 5G operator in North America is very positive. We have two new major operators beginning testing during the quarter.



**Crister Fritzson**  
CEO | Net Insight

To ensure continued financial flexibility in light of the ongoing macroeconomic uncertainty, the board has decided not to utilize the share buyback mandate granted by the annual general meeting for the time being. We enter the second half of the year with very confidence. We see a healthy, strong market activity with strong engagement from our existing customers in our products and new customers that are looking into our portfolio. The time synchronization is definitely something that we see a strong demand in 5G, but also in critical networks. The financial targets, the long-term financial target we reiterated. Thank you. Before we move over to the Q&A, we would like to invite all of you to Capital Market Day the 29th of September. It will be from lunch and in the afternoon. I hope you will read our new issue of the Open Insights that we sent out today.



**Crister Fritzson**  
CEO | Net Insight

It is brand new and will give a little bit more broader view of the things that we have presented today. Thank you. We move over to Q&A.

## Q&A

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**Andreas Joelsson**  
Senior Equity Research Analyst | DNB Carnegie

Perfect. Thanks a lot, Crister and Cecilia. As a reminder, you can use this chat function for questions. If you don't see the chat function, just refresh your site, and there will be an obvious place where you can send in your questions. I think I'll start then, going from top to bottom, basically, starting with the media side and the large U.S. order that you started to deliver upon in the quarter. Is it possible to give some more flavor on the phasing of that order, how much has been booked, and how much is left for Q3 and Q4?



**Crister Fritzson**  
CEO | Net Insight

We started to deliver during the quarter, and we will continue in Q3, Q4. We haven't given you any more detail on that because we are always looking into how we ship the different orders that are coming in. It's not like looking into one order. You need to see the full picture, how we are making sure that we are meeting the demand from the market. We have started to ship, but we will continue in Q3, Q4. We haven't been giving any more details on that into the market.



**Andreas Joelsson**  
Senior Equity Research Analyst | DNB Carnegie

If you see the demand, if we exclude this order in the U.S., has there been any shifts and more positive sentiment among the customers during the quarter? The performance, the recovery from Q1 to Q2 must be from other places than this order.



**Crister Fritzson**  
CEO | Net Insight

I mean, as we saw already and communicated in Q4, we saw a little bit slower marketing in EMEA and APAC. We saw a continuous strong demand in the U.S., and we see now that Europe, EMEA have come back with a strong number. We have received some good orders in EMEA, more than SEK 10 million orders. That is a good sign that our customers are willing to invest quite large into the network that they are running. It's both build-out of network, but also, of course, our customers that are winning new deals in the market and place orders to us. We feel like a broad number of customers that are really active. We don't see that the orders or the activity is moving away and disappeared. They are in the market. It's just when they decide to place the order.



**Crister Fritzson**  
CEO | Net Insight

I think that there is very good and strong demand in Europe. You can see the U.S. has been growing in the last three quarters. APAC has been stable on like the around SEK 20 million CAC level. We see the activities in the second half are strong in all regions, and it gets stronger in APAC as well. We have a good view and a good feeling for the second half of this year.



**Andreas Joelsson**  
Senior Equity Research Analyst | DNB Carnegie

Very good. You mentioned the Nimbra 1060 platform being in this new order, and that is high capacity. Is there a way to see the penetration, the need for additional capacity? How far have we come in terms of upgrading to higher capacity?



**Crister Fritzson**  
CEO | Net Insight

Yeah. I mean, actually, we have started. We have seen that and been working to move out the Nimbra 1060 into the venues. I mean, it has been a core product mainly if we look in the past. This is the first major move into it's more than 40 venues that have been installed with our Nimbra 1060. If you look at the number of venues in the U.S., it's hundreds. This is just the beginning. I haven't seen any other competitor or other customer that has done this large investment. This is the first one. Hopefully, it will drive others to invest as well because this means that this customer will have the advantage of delivering new features, full HD, and other solutions to the customer that they have. That hopefully will drive other customers as well to start to invest more in the high capacity at the venue.



**Crister Fritzson**  
CEO | Net Insight

This, I think, is the start of a long-term trend that we will see increased capacity at the venues.



**Andreas Joelsson**

Senior Equity Research Analyst | DNB Carnegie

Can you just remind us how the structure of a deal like this looks like? You have an upfront rollout of the equipment, and what happens then?



**Crister Fritzson**

CEO | Net Insight

Yeah. I mean, we have like a CapEx revenue that is like SEK 60 million. Based on that, we have support, recurring revenue, and license based on that. This SEK 60 million will have recurring revenue going forward for the next 5 to 10 years, probably. This is ongoing. We are building up like a larger base of equipment that we will have license and support based on. If you look at media, this is all the way from 4% to 8% license and support on the media products. It's higher on the sync. That is the recurring revenue. If you look into that, you can see over time that the recurring revenue has gone up. It's a little bit hard to see because it's a little bit various between the quarter because we have other than just support and license within the service.



**Andreas Joelsson**

Senior Equity Research Analyst | DNB Carnegie

That brings us into the sync product. We have a question if you still see the ramp-up for the sync unit during the second half.



**Crister Fritzson**

CEO | Net Insight

Yeah. I mean, we are basing that on the phase that the customers are in that I tried to explain a little bit more, the different steps. We see that customers are coming through that process. Hopefully, they will take the decision to select us as a vendor, and then they will start to deploy the product. We are measuring that, the step that they are taking. That's the reason why we have a hope that we will see orders coming in at the end of this year. The deployment will probably start end of this year, beginning of next year, and continue over many years. That will not be a huge order from start. It will be ongoing orders per quarter, as we have seen from Turk Telekom and SRI in Sweden or Telekom. They order gradually through the quarters while they are building out the network.



**Andreas Joelsson**

Senior Equity Research Analyst | DNB Carnegie

I guess the timing of the license in Turkey is a concrete example of a big increase.



**Crister Fritzson**

CEO | Net Insight

That's a definite increase. We should remember that it had been delayed with more than two years. We expected actually to start to deliver that order just in the beginning of 2024 and 2023. Now it's coming out in the end, beginning of 2025, beginning of 2026. This is like two years delayed. We were planning to have the Turk Telekom order moving out while we were building up new customers and handle the cash flow and EBIT level with the Turk Telekom. Hopefully, they will get the license in Q3, and they will probably start in Q4, Q1 to roll out the network.



**Andreas Joelsson**

Senior Equity Research Analyst | DNB Carnegie

We have another question from the audience. Given the weakness that we have seen in the past couple of quarters, how will you reach the targets for 2027? How much of sync revenues are needed to reach that, especially the margin target?



**Crister Fritzson**

CEO | Net Insight

I mean, the margin target, I mean, of course, we are investing heavily into sync, and we are not balancing that with revenue, the cost that we have. That will take a good portion of moving us to the 20% EBIT level. Revenue-wise, definitely, it will take a good portion of continuing to increase to the 50% that we have per year until 2027. That will be an important part starting from next year to really gain that. I don't know if you would like to add anything.



**Cecilia Höök**

CFO | Net Insight

No, it's correct. I think that us reaching the target, time synchronization, the time sync needs to earn more money, revenue, so that we can have a break-even and starting to get positive results.



**Andreas Joelsson**

Senior Equity Research Analyst | DNB Carnegie

Assume that we get some better recovery in the time synchronization unit and that volumes come in in 2026. What happens to costs when you start to roll out?



**Cecilia Höök**

CFO | Net Insight

Do you mean gross margins or do you mean by our OpEx? Gross margin-wise, we have the product groups are quite similar in gross margin. As Crister said, the support and license fee are a bit higher in time synchronization. That will, of course, in a longer period of time, make that a bit higher. That will be in several years ahead. Looking at our cost structure, we have invested for the organization we have, the time synchronization, it has been invested for, and we should have had more growth in order for that organization. I think that if it starts to get off, we will, when we get more rollouts, need to invest a bit more in the organization for time synchronization in order to meet support in all countries where we are. It won't be a huge ramp-up. We have a stable OpEx.



**Cecilia Höök**

CFO | Net Insight

It's going to be going down now with the cost saving. If we have a large increase of revenue, then, of course, the OpEx will need to increase as well a bit.



**Andreas Joelsson**

Senior Equity Research Analyst | DNB Carnegie

Have you taken all the costs for that program regarding the restructuring?



**Cecilia Höök**

CFO | Net Insight

Yes. All the one-offs have been taken during Q2. We have started to have some savings in Q2, but they will be showing more in Q3 and Q4, with full effect from Q1 next year.



**Andreas Joelsson**

Senior Equity Research Analyst | DNB Carnegie

Perfect.



**Crister Fritzson**

CEO | Net Insight

Yes, to be in the rollout phase with a customer like Turk Telekom, we need to support them. That will be a service that we have that we will charge them a cost for. We will need to build up resources to support a larger rollout. That will be a service that we actually are selling.



**Andreas Joelsson**

Senior Equity Research Analyst | DNB Carnegie

Can you comment the interest from system partners? Are there dialogues with larger providers like Ericsson or Nokia to integrate Syntyc in broader solutions?



**Crister Fritzson**

CEO | Net Insight

That's interesting to see that we have the opportunity to do that. We can, over time, maybe see that we can virtualize our product and that they can be integrated into other products. I don't see, yes, this is Ericsson or Nokia or Telekom suppliers that will be interested in that. I see a number of others can be interested to use our software in other applications than just 5G as well. That's an interesting thing. We haven't started to look into that. Going forward, that can be something that we will look into and see if we can do it more of a software-based product, but it can be like integrated in other products.



**Andreas Joelsson**

Senior Equity Research Analyst | DNB Carnegie

Cash flow has been negative now for a couple of quarters, and it takes its toll on the cash position. Should we be worried about this, or do you see that this trend shifts in the quarter?



**Cecilia Höök**  
CFO | Net Insight

If we see like for the last three quarters, the main negative result has, of course, impacted the cash flow. Right now, the cash flow is mainly due to a build-up in customer receivables that we will get paid during the second half. That will improve the cash flow. We have the FBAs that we announced last year that we are to invest in. We have received them. If we look deeply and look into our balance sheet, we can see that we have an increase in our inventory. On the same hand, we have an increase in our supplier credits. That will be paid during Q3, and that will affect the cash flow. Going ahead, we will have lower costs for FBAs. That will possibly help as well. I see that we should be improving our cash flow as from the second half of the year as well.



**Crister Fritzon**  
CEO | Net Insight

The FBA is for our volume product, the Nimbra 1060. With all the cards that we have in that product, we need an FBA. That is a crucial component that we have, and it will increase the cash flow going forward when we're using that investment that we are doing.



**Andreas Joelsson**  
Senior Equity Research Analyst | DNB Carnegie

Good. A final question. You touched upon it earlier that you have 15 customers in pilot projects. What's the progress on those 15?



**Crister Fritzon**  
CEO | Net Insight

Yeah, I mean, they are in, as I explained, they are in the field trial, and they have also invested in our product and installed them in the network. They are those that we move over to a more rollout. We actually have more than 15 because we added two new this quarter. We have more than 15. When we are looking into that, those are the customers that we see that they are moving forward, and we estimate that they will be ready to take a decision in the second half of this year and start to roll out.



**Andreas Joelsson**  
Senior Equity Research Analyst | DNB Carnegie

Very good. I think we covered most of this. Thanks a lot, and good luck in the second half of the year.



**Crister Fritzon**  
CEO | Net Insight

Thank you.