



**ZETA
DISPLAY**

**ZETADISPLAY AB (PUBL)
INTERIM REPORT
1 July – 30 September 2023**

Q3

Continued SaaS growth in the third quarter

July – September 2023

- SaaS revenues increased by 14.3% to SEK 55.3 (48.4) million
- ARR amounted to SEK 219.7 (192.2) million compared to last year
- Net sales were SEK 115.4 (129.9) million, 11.2% behind last year
- Gross margin strengthened to 63.0% (57.0%)
- Adjusted EBITDA was SEK 17.4 (21.5) million
- Operating loss was SEK -15.8 (-7.6) million

January – September 2023

- SaaS revenues increased by 11.6% to SEK 159.0 (142.5) million
- Net sales remained broadly flat year on year, SEK 359.9 (367.1) million
- Gross margin improved to 61.3% (58.1%)
- Adjusted EBITDA was lower than the prior year at SEK 42.8 (50.4) million
- Operating loss was SEK -22.5 (profit 1.9) million

Significant events during the quarter

- The Group secured a SEK 50 million Revolving Credit Facility with Nordea Bank and leverage covenants are aligned with the Bond. The facility also includes a new Interest Cover covenant for which the Group has adequate headroom. The Group does not require this facility to meet any working capital requirements; this facility will however allow the Group to fund M&A activities, including the acquisition of PeakMedia Digital Signage GmbH.
- On 19 September ZetaDisplay acquired PeakMedia Digital Signage GmbH (“PeakMedia”), a leading digital signage integrator in Austria. The acquisition is funded by the Group’s new debt facilities and will be accretive to EBITDA. PeakMedia has an attractive customer portfolio and employs 20 full-time employees. The post-acquisition results of PeakMedia are not included in the results presented in this report due to the proximity of the acquisition to the reporting date. The determination of fair value at acquisition and the subsequent purchase price accounting is currently being undertaken and for the purpose of this report is included fully within goodwill. The best estimate of post-acquisition EBITDA is not material to the group’s result.

Significant events after the quarter

- On 23 October, the Group announced that Anders Olin was appointed as CEO & President of ZetaDisplay. The former CEO, Per Mandorf, will remain with ZetaDisplay as Senior Advisor during the transition period.
- On 13 November, ZetaDisplay announced that it had entered into a multi-year framework agreement with Axfood, initially for the development and establishment of a new digital signage solutions concept for leading Swedish grocery retail chain Hemköp covering 220 stores. This partnership challenges established digital signage practices and delivers a refreshed in-store solutions concept backed by business value focus, data and analytics across its network of stores in Sweden.

FINANCIAL INDICATORS (TSEK)	JUL-SEP	JUL-SEP	JAN-SEP	JAN-SEP	JAN-DEC
	2023	* 2022	2023	* 2022	* 2022
Net sales	115,413	129,881	359,914	367,114	534,500
SaaS-revenues (recurring)	55,268	48,422	159,002	142,526	192,291
Gross margin (%)	63.0	57.0	61.3	58.1	55.5
Reported EBITDA	(3,812)	17,159	9,728	31,056	45,782
Hanover costs	13,054	3,895	20,607	15,914	22,118
Other non-recurring items (including reorganization costs)	8,149	423	12,416	3,442	4,100
Adjusted EBITDA	17,391	21,477	42,751	50,412	72,000
Adjusted EBITDA margin (%)	15.1	16.5	11.9	13.7	13.5
Operating profit / (loss)	(15,755)	7,612	(22,523)	1,947	7,190
Operating margin (%)	(13.7)	5.9	(6.3)	0.5	1.4
Profit / (loss) for the period	(29,036)	(1,156)	(53,556)	(14,424)	(6,874)
Equity ratio (%)	32.8	35.2	32.8	35.2	34.4

* Adjusted EBITDA for 2022 reporting periods has been changed to that reported in previous reports to include the add-back of Hanover costs to compare performance on a consistent basis with 2023 reported figures.

CEO comment

Continued SaaS growth in the third quarter

Net sales for the quarter amounted to SEK 115.4 (129.9) million. SaaS revenues were SEK 55.3 (48.4) million and represented 47.9% (37.3%) of net sales. Reported EBITDA was SEK -3.8 (17.2) million. Adjusted for Hanover costs and non-recurring items, EBITDA amounted to SEK 17.4 (21.5) million.

Our third quarter was characterized by a continued growth in SaaS revenues.

During the quarter we have successfully concluded the acquisition of PeakMedia Digital Signage GmbH in Austria, expanding our European footprint and supporting our growth ambition in the DACH region. We've seen steady activity from our international customer base, but simultaneously noted on-going customer project delays given the market backdrop. We also continued to evolve our organizational structure with positive early results. During the quarter, we have continued to expand our strategic commercial work across the group with enterprise customer development to further scale our international service and product range.

Anders Olin

President and CEO

Outlook

Our long-term plan and investment initiatives for growth are further strengthening our market position. The recent acquisition of PeakMedia will further support both short- and long-term growth. At the same time, we continue to see some uncertainty in the short-term market conditions as well as temporary delays in some customer projects. We're effectively handling delayed lead times in some customer projects.

As before we continue to actively monitor market development and to manage costs diligently whilst prioritizing key investments for long-term growth and customer focus.

I would like to thank all our co-workers for their tireless commitment and thank our customers for their continued trust as well as thank Per Mandorf as he now steps down and hands over the CEO role.

Upcoming reporting sessions

ZetaDisplay AB (publ) interim report January – December will be published on ir.zetadisplay.com in February 2024.

The Market

Digital Signage is a software steered interface for communication with consumers within a retail environment or with employees in larger organizations as well as communication in public spaces. Digital communication is now an integral part of the new communications concept that retailers and other companies are developing for the future. This creates an interesting and expansive market for ZetaDisplay, which delivers a total concept containing concept development, communication strategy, analysis, software development, hardware expertise, installation and technical support and services.

Today, the Group has operations in seven European countries and in the United States. ZetaDisplay continuously evaluates new forms of alliances with companies and organizations within Digital Signage to be able to grow the market together.

Sales of service solutions are increasing as an important part of the business after the initial installation and produce steady SaaS-revenues. The maturity level among our customers is rising, and ZetaDisplay is receiving inquiries from existing customers who intend to take the next step and develop and broaden their investment in this channel.

To meet current and future customer demands, ZetaDisplay needs to continuously enhance its processes, systems and product solutions. A large portion of the investments goes into increased technical functionality and harmonized platforms, to enable us to exploit economies of scale within the organization. This is also a way of creating a secure and future-proof solution for our customers.

Financial overview

Profit and loss and cash flow items are compared with the corresponding period of last year. Balance sheet items refer to the position at the end of the period and are compared with the corresponding date last year.

Note that Adjusted EBITDA for 2022 reporting periods has been changed to that reported in previous reports to include the add-back of Hanover costs to compare performance on a consistent basis with 2023 reported figures.

Third quarter July – September 2023

Net sales

Net sales for the quarter decreased against prior year at SEK 115.4 (129.9) million. Higher SaaS revenues, which increased by 14.3% and amounted to SEK 55.3 (48.4) million, offset some of the reduction in implementation projects, consisting of hardware and installation. Of total net sales, 47.9% (37.3%) was SaaS revenue.

Gross profit

Gross profit amounted to SEK 72.7 (74.0) million, reflecting a strengthening of gross margin to 63.0% (57.0%).

Operating expenses

The cost of goods sold consists mainly of hardware and installations and amounted to SEK -42.7 (-56.0) million.

Other external costs amounted to SEK -34.0 (-21.2) million. Other external costs include items of a one-off nature related to strategic improvement projects, these items amounted to SEK 21.2 (4.3) million.

Personnel costs amounted to SEK -48.6 (-39.5) million, of which SEK 1.3 (0.0) million was non-recurring.

Depreciation amounted to SEK -11.9 (-9.5) million.

EBITDA

Adjusted EBITDA, stated before non-recurring items and Hanover costs, was SEK 17.4 (21.5) million, generating an EBITDA margin of 15.1% (16.5%).

Reported EBITDA amounted to SEK -3.8 (17.2) million, corresponding to an EBITDA margin of -3.3% (13.2%).

Operating profit

Operating profit stated before non-recurring items and Hanover costs, was SEK 5.4 (11.9) million, delivering an operating margin of 4.9% (9.2%).

Operating profit/loss amounted to SEK -15.8 (7.6) million, corresponding to an operating margin of -13.7% (5.9%).

Financial items

The financial items amounted to SEK -11.7 (-6.6) million. External interest expense related to the bond loan amounted to SEK -9.0 (-4.4) million due to an increase in interest rates.

Tax

Tax charge for the quarter was SEK 1.6 (2.1) million. The Group considers that tax losses are not expected to be used in the near future and therefore no deferred tax asset has been recognized for these losses.

Profit and loss for the quarter after tax

Loss for the quarter after tax amounted to SEK -29.0 (-1.2) million.

Cash flow

During the quarter, the Group generated cash flow from operating activities of SEK 9.8 (-6.6) million. Cash flow from investment activities amounted to SEK -52.9 (-4.8) million. Cash flow from financing activities amounted to SEK 62.7 (-3.0) million. Total cash flow during the quarter amounted to SEK 19.7 (-14.3) million.

Financial position

The equity ratio at the end of the period was 32.8% (35.2%). The Group had a total of SEK 52.1 (41.4) million in cash and cash equivalents as of September 30. Net debt at the end of the period amounted to SEK -309.1 (-278.4) million.

Segment

ZetaDisplay reports in segments. The segments consist of Nordics (including Sweden, Norway, Finland and Denmark), the Netherlands, Germany and the Group-wide segment.

Parent company

The operations of the parent company ZetaDisplay AB are reported in the Nordic segment. They also provide a number of group-wide support functions for other segments. These include software development, coordination of sales, purchasing, delivery, service and support, as well as finance.

The Parent Company's net sales amounted to SEK 40.4 (44.2) million, for the third quarter.

Operating loss was SEK -15.2 (-6.3) million and loss after tax was SEK -25.9 (-11.0) million.

Other information

Number of employees

The average number of full-time employees was 218 in the last 3-month period,

Transactions with related parties

During the quarter, the Group incurred transactions with entities affiliated with Hanover Investors Management LLP (together "Hanover"). Hanover Investors Management LLP is the advisor to the investment manager of the funds which ultimately own the share capital of ZetaDisplay AB.

Transactions with Hanover during the period were SEK 13.1 (3.9) million of which SEK 3.2 (nil) million was outstanding at the period end, and unfunded. Since the bond refinancing in February 2023, Hanover costs are borne by the Hanover Active Equity Fund II ("the Fund") (the ultimate beneficial owner) and the Fund has advanced SEK

The stock and shareholders

Following the compulsory redemption of shares, Hanover Active Equity Fund II S.C.A SICAV –

For financial information per segment and for the period see Note 3.

The Parent Company had a total of SEK 6.4 (25.3) million in cash and cash equivalents as of September 30.

Non-current assets increased during the quarter by SEK 49.2 (2.1) million, attributable to the acquisition of PeakMedia and an increase in intangible assets of SEK 2.6 (1.7) million.

compared to 197 in the corresponding period last year.

30.9 million in the period to 30 September 2023. Services provided were in respect of:

- Provision of strategic advice;
- Director services;
- Upgrading support functions including finance, tax, HR and legal; and
- Implementing best practice in sales and procurement.

There were no other significant transactions with related parties.

RAIF is the sole shareholder of the ordinary shares in ZetaDisplay.

Other information (cont'd)

Significant risks and uncertainties

Through its operations, the Group is exposed to various financial risks such as market risk (consisting of currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management means striving for minimal adverse effects on results and position. The Group's business risks and risk management as well as financial risks are described in detail in the annual report for 2022, pages 30-32.

There is still high inflation and the risk of interest rate increases. Above all, it is a change in the market interest rate in the bond loan that can have an impact on future cash flows, as this loan is of greater value and has a longer term. The bond has a variable interest rate based on 3 months STIBOR and the market rate may be subject to significant fluctuations. After the period end, the Group entered into an interest rate swap to hedge 50% of the risk of interest rate fluctuation on the listed bond.

Financial objectives

The most important lever in our business model is the share of SaaS revenue from total sales and our ability to increase revenue over the lifetime of a project with a customer.

The Group's success is based on an efficient and scalable delivery and service platform.

Malmö, 30 November 2023

Anders Olin

President and CEO

This report has not been reviewed by the company's auditor.

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About ZetaDisplay

ZetaDisplay is a market leader in the Nordic region and one of the market leaders in the rest of Europe and we drive the digital transformation in physical environments on a daily basis. Our solutions, concepts and software digitize, influence and inform people's behavior at the time of decision-making in stores, in public environments and in workplaces. Our solutions are known as Digital Signage which we develop and offer as SaaS solutions. We are a global leader that actively influences the development of the international

Digital Signage market organically, through innovation and through acquisitions.

ZetaDisplay is based in Malmö, has a turnover of over SEK 500 million and employs over 200 employees in twelve offices in seven European countries and the United States. In total, the company manages over 94,000 installations in more than 50 markets. ZetaDisplay is owned by the British investment company Hanover Investors. More information at www.ir.zetadisplay.com and www.hanoverinvestors.com

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME - SUMMARY (TSEK)

	3 MONTHS JUL-SEP 2023	3 MONTHS JUL-SEP 2022	9 MONTHS JAN-SEP 2023	9 MONTHS JAN-SEP 2022	12 MONTHS JAN-DEC 2022
Net sales	115,413	129,881	359,914	367,114	534,500
Capitalized work on own account	3,542	3,672	10,996	12,161	16,329
Other revenue	2,541	176	6,226	2,688	2,671
Total Revenue	121,496	133,729	377,136	381,963	553,500
<i>Operating expenses</i>					
Goods for resale	(42,684)	(55,909)	(139,468)	(153,935)	(237,780)
Other external expenses	(34,037)	(21,202)	(84,953)	(71,035)	(97,395)
Personnel expenses	(48,587)	(39,459)	(142,987)	(125,937)	(172,543)
Depreciations and write-downs	(11,943)	(9,547)	(32,251)	(29,109)	(38,592)
Operating (loss) / profit	(15,755)	7,612	(22,523)	1,947	7,190
Financial income	1,375	445	2,822	4,581	9,685
Financial expenses	(13,065)	(7,090)	(33,316)	(18,233)	(25,830)
(Loss) / Profit after financial items	(27,445)	967	(53,017)	(11,705)	(8,955)
Tax	(1,591)	(2,123)	(539)	(2,719)	2,081
Loss for the period	(29,036)	(1,156)	(53,556)	(14,424)	(6,874)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (TSEK)

	3 MONTHS JUL-SEP 2023	3 MONTHS JUL-SEP 2022	9 MONTHS JAN-SEP 2023	9 MONTHS JAN-SEP 2022	12 MONTHS JAN-DEC 2022
Loss for the period	(29,036)	(1,156)	(53,556)	(14,424)	(6,874)
Items that may later be transferred to profit/loss for the period:					
Translation differences	23,258	9,166	36,278	23,721	33,009
Comprehensive (loss) / income for the period	(5,778)	8,010	(17,278)	9,297	26,135
Attributable to shareholders in the Parent Company	(5,778)	8,010	(17,278)	9,297	26,135

CONSOLIDATED BALANCE SHEETS - SUMMARY (TSEK)

	2023-09-30	2022-09-30	2022-12-31
ASSETS			
Intangible assets	616,575	555,876	563,706
Tangible assets	13,931	11,387	12,251
Right of use assets	11,919	18,398	16,087
Deferred tax assets	1,009	987	1,205
Financial non-current assets	45	130	130
Total non-current assets	643,479	586,778	593,379
Inventories	22,569	11,947	12,940
Current receivables	104,090	115,884	156,642
Cash and cash equivalents	52,137	41,438	59,225
Total current assets	178,796	169,269	228,807
TOTAL ASSETS	822,275	756,047	822,186
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Parent Company	265,921	266,361	283,199
Total equity	265,921	266,361	283,199
Non-current liabilities	322,003	30,418	27,370
Current liabilities	234,351	459,268	511,617
Total liabilities	556,354	489,686	538,987
TOTAL EQUITY AND LIABILITIES	822,275	756,047	822,186

CONSOLIDATED CASH-FLOW STATEMENTS (TSEK)

	3 MONTHS JUL-SEP 2023	3 MONTHS JUL-SEP 2022	9 MONTHS JAN-SEP 2023	9 MONTHS JAN-SEP 2022	12 MONTHS JAN-DEC 2022
Operating activities					
Operating (loss) / profit	(15,755)	7,612	(22,523)	1,947	7,190
Adjustments for depreciation and amortisation	11,943	9,547	32,251	29,109	38,592
Interest received	1,375	279	2,822	1,132	3,939
Interest paid	(12,108)	(5,028)	(28,527)	(12,921)	(18,810)
Adjustment for foreign exchange	(738)	(2,119)	(1,704)	(5,052)	(4,322)
Income tax paid	(3,313)	(3,611)	(2,457)	(6,740)	(3,412)
Cash flow from operating activities before changes in working capital	(18,596)	6,680	(20,138)	7,476	23,177
Change in working capital					
Change in inventories	(1,348)	10,412	(9,266)	(2,148)	(2,848)
Change in receivables	20,321	15,157	54,175	(24,495)	(61,401)
Change in current liabilities	9,446	(38,800)	(27,299)	(3,601)	43,394
Total change in working capital	28,419	(13,231)	17,610	(30,244)	(20,855)
Cash flow from operating activities	9,823	(6,551)	(2,528)	(22,768)	2,322
Investment activities					
Acquisition of subsidiaries	(31,840)	0	(31,840)	(5,107)	(5,107)
Paid contingent consideration for acquisition of subsidiaries	(14,761)	0	(14,761)	0	0
Acquisition of intangible assets	(5,974)	(4,813)	(23,503)	(15,940)	(20,930)
Acquisition of tangible assets	(297)	0	(2,097)	(151)	(914)
Sale of tangible assets	0	0	85	0	0
Cash flow from investment activities	(52,872)	(4,813)	(72,116)	(21,198)	(26,951)
Financing activities					
Other contributed equity	30,920	0	30,920	0	0
Borrowings raised	36,559	0	50,000	0	0
Amortisation of lease debt	(4,020)	(2,965)	(10,255)	(8,074)	(11,006)
Change in factoring debt	(754)	(7)	(3,437)	(2,963)	(2,283)
Cash flow from financing activities	62,705	(2,972)	67,228	(11,037)	(13,289)
Cash flow for the period	19,656	(14,336)	(7,416)	(55,003)	(37,918)
Cash and cash equivalents at start of period	33,597	54,753	59,225	93,472	93,472
Exchange rate difference	(1,116)	1,021	328	2,969	3,671
Cash and cash equivalents at end of period	52,137	41,438	52,137	41,438	59,225

STATEMENT OF CHANGES IN EQUITY – SUMMARY (TSEK)

GROUP	CAPITAL STOCK	ADDITIONAL PAID-IN CAPITAL	TRANSLATION RESERVES	ACCUMULATED RESULTS	TOTAL EQUITY
Attributable to shareholders in the parent company					
Opening balance 2022-01-01	27,862	277,600	6,070	(54,468)	257,064
Changes in equity					
2022-01-01 - 2022-12-31					
Loss for the period				(6,874)	(6,874)
Comprehensive income for the period			33,009		33,009
Closing balance 2022-12-31	27,862	277,600	39,079	(61,342)	283,199
Changes in equity					
2023-01-01 - 2023-09-30					
Loss for the period				(53,556)	(53,556)
Comprehensive income for the period			36,278		36,278
Closing balance 2023-09-30	27,862	277,600	75,357	(114,898)	265,921

PARENT COMPANY INCOME STATEMENTS - SUMMARY (TSEK)

	3 MONTHS JUL-SEP 2023	3 MONTHS JUL-SEP 2022	9 MONTHS JAN-SEP 2023	9 MONTHS JAN-SEP 2022	12 MONTHS JAN-DEC 2022
Net sales	40,353	44,178	112,684	124,414	193,920
Capitalized work on own account	2,197	1,839	6,555	6,709	8,570
Other income	1,671	(415)	3,953	995	471
Total revenue	44,221	45,602	123,192	132,118	202,961
<i>Operating expenses</i>					
Goods for resale	(19,032)	(23,701)	(45,754)	(59,928)	(74,901)
Other external expenses	(27,002)	(16,373)	(77,748)	(57,963)	(78,235)
Personnel expenses	(11,497)	(10,209)	(35,425)	(32,163)	(41,047)
Depreciation and amortisation	(1,922)	(1,623)	(6,078)	(5,703)	(7,354)
Operating (loss) / profit	(15,232)	(6,304)	(41,813)	(23,639)	1,424
Interest income	2,231	1,786	5,652	6,425	11,514
Interest expenses	(12,852)	(6,505)	(33,207)	(16,936)	(24,216)
Loss after financial items	(25,853)	(11,023)	(69,368)	(34,150)	(11,278)
Tax	0	0	0	0	0
Loss for the period	(25,853)	(11,023)	(69,368)	(34,150)	(11,278)

**PARENT COMPANY BALANCE SHEETS – SUMMARY
 (TSEK)**

	2023-09-30	2022-09-30	2022-12-31
ASSETS			
Intangible assets	45,407	31,488	32,524
Tangible assets	793	1,572	819
Participations in group companies	483,795	437,100	437,100
Deferred tax assets	0	0	0
Financial non-current assets	130	130	130
Total non-current assets	530,125	470,290	470,573
Inventories	1,363	1,874	581
Current receivables	155,080	109,937	127,235
Cash and cash equivalents	6,440	25,326	43,358
Total current assets	162,883	137,137	171,174
TOTAL ASSETS	693,008	607,427	641,747
EQUITY AND LIABILITIES			
Equity	177,910	193,486	216,357
Total equity	177,910	193,486	216,357
Non-current liabilities	300,000	2,347	492
Current liabilities	215,098	411,594	424,898
Total liabilities	515,098	413,941	425,390
TOTAL EQUITY AND LIABILITIES	693,008	607,427	641,747

Notes

Note 1 ZetaDisplay Group

ZetaDisplay AB (publ), 556603-4434, is a Swedish public limited liability company registered in Malmö municipality, Skåne County. The company's head office is located in Malmö, at this address: Höjrodergatan 21, 212 39 Malmö.

COMPANY	REG. NUMBER	SEAT	SHARES
ZetaDisplay AB	556603-4434	Malmö	
ZetaDisplay Sverige AB	556642-5871	Malmö	100
ZetaDisplay Finland OY	1914200-9	Vantaa	100
ZetaDisplay Danmark A/S	29226342	Köpenhamn	100
ZetaDisplay Baltics OU	12435080	Tallinn	100
ZetaDisplay BV	27285283	Rosmalen	100
Gauddi Inc	D18921700	Baltimore	100
ZetaDisplay Norway AS	981106431	Oslo	100
LiveQube AS	995543478	Oslo	100
NORDLAND systems GmbH	HRB 9974 HL	Ahrensburg	100
PeakMedia Digital Signage GmbH	FN 567262i	Ebbs	100

Note 2 Accounting principles

The consolidated financial statements of ZetaDisplay AB (publ) have been drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act and the Swedish Financial Reporting Council RFR 1 "Supplementary Accounting Rules for Groups". The parent company's financial reports have been drawn up in accordance with the Swedish Annual Accounts Act and RFR 2, "Accounting for legal entities".

The Group applies the same accounting principles and calculation methods as in the most recent annual report.

New standards and interpretations that are effective from 1 January 2023 have not had any effect on the Group's or

the Parent Company's financial statements for the interim period.

The interim report is prepared in accordance with IAS 34 "Interim Reporting". Details required under IAS 34 p. 16A are provided both in notes and elsewhere in the interim report.

The ESMA's guidelines on Alternative Performance Measures have been applied, which means that the report covers disclosure requirements for financial measures which are not defined under IFRS. For definitions see pages 19-21.

Note 3 Segment reporting

TSEK JAN-SEP	NORDICS		NETHERLANDS		GERMANY	
	2023	2022	2023	2022	2023	2022
Total revenue	231,709	248,476	79,189	83,225	81,626	59,034
Reported EBITDA	55,524	49,041	24,966	23,097	10,235	7,127

TSEK JAN-SEP	GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2023	2022	2023	2022	2023	2022
Total revenue	32,303	28,919	(47,691)	(37,691)	377,136	381,963
Reported EBITDA	(80,997)	(48,209)	0	0	9,728	31,056

Note that the post-acquisition result of PeakMedia is not included in this table but EBITDA for the period to 30 September (unaudited) was SEK 11.1 million.

Note 4 Financial assets and liabilities

(TSEK)	2023-09-30	2022-09-30	2022-12-31
Financial assets measured at amortized cost (Hold to Collect)			
Trade accounts receivable	53,857	70,787	121,060
Contract assets	17,396	28,655	19,499
Other financial receivables	45	130	130
Cash and cash equivalents	52,137	41,438	59,225
Financial assets	123,435	141,010	199,914
Financial liabilities			
<i>Other financial liabilities valued at amortised cost</i>			
Liabilities to credit institutions	50,014	2,816	3,601
Debenture loan	300,000	299,185	299,609
Leasing liability	11,193	17,819	16,069
Liabilities related to acquisitions	15,862	18,860	19,137
Trade accounts payable	32,872	19,239	52,082
<i>Financial liabilities measured at fair value</i>			
Contingent considerations relating to acquisitions	12,642	9,990	9,990
Financial liabilities	422,583	367,909	400,488

Contingent considerations relating to acquisitions

The liabilities are contingent considerations relating to acquisitions.

Note that contingent consideration in respect of the acquisition of PeakMedia represents the Director's best estimate as the acquisition balance sheet is still being evaluated and consequently the balances reported are subject to review and change.

Fair Value measurement is carried out according to level 3, which means that fair value is determined on the basis of valuation models where material inputs are based on unobservable data. The liabilities are measured at fair value and are based on certain performance thresholds related to EBITDA.

Alternative performance measurements

ZetaDisplay presents some financial measures in the financial statements which are not defined under IFRS. The Company considers that these measures provide valuable additional information to investors, as they allow the Company's performance to be assessed.

As not all businesses calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should therefore not be seen as a substitute for measures defined in accordance with IFRSs.

Non-IFRS measures	Definition	Reason
ARR (Annual recurring revenue)	Last month for the quarter/period SaaS-revenues (recurring) calculated to 12 months	The performance measure indicates recurring revenues over the next 12 months based on revenues from existing customers at the end of the period. The key ratio is also essential to facilitate industry comparison
SaaS-revenues (recurring)	Income of a recurring nature such as licenses, support and other agreed income	This measure is useful in showing how much of the revenue is of a recurring nature and how it nominally changes between quarters and over time
Gross margin	Net sales minus cost of goods for resale in relation to net sales	Measure to show the margin before the effect of costs such as other external expenses, staff costs and depreciation
Reported EBITDA	Operating profit excl. depreciation and amortization of tangible and intangible non-current assets and including IFRS16	EBITDA is adjusted for items that affect comparability, so the company believes this is a useful indicator of results from operating activities
Adjusted EBITDA	Reported EBITDA stated before Hanover costs and non-recurring items	Represents underlying EBITDA performance
EBITDA margin	EBITDA in relation to net sales	The EBITDA margin is adjusted for items that affect comparability, so the company believes this is a useful indicator of the margin from operating activities
Operating profit	Profit/ (loss) for the period before financial items and tax	Operating profit is a useful indicator of income from operating activities
Operating margin	Operating profit in relation to net sales	The operating margin is a useful indicator to compare the change in operating profit between two periods
Non-recurring items	Costs/ income of a one-off nature that are not expected to recur	Performance measures are adjusted for non-recurring items to demonstrate underlying performance
Net debt	Interest-bearing liabilities decreased by interest-bearing assets and cash and cash equivalents	Measures to show the Company's indebtedness
Equity ratio	Equity in relation to total assets	The company considers that this indicator is useful, and a supplement to other performance measures, for assessing the possibility of making dividend payments and strategic investments and to judge the company's ability to meet its financial commitments

ALTERNATIVE PERFORMANCE MEASURES

SAAS REVENUES (RECURRING) (TSEK)

	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
License income	43,617	37,185	123,281	108,655	146,545
Support and other contractual services	11,651	10,722	35,721	33,871	45,746
Total SaaS-revenues	55,268	47,907	159,002	142,526	192,291

ARR (ANNUAL RECURRING REVENUE) (TSEK)

	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
SaaS revenues last month in the quarter	18,312	16,017	18,312	16,017	16,474
Multiplied with 12 months	12	12	12	12	12
ARR (Annual recurring revenue)	219,744	192,204	219,744	192,204	197,688

GROSS MARGIN (TSEK)

	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
Net sales	115,413	129,881	359,914	367,114	534,500
<i>Operating expenses</i>					
Goods for resale	(42,684)	(55,909)	(139,468)	(153,935)	(237,780)
Gross profit	72,729	73,972	220,446	213,179	296,720
Gross margin (%)	63.0	57.0	61.3	58.1	55.5

REPORTED EBITDA (TSEK)

	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
Operating profit / (loss)	(15,755)	7,612	(22,523)	1,947	7,190
Depreciation and amortisation	11,943	9,547	32,251	29,109	38,592
Reported EBITDA	(3,812)	17,159	9,728	31,056	45,782
EBITDA margin (%)	(3.3)	13.2	2.7	8.5	8.6

OPERATING MARGIN (TSEK)

	JUL-SEP 2023	JUL-SEP 2022	JAN-SEP 2023	JAN-SEP 2022	JAN-DEC 2022
Net sales	115,413	129,881	359,914	367,114	534,500
Operating profit / (loss)	(15,755)	7,612	(22,523)	1,947	7,190
Operating margin (%)	(13.7)	5.9	(6.3)	0.5	1.4

ALTERNATIVE PERFORMANCE MEASURES (CONT.)

NET DEBT/ ADJUSTED EBITDA RATIO (TSEK)

	30 SEP 2023	31 DEC 2022
Net debt	309,070	260,054
Adjusted EBITDA (LTM*)	56,872	72,000
Net debt/ adjusted EBITDA ratio	5.4	3.6

* LTM = last twelve months

The figures above exclude PeakMedia

NET DEBT (TSEK)

	30 SEP 2023	30 SEP 2022	31 DEC 2022
Interest-bearing assets and cash and cash equivalents	52,137	41,438	59,225
Interest-bearing liabilities	(361,207)	(319,820)	(319,279)
Net debt	(309,070)	(278,382)	(260,054)

EQUITY RATIO (TSEK)

	30 SEP 2023	30 SEP 2022	31 DEC 2022
Equity	265,921	266,361	283,199
Total assets	809,633	756,047	822,186
Equity ratio (%)	32.8	35.2	34.4