

ZETADISPLAY AB (PUBL)  
INTERIM REPORT  
1 JANUARY – 31 MARCH 2023



## Continued growth in uncertain market conditions

### January - March 2023

- Net sales increased by 7.5% to SEK 119.6 (111.2) million
- SaaS revenues increased by 6.4% to SEK 50.0 (47.0) million
- EBITDA amounted to SEK 3.8 (5.4) million
- Adjusted for non-recurring items, EBITDA amounted to SEK 10.1 (14.4) million
- ARR amounted to SEK 195.4 million compared with SEK 197.7 million in the previous quarter
- Operating profit amounted to SEK -6.5 (-4.5) million

### Significant events during the quarter

- ZetaDisplay has renewed its current bond loan and has thus completed the refinancing process of its senior unsecured bonds.

### Significant events after the first quarter

- No significant events after the first quarter

Financial Indicators (KSEK)	JAN-MAR	JAN-MAR	ROLLING 12 MONTHS	JAN-DEC
	2023	2022	Q2 2022-Q1 2023	2022
Net sales	119 596	111 242	542 854	534 500
SaaS-revenues (recurring)	49 997	46 974	195 314	192 291
Gross margin (%)	60,1	59,7	55,9	55,5
Reported EBITDA	3 775	5 427	44 130	45 782
Hanover Operating Management	4 150	6 109	20 159	22 118
Other non-recurring costs	2 155	-	3 355	1 200
Restructuring costs	-	2 900	-	2 900
Adjusted EBITDA	10 079	14 436	67 643	72 000
EBITDA-margin (%)	8,4	13,0	12,5	13,5
Operating profit	-6 533	-4 473	5 130	7 190
Operating margin (%)	-5,5	-4,0	0,9	1,3
Profit/loss for the period	-15 043	-6 245	-15 672	-6 874
Equity ratio (%)	33,9	34,3		35,2

## CEO comment

# Continued growth in uncertain market conditions

**Net sales amounted to SEK 119.6 (111.2) million. SaaS revenues amounted to SEK 50.0 (47.0) million and represented 41.8 % (42.2) of net sales. EBITDA was SEK 3.8 (5.4) million. Adjusted for non-recurring items, EBITDA amounted to SEK 10.1 (14.4) million.**

Our first quarter was characterized by continued growth in an increasingly uncertain market.

During the first quarter we have seen continued growth of international customer activity contrasted with certain emerging customer project delays. During the quarter, we worked intensively across the whole group with a focus on customer development and additional strengthening of our service and product range. Furthermore, we continue to invest in our software, operations and sales functions to support continued future growth, which impacted earnings in the short term.

In the first quarter we have also successfully completed the re-financing of our Bond in the market.

## Outlook

The implementation of the Group's strategic initiatives is proceeding according to plan and is strengthening our capabilities within the organization and towards customers. As a result, we see increased organisational efficiency and good opportunities taking shape in the medium term. At the same time, we're noticing increased uncertainty in the short-term market conditions as well as some unplanned delays in customer projects. We continue to actively monitor market development and to manage costs diligently whilst prioritizing key investments for long-term growth.

I would like to thank all our co-workers for their tireless commitment and thank our customers for their continued trust.

## Upcoming reporting sessions

ZetaDisplay AB's half-year report will be published on [ir.zetadisplay.com](http://ir.zetadisplay.com) in August, week 35.

## Per Mandorf

*President and CEO*

## 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 six European countries and in the United States. ZetaDisplay continuously evaluates new form 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 items are compared with the corresponding period of last year. Balance sheet items and cash flows refer to the position at the end of the period and are compared with the corresponding date last year.

### First quarter January - March 2023

#### Net sales

Net sales for the quarter increased by 7.5% to SEK 119.6 (111.2) million. The increase is largely explained by organic growth. Implementation projects, consisting of hardware and installation, increased by 8.3% and amounted to 69.5 (64.3) million, while SaaS revenues increased by 6.4% and amounted to SEK 50.0 (47.0) million. Of total net sales, 41.8 (42.2) % was SaaS revenue.

#### Gross profit

Gross profit amounted to SEK 71.9 (66.4) million, corresponding to a gross margin of 60.1 (59.7) %.

#### Operating expenses

The cost of goods sold amounted to SEK -47.7 (-44.8) million and consisted mainly of hardware and installations.

Other external costs amounted to MSEK -25.8 (-21.7). Other external costs include items of a temporary nature, these are Hanover Operating Management fees and other non-recurring costs related to strategic improvement projects, these items amounted to SEK 6.3 (9.0) million.

Personnel costs amounted to SEK -47.6 (-44.4) million, of which SEK 0.0 (2.9) million relates to non-recurring costs.

Depreciation amounted to SEK -10.3 (-9.9) million.

#### EBITDA

EBITDA amounted to SEK 3.8 (5.4) million, corresponding to an EBITDA margin of 3.2 (4.9) %.

Adjusted for non-recurring costs, EBITDA amounted to SEK 10.1 (14.4) million, corresponding to an EBITDA margin of 8.4 (13.0) %.

#### Operating profit

Operating profit amounted to SEK -6.5 (-4.5) million, corresponding to an operating margin of -5.5 (-4.0) %.

Adjusted for non-recurring costs, operating profit amounted to SEK -0.2 (4.5) million, corresponding to an operating margin of -0.2 (4.1) %.

#### Financial items

The financial items amounted to SEK -0.1 (-1.9) million. External interest expense related to the bond loan amounted to SEK -6.4 (-3.6) million.

#### Tax

Tax expense for the quarter amounted to SEK -0.3 (0.2) 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

Profit for the quarter amounted to SEK -15.0 (-6.2) million.

#### Cash flow

During the quarter, the Group generated cash flow from operating activities of SEK -15.8 (2.9) million. Cash flow from investment activities amounted to SEK -9.8 (-6.0) million. Cash flow from financing activities amounted to SEK -3.6 (-5.0) million. Total cash flow during the quarter amounted to SEK -29.2 (-8.2) million.

#### Financial position

The equity ratio at the end of the period was 33.9 (34.3) %. The Group had a total of SEK 49.2 (120.8) million in cash and cash equivalents and unused credits as of March 31, of which SEK 36.3 (87.1) million related to cash and cash equivalents. Net debt at the end of the period amounted to SEK -285.0 (-231.6) million.

## Segments

ZetaDisplay reports in segments. The segments consist of Sweden (including Denmark and other markets), Norway, Finland (including the Baltics), the Netherlands, Germany and the Group-wide segment. For financial information per segment and for the period see Note 3.

## Parent company

The operations of the parent company ZetaDisplay AB involve a larger part of the operations in segment Sweden. 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 sales amounted to SEK 35.7 (37.6) million, for the first quarter. Operating profit amounted to SEK -15.0 (-8.6) million and profit after tax to SEK -22.7 (-10.4) million.

The Parent Company had a total of SEK 13.5 (74.3) million in cash and cash equivalents and unutilized credits as of March 31, of which SEK 13.5 (54.3) million related to cash and cash equivalents.

Investments in fixed assets during the period amounted to SEK 4.4 (4.0) million, of which investments in subsidiaries amounted to SEK 0.0 (0.0) million and investments in intangible assets amounted to SEK 4.1 (4.0) million.

## Other information

### Number of employees

The average number of full-time employees was 206 in the last 3-month period, compared to 196 in the corresponding period last year.

### Transactions with related parties

There are no significant transactions with related parties, apart from customary transactions with group companies, ordinary salaries and remuneration to senior executives and its companies.

### The stock and shareholders

Following the compulsory redemption of shares, Hanover Active Equity Fund II S.C.A SICAV - RAIF is the sole shareholder of the ordinary shares in ZetaDisplay.

### 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 STIBOR 3 months + 7.75 percent per year with a due date in February 2026. The market rate may be subject to significant fluctuations. The interest rate risk is not hedged.

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

Malmö, 17 May 2023

**Per Mandorf**

President and CEO

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

For further information please contact:

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### About ZetaDisplay

ZetaDisplay is a leader in the Nordic region and second leader in 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 approximately SEK 530 million and employs over 200 employees in ten offices in six European countries and the United States. In total, the company manages over 85,000 installations in more than 50 markets. ZetaDisplay is owned by the British investment company Hanover Hanover Investors. More information at [www.ir.zetadisplay.com](http://www.ir.zetadisplay.com) and [www.hanoverinvestors.com](http://www.hanoverinvestors.com)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - SUMMARY (TSEK)

	3 MONTHS JAN-MAR 2023	3 MONTHS JAN-MAR 2022	12 MONTHS JAN-DEC 2022
Net sales	119 596	111 242	534 500
Capitalized work on own account	4 010	4 436	16 329
Other revenue	1 336	771	2 671
<b>Total Revenue</b>	<b>124 941</b>	<b>116 449</b>	<b>553 500</b>
<i>Operating expenses</i>			
Goods for resale	-47 740	-44 849	-237 780
Other external expenses	-25 840	-21 744	-97 395
Personnel expenses	-47 587	-44 429	-172 543
Depreciations and write-downs	-10 308	-9 900	-38 592
<b>Operating profit</b>	<b>-6 533</b>	<b>-4 473</b>	<b>7 190</b>
Financial income	765	2 882	9 685
Financial expenses	-8 991	-4 823	-25 830
<b>Profit/loss after financial items</b>	<b>-14 759</b>	<b>-6 414</b>	<b>-8 955</b>
Tax	-284	169	2 081
<b>Net profit/loss</b>	<b>-15 043</b>	<b>-6 245</b>	<b>-6 874</b>

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (TSEK)

	3 MONTHS JAN-MAR 2023	3 MONTHS JAN-MAR 2022	12 MONTHS JAN-DEC 2022
<b>Profit/loss for the period</b>	<b>-15 043</b>	<b>-6 245</b>	<b>-6 874</b>
Items that may later be transferred to profit/loss for the period			
Translations differences	-5 295	10 973	32 064
<b>Comprehensive income for the period</b>	<b>-20 338</b>	<b>4 728</b>	<b>25 190</b>
Attributable to shareholders in the Parent Company	-20 338	4 728	25 190



## CONSOLIDATED BALANCE SHEET - SUMMARY (TSEK)

	2023-03-31	2022-03-31	2022-12-31
<b>ASSETS</b>			
Intangible assets	559 669	544 945	563 706
Tangible assets	14 144	7 500	12 251
Right of use assets	18 561	16 494	16 087
Deferred tax assets	1 059	1 160	1 205
Financial non-current assets	130	130	130
<b>Total non-current assets</b>	<b>593 562</b>	<b>570 229</b>	<b>593 379</b>
Inventories	25 203	10 070	12 940
Current receivables	118 266	95 495	156 642
Cash and cash equivalents	36 278	87 091	59 225
<b>Total current assets</b>	<b>179 746</b>	<b>192 656</b>	<b>228 807</b>
<b>TOTAL ASSETS</b>	<b>773 309</b>	<b>762 885</b>	<b>822 186</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to shareholders in the Parent Company	262 514	261 792	283 199
<b>Total equity</b>	<b>262 514</b>	<b>261 792</b>	<b>283 199</b>
Non-current liabilities	325 600	335 765	27 370
Current liabilities	185 195	165 329	511 618
<b>Total liabilities</b>	<b>510 794</b>	<b>501 093</b>	<b>538 988</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>773 309</b>	<b>762 885</b>	<b>822 187</b>

## CONSOLIDATED CASH-FLOW STATEMENTS (TSEK)

	3 MONTHS JAN-MAR 2023	3 MONTHS JAN-MAR 2022	12 MONTHS JAN-DEC 2022
<b><i>Operating activities</i></b>			
Operating profit	-6 533	-4 473	7 190
Adjustments for depreciation and amortisation	10 308	9 900	38 592
Interest received	885	958	3 939
Interest paid	-5 128	-4 011	-18 810
Adjustment for items not included in cash flow	-694	422	-4 322
Income tax paid	1 475	-5 017	-3 412
<b>Cash flow from operating activities before changes in working capital</b>	<b>313</b>	<b>-2 220</b>	<b>23 177</b>
<b><i>Change in working capital</i></b>			
Change in inventories	-12 100	-711	-2 849
Change in receivables	36 151	-4 341	-61 401
Change in current liabilities	-40 130	10 147	43 394
<b>Total change in working capital</b>	<b>-16 079</b>	<b>5 095</b>	<b>-20 856</b>
<b>Cash flow from operating activities</b>	<b>-15 766</b>	<b>2 875</b>	<b>2 321</b>
<b><i>Investment activities</i></b>			
Acquisition of subsidiaries	0	0	-5 107
Acquisition of intangible assets	-7 859	-5 979	-20 930
Acquisition of tangible assets	-1 942	-69	-914
<b>Cash flow from investment activities</b>	<b>-9 801</b>	<b>-6 048</b>	<b>-26 950</b>
<b><i>Financing activities</i></b>			
Amortisation of lease debt	-3 194	-2 620	-11 006
Change in factoring debt	-442	-2 427	-2 283
<b>Cash flow from financing activities</b>	<b>-3 636</b>	<b>-5 048</b>	<b>-13 289</b>
<b>Cash flow for the period</b>	<b>-29 202</b>	<b>-8 220</b>	<b>-37 919</b>
<b>Cash and cash equivalents at start of period</b>	<b>59 225</b>	<b>93 473</b>	<b>93 472</b>
<b>Exchange rate difference</b>	<b>6 255</b>	<b>1 838</b>	<b>3 671</b>
<b>Cash and cash equivalents at end of period</b>	<b>36 278</b>	<b>87 091</b>	<b>59 225</b>

**STATEMENT OF CHANGES IN EQUITY - SUMMARY  
(TSEK)**

GROUP	CAPITAL STOCK	ADDITIONAL PAID-IN CAPOITAL	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
<b>Changes in equity</b>					
<b>2022-01-01 - 2022-12-31</b>					
Profit/loss for the year				-6 874	-6 874
Comprehensive income for the period			33 009		33 009
<b>Closing balance 2022-12-31</b>	<b>27 862</b>	<b>277 600</b>	<b>39 079</b>	<b>-61 342</b>	<b>283 199</b>
<b>Changes in equity</b>					
<b>2023-01-01 - 2023-03-31</b>					
Profit/loss for the year				-15 043	-15 043
Comprehensive income for the period			-5 642		-5 642
<b>Closing balance 2023-03-31</b>	<b>27 862</b>	<b>277 600</b>	<b>33 437</b>	<b>-76 385</b>	<b>262 514</b>

## PARENT COMPANY INCOME STATEMENT - SUMMARY (TSEK)

	3 MONTHS JAN-MAR 2023	3 MONTHS JAN-MAR 2022	12 MONTHS JAN-DEC 2022
Net sales	35 745	37 559	193 920
Capitalized work on own account	2 207	2 577	8 570
Other income	713	266	471
<b>Total income</b>	<b>38 665</b>	<b>40 402</b>	<b>202 961</b>
<i>Operating expenses</i>			
Goods for resale	-12 707	-15 493	-74 901
Other external expenses	-27 173	-19 208	-78 235
Personnel expenses	-12 203	-12 229	-41 047
Depreciation and amortisation	-2 094	-2 105	-7 354
<b>Operating profit</b>	<b>-15 512</b>	<b>-8 632</b>	<b>1 423</b>
Interest income	1 464	2 613	11 514
Interest expenses	-8 654	-4 335	-24 216
<b>Profit/loss after financial items</b>	<b>-22 702</b>	<b>-10 354</b>	<b>-11 279</b>
Tax	0	0	0
<b>Profit/loss for the period*</b>	<b>-22 702</b>	<b>-10 354</b>	<b>-11 279</b>

## PARENT COMPANY BALANCE SHEET – SUMMARY (TSEK)

	2023-03-31	2022-03-31	2022-12-31
<b>ASSETS</b>			
Intangible assets	36 625	28 168	32 524
Tangible assets	1 104	1 420	819
Participations in group companies	437 100	436 997	437 100
Deferred tax assets	0	0	0
Financial non-current assets	130	130	130
<b>Total non-current assets</b>	<b>474 959</b>	<b>466 715</b>	<b>470 573</b>
Inventories	3 914	136	581
Current receivables	160 792	119 128	127 235
Cash and cash equivalents	13 543	54 271	43 358
<b>Total current assets</b>	<b>178 249</b>	<b>173 534</b>	<b>171 174</b>
<b>TOTAL ASSETS</b>	<b>653 208</b>	<b>640 249</b>	<b>641 747</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	193 655	217 282	216 357
<b>Total equity</b>	<b>193 655</b>	<b>217 282</b>	<b>216 357</b>
Non-current liabilities	299 980	310 282	492
Current liabilities	159 573	112 685	424 898
<b>Total liabilities</b>	<b>459 553</b>	<b>422 967</b>	<b>425 390</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>653 208</b>	<b>640 249</b>	<b>641 747</b>

## 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: Höjdrodergatan 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

### 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 17-18.

### Note 3 Segment reporting

TSEK JAN-MAR	SWEDEN		NORWAY		FINLAND		NETHERLANDS	
	2023	2022	2023	2022	2023	2022	2023	2022
SaaS-revenue (recurring)	6 764	7 460	17 280	15 528	5 619	5 845	14 856	13 859
Hardware, installation and other services	20 518	24 309	9 530	7 426	5 990	7 853	9 778	12 567
Other income	741	251	1 802	0	1	1	0	-4
Internal income	2 106	1 088	3 630	1 784	7	53	1 832	2 221
<b>Total income</b>	<b>30 130</b>	<b>33 109</b>	<b>32 242</b>	<b>24 739</b>	<b>11 616</b>	<b>13 751</b>	<b>26 466</b>	<b>28 643</b>
EBITDA	8 242	5 918	9 108	6 150	119	1 672	7 883	6 183

TSEK JAN-MAR	GERMANY		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2023	2022	2023	2022	2023	2022	2023	2022
SaaS-revenue (recurring)	5 478	4 282	0	0	0	0	49 997	46 974
Hardware, installation and other services	23 783	12 113	0	0	0	0	69 599	64 268
Other income	622	487	2 179	15	0	0	961	750
Internal income	0	0	7 432	7 460	-15 006	-12 606	0,0	0,0
<b>Total income</b>	<b>29 883</b>	<b>16 883</b>	<b>9 610</b>	<b>7 475</b>	<b>-15 006</b>	<b>-12 606</b>	<b>120 556</b>	<b>111 992</b>
EBITDA	2 218	2 162	-23 795	-16 657	0	0	3 775	5 427

SaaS revenue consists in the period and quarter of revenue recognized over time and hardware, installation and other services, and internal revenue consists of revenue that are recognized at point in time.

## NOTE 4 FINANCIAL ASSETS AND LIABILITIES (TSEK)

	2023-03-31	2022-03-31	2022-12-31
<b>Financial assets measured at amortized cost (Hold to Collect)</b>			
Trade accounts receivable	68 978	64 106	121 060
Contract assets	23 402	16 491	19 499
Other financial receivables	130	130	130
Cash and cash equivalents	36 278	87 091	59 225
<b>Financial assets</b>	<b>128 787</b>	<b>167 818</b>	<b>199 914</b>
<b>Financial liabilities</b>			
<i>Other financial liabilities valued at amortised cost</i>			
Liabilities to credit institutions	3 476	4 097	3 601
Debenture loan	300 000	298 329	299 609
Leasing liability	17 733	16 234	16 069
Liabilities related to acquisitions	20 357	3 155	19 137
Trade accounts payable	29 295	33 141	52 082
<i>Financial liabilities measured at fair value</i>			
Contingent considerations relating to acquisitions	9 128	28 948	9 990
<b>Financial liabilities</b>	<b>379 989</b>	<b>383 903</b>	<b>400 488</b>

### Contingent considerations relating to acquisitions

The liabilities are contingent considerations relating to acquisitions.

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 is 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
<b>ARR (Annual recurring revenue)</b>	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
<b>Gross margin</b>	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
<b>EBITDA</b>	Operating profit excl. depreciation and amortization of tangible and intangible noncurrent assets	EBITDA is adjusted for items that affect comparability, so the company believes this is a useful indicator of results from operating activities
<b>EBITDA-margin</b>	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
<b>Net debt</b>	Interest-bearing liabilities decreased by interest-bearing assets and cash and cash equivalents	Measures to show the Company's indebtedness
<b>Operating profit</b>	Profit/loss for the period before financial items and tax	Operating profit is a useful indicator of income from operating activities
<b>Operating margin</b>	Operating profit in relation to net sales	The operating margin is a useful indicator to compare the change in operating profit between two periods
<b>SaaS-revenues (recurring)</b>	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
<b>Equity ratio</b>	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)

	JAN-MAR 2023	JAN-MAR 2022	RULLANDE 12 MÅN Q2 2022-Q1 2023	JAN-DEC 2022
License income	37 969	36 260	148 253	146 545
Support and other contractual services	12 028	10 714	47 060	45 746
<b>Total SaaS-revenues</b>	<b>49 997</b>	<b>46 974</b>	<b>195 314</b>	<b>192 291</b>

### ARR (ANNUAL RECURRING REVENUE) (TSEK)

	JAN-MAR 2023	JAN-MAR 2022	RULLANDE 12 MÅN Q2 2022-Q1 2023	JAN-DEC 2022
SaaS-revenues last month in the quarter	16 284	16 046		16 474
Multiplied with 12 months	12	12		12
<b>ARR (Annual recurring revenue)</b>	<b>195 408</b>	<b>192 550</b>		<b>197 688</b>

Annual recurring revenue is not calculated on rolling 12 months as ARR is a forward-looking financial indicator, while rolling 12 months is reverse-going financial indicator.

### GROSS MARGIN (TSEK)

	JAN-MAR 2023	JAN-MAR 2022	RULLANDE 12 MÅN Q2 2022-Q1 2023	JAN-DEC 2022
Net sales	119 596	111 242	542 853	534 500
<b>Total income</b>	<b>119 596</b>	<b>111 242</b>	<b>542 854</b>	<b>534 500</b>
<i>Operating expenses</i>				
Goods for resale	-47 740	-44 849	-240 671	-237 780
<b>Gross profit</b>	<b>71 856</b>	<b>66 393</b>	<b>302 183</b>	<b>296 720</b>
<b>Gross margin (%)</b>	<b>60,1</b>	<b>59,7</b>	<b>55,7</b>	<b>55,5</b>

### EBITDA (TSEK)

	JAN-MAR 2023	JAN-MAR 2022	RULLANDE 12 MÅN Q2 2022-Q1 2023	JAN-DEC 2022
Operating profit	-6 533	-4 473	5 130	7 190
Depreciation and amortisation	-10 308	-9 900	-39 000	-38 592
<b>EBITDA</b>	<b>3 775</b>	<b>5 427</b>	<b>44 130</b>	<b>45 782</b>
<b>EBITDA-margin (%)</b>	<b>3,2</b>	<b>4,9</b>	<b>8,1</b>	<b>8,6</b>

### OPERATING MARGIN (TSEK)

	JAN-MAR 2023	JAN-MAR 2022	RULLANDE 12 MÅN Q2 2022-Q1 2023	JAN-DEC 2022
Net sales	119 596	111 242	542 854	534 500
Operating profit	-6 533	-4 473	5 130	7 190
<b>Operating margin (%)</b>	<b>-5,5</b>	<b>-4,0</b>	<b>0,9</b>	<b>1,3</b>

### Net debt (TSEK)

	2023-03-31	2022-03-31	2022-12-31
Interest-bearing assets and cash and cash equivalents	36 278	87 091	59 225
Interest-bearing liabilities	321 274	318 657	319 269
<b>Net debt</b>	<b>284 996</b>	<b>231 566</b>	<b>260 044</b>

### EQUITY RATIO (TSEK)

	2023-03-31	2022-03-31	2022-12-31
Equity	262 514	261 792	283 199
Total assets	773 309	762 883	822 186
<b>Equity ratio (%)</b>	<b>33,9</b>	<b>34,3</b>	<b>34,4</b>