



ZETADISPLAY AB (PUBL)
INTERIM REPORT
1 JANUARY–30 SEPTEMBER 2020



Improved profitability driven by increased SaaS revenues and sustained cost control

July – September 2020

- Net sales decreased by 13.3% to SEK 86.9 (100.2) million
- SaaS revenues increased by 16.4% to SEK 38.4 (33.0) million
- EBITDA amounted to SEK 13.6 (13.2) million
- Operating profit amounted to SEK 5.3 (-14.5) million
- Basic and diluted earnings per share amounted to SEK 0.03 (0.29) and SEK 0.03 (0.29) respectively

January – September 2020

- Net sales decreased by 9.2% to SEK 263.6 (290.2) million
- SaaS revenue increased by 19.8% to SEK 116.3 (97.1) million
- ARR (annual recurring revenue) increased by 15.3% to SEK 156.6 (135.8) million
- EBITDA amounted to SEK 18.4 (31.0) million, adjusted for non-recurring items EBITDA amounted to SEK 34.9 (31.0) million
- Operating profit amounted to SEK -7.6 (-9.4) million
- Basic and diluted earnings per share amounted to SEK -0.58 (0.16) and SEK -0.58 (0.16) respectively

Significant events during the quarter

- ZetaDisplay announces that its software will be part of the Digital Signage installation for more than 750 Burger King quick service restaurants in the Russian Federation and CIS countries.

Significant events after the quarter

- ZetaDisplay announces that its Norwegian subsidiary will start delivery of music management services for 52 7-Eleven convenience stores in the Oslo metropolitan area.

FINANCIAL INDICATORS (TSEK)	JULY-SEP	JULY-SEP	JAN-SEP	JAN-SEP	ROLLING 12 MONTHS	JAN-DEC
	2020	2019	2020	2019	Q4 2019-Q3 2020	2019
Net sales	86 927	100 235	263 576	290 214	406 406	433 044
SaaS-revenues (recurring)	38 444	33 006	116 257	97 104	156 242	137 089
Annual recurring revenue (ARR)	156 588	135 827	156 588	135 827		165 465
Gross margin (%)	52,8	50,4	55,9	52,1	54,5	52,0
EBITDA	13 554	13 232	18 431	30 994	39 639	52 202
EBITDA-margin (%)	15,6	13,2	7,0	10,7	9,8	12,1
Operating profit*	5 274	-14 531	-7 552	-9 358	5 234	3 428
Operating margin (%)	6,1	-14,5	-2,9	-3,2	1,3	0,8
Profit/loss for the period	1 008	14 148	-16 748	13 155	-14 862	15 041
Equity ratio (%)	35,9	36,9	35,9	36,9		34,8
Equity per share	9,11	10,31	9,11	10,31		10,03
Earnings per share before dilution (SEK)	0,03	0,29	-0,58	0,16		0,22
Earnings per share after dilution (SEK)	0,03	0,29	-0,58	0,16		0,22

CEO comment

Improved profitability driven by increased SaaS revenue and sustained cost control

ZetaDisplay continues to grow as software and services company. During the quarter, we saw continued restraint in project and hardware sales because of COVID-19, but also a stable development of SaaS revenues and maintained cost control. EBITDA improved by 2.4% year-on-year, SaaS revenue increased by 16.4% compared to the same period last year. Annual Recurring Revenue amounted to SEK 156.6 million, an increase by 15.3% compared to the same period last year and by 2.8% in relation to the previous quarter.

Net sales for the quarter amounted to SEK 86.9 (100.2) million, a decrease of 13.3% compared to the same quarter last year. Project sales continued to be affected by customer restraint because of COVID-19 and were 27% lower than the corresponding period last year. Gross profit decreased by SEK 4.4 million to SEK 47.0 (51.4) million. The gross margin was 52.8 (50.4) % because of a higher share of SaaS revenues. EBITDA for the period amounted to SEK 13.6 (13.2) million, a margin of 15.6 (13.2) %.

We continue to serve a stable customer base that, despite challenging circumstances, invest in its digitization journey.

Investments in selected priorities

We have acted at an early stage to address the consequences of the COVID-19 pandemic. We closely monitor the development of our customers and have adapted the organization's resources to take advantage of our economies of scale. In addition, we are following the savings program that was launched during the first quarter with the goal of a saving of SEK 20 million up to the first quarter of 2021.

The past quarter has verified our resilience in challenging times. We base our conclusion on an improved organizational capacity after the introduction of a functional organization at the beginning of the year, large customer framework agreements that are developing well and a sufficient financial headroom as effect of the 2019 bond loan of SEK 300 million.

On the organizational side, intensive work is underway to upgrade and consolidate our software platform during next year will. During the quarter, we have been able to see that projects across functional and country borders have accelerated

and led to better use of our resources. This means, among other things, that our operating expenses are at the same level as last year, even though in the meantime we have acquired a Dutch company with 25 employees.

At the same time, we are continuously evaluating acquisition opportunities to lead the ongoing consolidation of the industry.

During the quarter, our employees were partly able to return to their workplaces. We care about the health and safety of our employees and follow current recommendations in our countries. Depending on the rules of different countries, we assume that current way of working with a primarily digital approach will last for several months to come. We have ensured internal efficiency through a full-scale and stable IT platform. Current market uncertainties and the lack of physical customer meetings lead to an extended decision-making process at the customer.

Time for digital transformation

Digitalization in society is accelerating, and we are well positioned to support our customers in this process. Through our deliveries and projects, we continuously prove that Digital Signage is a powerful and effective tool that creates business value. Our strategic initiatives continue with full force to develop the relevance of our offering and to broaden the opportunity to strengthen our position in a growing market. We address a comprehensive offering in concepts, projects, software, and after-market services on a global basis. We ensure that our services become an integral part of the customer's ecosystem so that economies of scale and impact are optimized. The concrete results that we are creating are and will continue to be an important competitive advantage.

Outlook

Our stable and diversified customer base makes us less sensitive to individual industries and individual customers. The delay and shift in demand for new projects that we have seen over the past two quarters, is increasingly returning to more normal levels. Our assessment is that this year's decrease in sales on projects and hardware will be recovered. The customer base is intact, the importance of digital transformation has increased and the willingness to invest exists. We have seen positive signals in the last quarter of a return to higher project volumes

but increasing market uncertainty makes it difficult to forecast when the recovery materializes. Our relative market position and the organization's readiness make us feel well prepared for the coming months. We will grow further, both organically and through acquisitions.

Malmö, 4 November 2020

Per Mandorf

President & CEO

Financial reporting dates

Year End Report 2020	5 February 2021
Annual Report 2020	6 April 2021
Interim Report Jan – March 2021	3 May 2021
AGM 2021	3 May 2021
Interim Report April – June 2021	19 July 2021

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, expanding market for ZetaDisplay, supplying a 360-degree concept covering strategy, planning, software, hardware, installation and content production, analysis as well as technical support and services.

Today, the Group has operations in six European countries. 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 enquiries 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/loss items are compared with the corresponding period last year. Balance sheet items and cash flows represent the position at the end of the period and are compared with the same date last year

Third quarter July - September 2020

Net sales

Net sales for the quarter amounted to SEK 86.9 (100.2) million. The decrease of 13.3% compared to the corresponding quarter last year is explained by a lower volume of new implementation projects as a result of the COVID-19 pandemic. During the quarter, SaaS revenue increased by 16.4% to SEK 38.4 (33.0) million. Annual Recurring Revenue (ARR) increased by 15.3% to SEK 156.6 (135.8) million.

The organic change in net sales at fixed exchange rates amounted to -22.0% while organic growth in SaaS revenue was 3.9%.

Of total net sales, SaaS-revenues accounted for 44.2 (32.9) %.

Gross profit

Gross profit amounted to SEK 45.9 (50.5) million. The gross margin was 52.8 (50.4) % and is mainly due to a relatively larger share of SaaS revenue.

Operating expenses

The cost of goods sold amounted to SEK -41.0 (-49.7) million and consists mainly of hardware and installations. The difference is attributable to a lower volume of implementation projects caused by the ongoing COVID-19 pandemic.

Other expenses amounted to SEK -12.2 (-13.6) million. The decrease is mainly explained by moderation of utilization of external resources.

Personnel costs amounted to SEK -25.3 (-26.6) million. As part of the Group's savings program, the cost is in line with the previous year. This is even though the number of employees has increased through acquisitions and that competence has been added centrally.

Depreciation amounted to SEK -8.3 (-27.8) million. Last year, depreciation included a one-time write-down of SEK 20.9 million of brands related to ZetaDisplay BV (formerly Qyn BV). The increase is explained by acquisitions and an increased share of capitalized work for own account.

EBITDA

EBITDA amounted to SEK 13.6 (13.2) million, corresponding to an EBITDA margin of 15.6 (13.2) %.

Operating profit

Operating profit amounted to SEK 5.3 (-14.5) million, corresponding to a margin of 6.1 (-14,5) %. Operating profit in the previous year was affected by items affecting comparability attributable to a one-time impairment loss of SEK 20.9 million. Adjusted for this effect, operating profit for the third quarter of the previous year amounted to SEK 6.4 million, corresponding to an operating margin of 6.4%.

Financial items

The financial items amounted to SEK -3.6 (24.4) million. The change compared to the previous year is attributable to one-off effects of SEK 2.0 (26.1) million because of revaluation of liabilities attributable to deferred considerations. Underlying financial expenses have increased because of interest expenses attributable to the bond loan.

Tax

The tax expense for the quarter amounted to SEK -0.7 (4.3) million. The Group considers that the deficit is not expected to be used in the near future, therefore no deferred tax asset has been recognized in respect of this deficit. The tax expense in the third quarter of the previous year was positive because of accounting for deferred tax in connection with impairment of trademarks.

Profit for the quarter

Profit for the quarter amounted to SEK 1.0 (14.1) million. Earnings per share amounted to SEK 0.03 (0.29) before and after dilution.

Cash flow

During the quarter, the Group generated cash flow from operating activities of SEK 1.1 (-12.1) million. Cash flow from investment activities amounted to SEK -4.2 (-5.2) million, of which investments in intangible fixed assets amounted to SEK -4.1 (-4.3) million and acquisitions of property, plant and equipment amounted to SEK -0.1 (-0.9) million. Cash flow from financing operations amounted to SEK -3.5 (106.8) million. Total cash flow during the quarter amounted to SEK -6.6 (89.5) million.

Period January - September 2020

Net sales

Net sales for the period amounted to SEK 263.6 (290.2) million. The decrease compared to the corresponding period last year was 9.2% and is explained by a lower volume of new implementation projects as a result of the COVID-19 pandemic. SaaS revenue increased by 19.7% to SEK 116.3 (97.1) million. Annual Recurring Revenue (ARR) increased by 15.3% to SEK 156.6 (135.8) million.

The organic change in net sales at fixed exchange rates amounted to -18.0% and organic growth in SaaS revenue was 5.6%. Of total net sales SaaS-revenues accounted for 44.1 % (33.5) %.

Gross profit

Gross profit amounted to SEK 147.4 (151.1) million. The gross margin was 55.9 (52.1) %. The higher gross margin is mainly explained by a relatively higher share of SaaS revenue.

Operating expenses

The cost of goods sold amounted to SEK -116.2 (-139.2) million and consists mainly of hardware and installations. The difference is attributable to a lower volume of implementation projects caused by the ongoing COVID-19 pandemic.

Other external expenses amounted to SEK -48.0 (-41.8) million. The increase is explained by non-recurring costs of SEK 6.9 million attributable to the first quarter of the year.

Personnel costs amounted to SEK -99.1 (-86.6) million. The increase is explained by non-recurring costs of SEK 8.7 million attributable to the first quarter of the year. Furthermore, the number of employees increased as a result of reinforcements made by increased competences centrally and acquisitions.

Depreciation amounted to SEK -26.0 (-40.4) million. Last year, depreciation included a one-time write-down of SEK 20.9 million of brands related to ZetaDisplay BV (formerly Qyn BV). The underlying increase is explained by acquisitions and an increased share of capitalized work on own account.

EBITDA

EBITDA amounted to SEK 18.4 (31.0) million, corresponding to an EBITDA margin of 7.0 (10.7) %.

EBITDA is affected by items affecting comparability amounting to SEK 16.5 million in the first quarter of the year. In the corresponding period of the previous year, there were no items affecting comparability. Adjusted for this effect, EBITDA

amounted to SEK 34.9 (31.0) million, corresponding to a margin of 13.2 (10.7) %.

Operating profit

Operating profit amounted to SEK -7.6 (-9.4) million, corresponding to an operating margin of -2.9 (-3.2) %. Operating profit is affected by items affecting comparability attributable to non-recurring costs amounting to SEK 17.1 million in the first quarter of the year. In the third quarter of the previous year, operating profit was affected by a one-time write-down of trademarks of SEK 20.9 million. Adjusted for these effects, operating profit amounted to SEK 9.5 (11.6) million, corresponding to an operating margin of 3.6 (4.0) %.

Financial items

The financial items amounted to SEK -8.1 (20.9) million. The change compared to the previous year is attributable to a positive one-time effect of SEK 7.1 (26.1) million because of revaluation of debt attributable to deferred considerations. Underlying financial expenses have increased because of interest expenses attributable to the bond loan.

Tax

The tax expense for the period amounted to SEK -1.1 (1.6) million. The Group considers that the deficit is not expected to be used in the near future, therefore no deferred tax asset has been recognized in respect of this deficit. The tax expense in the previous year was positive as a result of accounting for deferred tax in connection with impairment of trademarks.

Profit and loss for the period

Profit for the period amounted to SEK -16.8 (13.2) million. Earnings per share before and after dilution amounted to SEK -0.58 (0.16).

Cash flow

During the period, the Group generated cash flow from operating activities of SEK 43.3 (-5.4) million. Cash flow from investment activities amounted to SEK -20.7 (-35.6) million, of which payment of the contingent considerations of acquisitions amounted to SEK -7.5 (-20.9) million, investments in intangible fixed assets amounted to SEK -12.1 (-11.8) million and the acquisition of property, plant and equipment amounted to SEK -1.1 (-3.1) million. Cash flow from financing activities amounted to SEK -17.4 (119.5) million. During the period, total cash flow amounted to SEK 5.3 (78.5) million.

Financial position

The equity ratio at the end of the period was 35.9% (36.9). The Group had a total of SEK 174.0 (206.2) million in cash and unutilized credits as of September 30, of which SEK 131.1 (164.5) million related to cash and cash equivalents. Net debt at the end of the period amounted to SEK -185.7 (-162.6) million.

Segments

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

Third quarter July - September 2020

Segment Sweden reported revenue from external customers of SEK 29.8 (32.6) million for the third quarter, which corresponds to a reduction of -8.7%. EBITDA amounted to SEK 0.5 (2.2) million for the quarter and the EBITDA margin was 1.6 (6.8) %.

Segment Norway reported revenue from external customers of SEK 17.1 (34.0) million for the third quarter, which represented a decrease of 49.8%. The previous year is characterized by large roll-outs of projects with lower hardware margins. EBITDA amounted to SEK 7.0 (9.7) million for the quarter and the EBITDA margin was 41.3 (28.6) %.

Segment Finland reported revenue from external customers of SEK 15.4 (20.3) million for the third quarter, corresponding to a decrease of -24.0%. The decrease is related to hardware, installation and other services. Finland is the segment where the reduced volume of implementation projects due to COVID-19 has hit the company hardest. This is due to the relatively lower share of SaaS revenue relative to the other segments. EBITDA amounted to SEK 1.1 (1.4) million for the quarter and the EBITDA margin was 7.3 (7.0) %.

Segment Netherlands reported revenue from external customers of SEK 24.7 (13.3) million for the third quarter. Which corresponds to an increase of 85.8%. This segment has also had a weaker development of new implementation projects as a result of COVID-19, but the acquisition of Gaudi in the fourth quarter of 2019 explains the increase in revenue and EBITDA. In the third quarter, EBITDA amounted to SEK 6.4 (4.6) million and the EBITDA margin was 26.0 (34.3) %.

Group-wide costs decreased by 26.2% from SEK 7.5 million to SEK 5.6 million.

Period January-September 2020

Segment Sweden reported revenue from external customers of SEK 80.1 (79.0) million. Which corresponds to an increase of 1.4%. The reason for the increase is the roll-out of implementation projects at international customers. EBITDA amounted to SEK -1.8 (0.1) million for the period and the EBITDA margin was -2.3 (0.1) %.

Segment Norway reported revenue from external customers of SEK 59.7 (93.5) million. Which corresponds to a decrease of -36.1%. The reason for the decrease is the lower share of hardware, installation and other services driven by the longer decision-making processes for new projects as a result of the ongoing COVID-19 pandemic and the shutdown of the country in the second and third quarters. EBITDA amounted to SEK 19.8 (24.1) million for the period and the EBITDA margin was 33.2 (25.8) %. The previous year is characterized by large roll-outs of projects with lower hardware margins.

Segment Finland reported revenue from external customers of SEK 48.9 (77.2) million. Which corresponds to a reduction of -36.7%. Finland is the segment where the reduced volume of implementation projects due to COVID-19 has hit the company hardest. The relatively lower share of SaaS revenue relative to the other segments has a negative impact on the margin. EBITDA amounted to SEK 0.8 (11.8) million for the period and the EBITDA margin was 1.6 (15.3) %.

Segment Netherlands reported revenue from external customers of SEK 73.9 (40.3) million. Which corresponds to an increase of 83.6%. This segment has also experienced a weaker development of new implementation results as a result of COVID-19, but the acquisition of Gaudi in the fourth quarter of 2019 explains the increase in revenue and EBITDA. EBITDA amounted to SEK 17.3 (10.4) million for the period and the EBITDA margin was 23.4 (25.8) %.

Group-wide costs increased by 31.8% from SEK 23.4 million to SEK 30.8 million.

Parent company

The activities 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, sales coordination, purchasing, communications, marketing, delivery, service and support and finance.

The parent company's net sales amounted to SEK 32.5 (25.9) million, for the third quarter. Operating profit amounted to SEK -0.9 (-0.9) million and profit after tax to SEK -5.4 (14.8) million.

Other information

Number of employees

The average number of full-time employees was 156 in the last 9-month period, compared with 137 in the corresponding period last year.

Transactions with related parties

In the second quarter, in accordance with the resolution of the Annual General Meeting, 484,297 shares were issued by offsetting the additional purchase price to which the sellers of Gaudi B.V were entitled.

All transactions are deemed to be on market terms. In addition, there are no material transactions other than ordinary salaries and remuneration to senior executives and its companies, board fees and issued options and incentive programs.

Share-based incentive programs

According to the decision at the Annual General Meeting, employee incentive plan TO 2020/2023 have been launched to the group's employees. Total, 201,500 warrants were signed at a price of 1.87 SEK per warrant. Of these, 184,000 were subscribed by senior executives.

The warrants run until March 2023 and each warrant entitles to 1 ordinary share at the subscription price of SEK 17.90. In total, this

The parent company had a total of SEK 134.6 (176.9) million in cash and cash equivalents as of September 30, of which SEK 104.6 (SEK 152.8) million related to cash and cash equivalents.

Investments in fixed assets for the third quarter amounted to SEK 2.5 (9.5) million, of which investments in subsidiaries amounted to SEK 0.0 (0.0) million and investments in intangible assets amounted to SEK 2.3 (7.5) million.

corresponds to a potential dilutive effect of approximately 0.7% if all warrants were to be exercised.

The share and shareholders

Since December 4, 2017, ZetaDisplay's shares is traded on Small Cap on Nasdaq Stockholm's main market. The share is traded under short code ZETA.

Erik Penser Bank is the liquidity guarantor of ZetaDisplay's ordinary shares. The bank has undertaken to set purchase and sale prices for these securities on an ongoing basis.

As of September 30, 2020, the number of shareholders of ordinary shares in ZetaDisplay was 2,756 (1,925). The shareholder structure at the closing date is shown in the table on the next page.

The company has three outstanding options programs totaling 1,206,250 warrants with the right to subscribe for 1,233,750 shares in the company. The programs refer to long-term incentive programs for staff and senior executives.

All outstanding warrants have a subscription price that exceeds share price per 2020-09-30 and thus no dilution in the period.

Shareholder

Shareholder	TOTAL SHARES	SHARE OF CAPITAL & VOTES %
Nidoco AB	3 748 651	13,7%
Anders Pettersson	3 306 641	12,1%
Mats Johansson	2 562 468	9,4%
Anders Moberg	1 221 000	4,5%
AMF Fonder	1 176 227	4,3%
Magari Venture AS	1 100 000	4,0%
Mats Leander	1 015 000	3,7%
Martin Gullberg	760 500	2,8%
Leif Liljebrunn	766 812	2,8%
Avanza Pension	748 990	2,7%
Mikael Hägg	596 762	2,2%
LMD Beheer B.V	600 000	2,2%
Andreas Morfiadakis	430 815	1,6%
SEB Life International	429 503	1,6%
Manu Mesimäki	313 177	1,1%
Other shareholders	8 507 762	31,2%
TOTAL	27 284 308	100%

Annual General Meeting

On May 4, 2020, the Annual General Meeting was held in Malmö. The AGM resolved on all proposed matters in accordance with the Board of Directors or shareholders' previously published proposals. For further information, please refer to ir.zetadisplay.com.

Significant risks and uncertainties

The Group is exposed, through its operations, to various financial risks such as market risk (consisting of currency, interest rate and price risk), credit risk and liquidity risk. The Group's overall risk management involves seeking minimal adverse effects on earnings and position. The Group's business risks and risk management and financial risks are described in detail in the Annual Report for 2019, page 32-33. In addition to the additional statement of COVID-19, no significant events have occurred during the interim period that affect or alter these descriptions of the Group's risks and their management.

COVID-19

We have not yet experienced any shortage of the technical equipment required to complete our deliveries, as we initially feared. There has also

been no human resource shortage because of illness or quarantine. However, new as existing customers have postponed their investments in digital communications. This has contributed to a decrease in project revenues, which consist of hardware, installations and project management. The Group has no material bad debt losses directly linked to the COVID-19 pandemic. Government grants have been received, for further information see Note 2. In the event of a further protracted pandemic, in which communities are shut down again, this would increase the risk of a negative impact on the Group's financial position.

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 that does not increase in complexity and drives costs as the service share increases.

The financial objectives are:

- SaaS-revenues exceeding SEK 200 million at the end of 2022.
- An operating profit of SEK 100 million at the end of 2022.
- To achieve an equity ratio in the period up to 2022 between 30 and 50%
- Use dividends to ensure that the equity ratio does not exceed 50%.

Malmö, 4 November 2020

Per Mandorf

President & CEO

This report has been reviewed by the company's auditors. This interim report and auditors report of review of interim financial information is a translation of the original Swedish interim report that has been formally approved by the Board of Director

This interim report is such information that ZetaDisplay AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted, on the authority of Per Mandorf for publication on 4 November 2020 at 8:00 a.m.

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Presentation to analysts, investors and media

CEO Per Mandorf and CFO Jacob Stjernfält present the interim report in an audiocast on November 4, 2020 at 10:00 am CET. Registration is done on the [website https://financialhearings.com/event/13066](https://financialhearings.com/event/13066).

About ZetaDisplay

ZetaDisplay acts at the heart of digital transformations in physical environments. We contribute to nudging peoples' behaviour at the point-of-decision in retail environments, public spaces, and workplace environments. Our solutions are known as Digital Signage that we develop and offer as SaaS-solutions. We are a European leader and intend to drive the further consolidation of the market organically and through acquisitions.

ZetaDisplay has its head office in Malmö. The company generates revenues of approx. SEK 400 million and employs 160 staff at nine offices in six European countries. In total, the company handles 50,000 installations on 50 markets. The share is listed on Nasdaq Stockholm [ZETA]. More information at www.ir.zetadisplay.com

Report of Review of Interim Financial Information

Introduction

We have reviewed the interim report of ZetaDisplay AB (publ) for the period 1 January 2020 to 30 September 2020. The Board of Directors and the CEO are responsible for the preparation and presentation of the Interim Report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion regarding the Interim Report based on our review

Scope and focus of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is considerably smaller in scope than an audit conducted in accordance with ISA and other generally accepted auditing standards. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Consequently, the conclusion based on a review does not give the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, 4 November 2020

Deloitte AB

Per-Arne Pettersson

Authorized Public Accountant

Auditor in charge

Henrik Ekström

Authorized Public Accountant

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - SUMMARY (TSEK)

	3 MONTHS JUL-SEP 2020	3 MONTHS JUL-SEP 2019	9 MONTHS JAN-SEP 2020	9 MONTHS JAN-SEP 2019	12 MONTHS JAN-DEC 2019
Net sales	86 927	100 235	263 576	290 214	433 044
Capitalized work on own account	4 042	2 084	10 090	6 788	9 756
Other revenue	1 097	828	8 093	1 599	3 087
Total Revenue	92 066	103 147	281 759	298 601	445 887
<i>Operating expenses</i>					
Goods for resale	-41 009	-49 703	-116 217	-139 149	-207 992
Other external expenses	-12 173	-13 606	-48 037	-41 831	-63 077
Personnel expenses	-25 330	-26 606	-99 074	-86 627	-122 616
Depreciations and write-downs	-8 280	-27 763	-25 983	-40 352	-48 774
Operating profit	5 274	-14 531	-7 552	-9 358	3 428
Financial income	5 181	26 654	17 519	28 355	29 042
Financial expenses	-8 731	-2 262	-25 657	-7 468	-15 809
Profit/loss after financial items	1 724	9 861	-15 690	11 529	16 661
Tax	-716	4 287	-1 058	1 626	-1 620
Net profit/loss	1 008	14 148	-16 748	13 155	15 041
Profit/loss per share before dilution, SEK	0,03	0,29	-0,58	0,16	0,22
Profit/loss per share after dilution, SEK	0,03	0,29	-0,58	0,16	0,22
Average number of ordinary shares before dilution, SEK	29 282	28 043	29 046	27 289	27 828
Average number of ordinary shares after dilution, SEK	29 282	28 276	29 046	27 519	27 828

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (TSEK)

	3 MONTHS JUL-SEP 2020	3 MONTHS JUL-SEP 2019	9 MONTHS JAN-SEP 2020	9 MONTHS JAN-SEP 2019	12 MONTHS JAN-DEC 2019
Profit/loss for the period	1 008	14 148	-16 748	13 155	15 041
Items that may later be transferred to profit/loss for the period					
Translations differences	-75	2 600	-14 751	19 877	9 604
Comprehensive income for the period	933	16 748	-31 499	33 032	24 645
Attributable to shareholders in the Parent Company	933	16 748	-31 499	33 032	24 645

CONSOLIDATED BALANCE SHEET - SUMMARY (TSEK)

	2020-09-30	2019-09-30	2019-12-31
ASSETS			
Intangible assets	456 091	410 138	474 335
Tangible assets	7 214	8 209	9 493
Right of use assets	16 071	18 192	19 357
Deferred tax assets	3 203	2 634	3 183
Financial non-current assets	130	130	130
Total non-current assets	482 709	439 303	506 498
Inventories	7 892	18 334	9 779
Current receivables	71 229	113 241	128 773
Cash and cash equivalents	131 058	164 495	128 289
Total current assets	210 179	296 070	266 841
TOTAL ASSETS	692 888	735 373	773 339
EQUITY AND LIABILITIES			
Equity attributable to shareholders in the Parent Company	248 505	271 000	268 759
Total equity	248 505	271 000	268 759
Provisions	3 296	345	352
Non-current liabilities	323 362	323 766	327 436
Current liabilities	117 725	140 262	176 792
Total liabilities	441 087	464 028	504 228
TOTAL EQUITY AND LIABILITIES	692 888	735 373	773 339

CONSOLIDATED CASH-FLOW STATEMENTS (TSEK)

	3 MONTHS JUL-SEP 2020	3 MONTHS JUL-SEP 2019	9 MONTHS JAN-SEP 2020	9 MONTHS JAN-SEP 2019	12 MONTHS JAN-DEC 2019
Operating activities					
Operating profit	5 274	-14 531	-7 552	-9 358	3 428
Adjustments for depreciation and amortisation	8 281	27 763	25 983	40 352	48 774
Interest received	20	136	56	1 837	1 080
Interest paid	-4 901	-3 425	-12 114	-5 939	-10 441
Adjustment for items not included in cash flow	-6 403	278	4 022	319	-79
Income tax paid	-1 132	-2 183	-4 316	-5 535	-6 234
Cash flow from operating activities before changes in working capital	1 138	8 038	6 079	21 676	36 529
Change in working capital					
Change in inventories	870	-3 261	1 706	-4 617	5 326
Change in receivables	-2 595	-24 796	54 337	-5 380	-17 377
Change in current liabilities	1 673	7 945	-18 790	-17 048	-11 685
Total change in working capital	-52	-20 112	37 253	-27 045	-23 736
Cash flow from operating activities	1 086	-12 073	43 331	-5 369	12 793
Investment activities					
Acquisition of subsidiaries *)	0	0	0	0	-47 354
Paid contingent consideration for acquisition of subsidiaries	0	0	-7 510	-20 876	-20 876
Acquisition of intangible assets	-4 087	-4 315	-12 115	-11 758	-15 589
Acquisition of tangible assets	-86	-879	-1 091	-3 122	-5 165
Sales of tangible assets	0	0	0	0	377
Sales of financial assets	0	1	0	149	149
Cash flow from investment activities	-4 173	-5 194	-20 715	-35 607	-88 458
Financing activities					
Stock issue	0	-70	0	33 764	39 684
Redemption preference shares	0	-66 697	0	-66 697	-66 697
Borrowing	0	300 000	0	300 000	300 000
Subscription warrants	0	0	377	808	1 034
Amortisation of debt	-668	-124 583	-943	-136 805	-140 929
Amortisation of lease debt	-2 248	-1 850	-7 362	-4 774	-7 203
Dividends paid	0	0	0	-2 728	-2 728
Change in factoring costs	-628	-7	-9 427	-4 085	-3 766
Cash flow from financing activities	-3 544	106 793	-17 356	119 483	119 395
Cash flow for the period	-6 631	89 525	5 260	78 507	43 730
Cash and cash equivalents at start of period	137 804	74 783	128 289	83 389	83 389
Exchange rate difference	-115	187	-2 491	2 599	1 171
Cash and cash equivalents at end of period	131 058	164 495	131 058	164 495	128 289

*) Relates to the acquisition of Gaudi BV during 2019

**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 2019-01-01	24 750	286 342	5 488	-45 122	271 458
Changes in equity					
2019-01-01 - 2019-09-30					
Comprehensive income for the period			19 876	13 155	33 031
<i>Transactions with shareholders:</i>					
Approved distribution of preference shares		-1 364			-1 364
Option premiums received		808			808
Redemption preference shares	-606	-66 091			-66 697
Stock issue	2 131	32 626			34 757
Issue expenses		-993			-993
Closing balance 2019-09-30	26 275	251 328	25 364	-31 967	271 000
Changes in equity					
2019-10-01 - 2019-12-31					
Comprehensive income for the period			-10 273	1 886	-8 387
<i>Transactions with shareholders:</i>					
Option premiums received		226			226
Stock issue	525	5 475			6 000
Issue expenses		-80			-80
Closing balance 2019-12-31	26 800	256 949	15 091	-30 081	268 759
Changes in equity					
2020-01-01 - 2020-09-30					
Comprehensive income for the period			-14 751	-16 748	-31 499
<i>Transactions with shareholders:</i>					
Option premiums received		378			378
Stock issue	484	10 383			10 867
Closing balance 2020-09-30	27 284	267 710	340	-46 829	248 505

PARENT COMPANY INCOME STATEMENT - SUMMARY (TSEK)

	3 MONTHS JUL-SEP 2020	3 MONTHS JUL-SEP 2019	9 MONTHS JAN-SEP 2020	9 MONTHS JAN-SEP 2019	12 MONTHS JAN-DEC 2019
Net sales	32 034	25 265	85 814	70 456	106 407
Capitalized work on own account	2 672	1 376	5 218	4 122	5 791
Other income	449	618	4 173	1 242	2 511
Total income	35 156	27 259	95 205	75 820	114 707
<i>Operating expenses</i>					
Goods for resale	-19 204	-10 932	-47 033	-33 085	-48 482
Other external expenses	-9 602	-7 577	-31 088	-24 205	-36 867
Personnel expenses	-5 954	-8 828	-30 116	-26 017	-36 258
Depreciation and amortisation	-1 327	-865	-4 673	-2 643	-3 722
Operating profit	-931	-943	-17 705	-10 130	-10 622
Result from participations in group companies	0	17 247	0	27 209	43 501
Interest income	3 840	435	12 424	2 013	3 246
Interest expenses	-8 302	-1 899	-24 348	-6 432	-14 262
Profit/loss after financial items	-5 393	14 840	-29 629	12 660	21 863
Tax	0	0	0	0	0
Profit/loss for the period*	-5 393	14 840	-29 629	12 660	21 863

*) The profit/loss for the period for the parent company matches the comprehensive income

PARENT COMPANY BALANCE SHEET – SUMMARY (TSEK)

	2020-09-30	2019-09-30	2019-12-31
ASSETS			
Intangible assets	17 079	14 007	15 240
Tangible assets	2 716	2 920	3 360
Participations in group companies	366 008	373 127	373 127
Deferred tax assets	1 217	1 217	1 217
Financial non-current assets	130	130	130
Total non-current assets	387 150	391 401	393 074
Inventories	2 205	6 499	3 305
Current receivables	88 780	58 869	99 567
Cash and cash equivalents	104 647	152 805	110 401
Total current assets	195 632	218 173	213 273
TOTAL ASSETS	582 782	609 574	606 347
EQUITY AND LIABILITIES			
Equity	218 662	222 300	237 423
Total equity	218 662	222 300	237 423
Provisions	1 664	346	352
Non-current liabilities	300 863	300 724	300 652
Current liabilities	61 593	86 205	67 920
Total liabilities	362 456	386 929	368 572
TOTAL EQUITY AND LIABILITIES	582 782	609 575	606 347

Notes

Note 1 ZetaDisplay Group

ZetaDisplay AB (publ), 556603-4434, is a Swedish public limited 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 (Publ)	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
Gaуди BV	29049518	Moordrecht	100
Gaуди International BV	71336435	Moordrecht	100
Gaуди Inc	D18921700	Baltimore	100
ProntoTV AS	981106431	Oslo	100
LiveQube AS	995543478	Oslo	100
Webpro International AS	912298795	Trondheim	100

Note 2 Accounting principles

The consolidated financial statements for 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 RFR 1 "Supplementary Accounting Rules for Groups" from the Swedish Financial Reporting Board. 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.

During the first quarter the Group made the Group increased the credit risk reserve in accordance with IFRS 9 as a result of the current COVID-19 pandemic.

New standards and interpretations that are effective from January 1, 2020 have not had any effect on the Group's or 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 the notes and elsewhere in the interim report.

The ESMA 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 page 21–22.

Government grants

Government grants are reported in accordance with IAS 20 when there is reasonable assurance that the company will meet the requirements arising from the grants and that the company will receive the grant. Government grants applied for, which the company estimates fall within the scope of IAS 20, are reported as other income during the periods that the grant is to compensate.

During the quarter, subsidiaries in three countries applied for government grants because of COVID-19. The period for which the grants relate is three months and is reported

under other income in the Group and in the segments corresponding to SEK 0.5 million. The grants relate to support for personnel costs of SEK 0.1 million, other external costs of SEK 0.2 million and support for lost revenue of SEK 0.2 million.

For the first 9 months of the year, grants reported as other income amounted to SEK 3.0 million. The grants relate to support for personnel costs of SEK 2.3 million, other external costs of SEK 0.5 million and support for lost revenue of SEK 0.2 million.

Note 3 Segment Reporting

TSEK JUL-SEP	SWEDEN		NORWAY		FINLAND		NETHERLANDS		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
SaaS-revenues (recurring)	7 292	7 408	11 784	11 846	5 607	6 226	13 761	7 527	0	0	0	0	38 444	33 006
Hardware, installation and other services	22 502	25 211	5 284	22 145	9 803	14 055	10 894	5 746	0	72	0	0	48 483	67 229
Other income	570	210	162	0	384	0	-124	0	104	618	0	0	1 097	828
Internal income	659	300	0	0	0	181	-1	1 042	3 964	2 173	-4 622	-3 696	0	0
Total income	31 023	33 129	17 230	33 991	15 795	20 462	24 530	14 314	4 068	2 863	-4 622	-3 696	88 024	101 063
EBITDA *)	475	2 205	7 043	9 734	1 120	1 415	6 422	4 555	-1 506	-4 677	0	0	13 554	13 232
<i>EBITDA margin</i>	1,6%	6,8%	41,3%	28,6%	7,3%	7,0%	26,0%	34,3%					15,6%	13,2%
Depreciation and amortisation	-111	-549	-1 820	-1 840	-950	-893	-1 593	-792	-4 179	-24 075	372	385	-8 282	-27 763
Operating profit	364	1 656	5 223	7 894	170	522	4 828	3 763	-5 686	-28 752	372	385	5 275	-14 531
Financial income													5 181	26 654
Financial expenses													-8 731	-2 262
Profit before tax	364	1 656	5 223	7 894	170	522	4 828	3 763	-5 686	-28 752	372	385	1 724	9 861

INTANGIBLE AND TANGIBLE ASSETS TSEK SEP	SWEDEN		NORWAY		FINLAND		NETHERLANDS		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Intangible assets	0	0	13 963	12 452	7 230	9 150	4 392	2 566	422 870	379 743	7 636	6 227	456 091	410 138
Tangible assets	2 317	3 198	3 890	7 360	5 391	6 298	6 339	3 715	5 349	5 830	0	0	23 285	26 401
Total intangible and tangible assets	2 317	3 198	17 853	19 812	12 621	15 448	10 731	6 281	428 219	385 573	7 636	6 227	479 376	436 539

TSEK JAN - SEP	SWEDEN		NORWAY		FINLAND		NETHERLANDS		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
SaaS-revenues (recurring)	22 815	21 530	33 889	34 781	17 861	18 396	41 693	22 396	0	0	0	0	116 257	97 104
Hardware, installation and other services	57 309	57 507	25 857	58 760	31 043	58 826	32 238	17 876	872	141	0	0	147 319	193 110
Other income	2 526	378	871	0	384	7	1 300	0	3 012	1 214	0	0	8 093	1 599
Internal income	2 227	326	0	0	0	190	59	2 943	9 245	6 509	-11 530	-9 968	0	0
Total income	84 877	79 741	60 617	93 541	49 288	77 419	75 289	43 216	13 128	7 864	-11 530	-9 968	271 669	291 813
EBITDA *)	-1 824	112	19 856	24 147	759	11 837	17 294	10 390	-17 654	-15 492	0	0	18 431	30 994
<i>EBITDA margin</i>	-2,3%	0,1%	33,2%	25,8%	1,6%	15,3%	23,4%	25,8%					7,0%	10,7%
Depreciation and amortisation	-1 252	-1 523	-5 562	-5 361	-2 877	-2 221	-5 006	-2 323	-12 426	-30 278	1 140	1 353	-25 983	-40 352
Operating profit	-3 076	-1 411	14 293	18 786	-2 118	9 616	12 288	8 067	-30 081	-45 770	1 140	1 353	-7 552	-9 358
Financial income													17 519	28 355
Financial expenses													-25 657	-7 468
Profit before tax	-3 076	-1 411	14 293	18 786	-2 118	9 616	12 288	8 067	-30 081	-45 770	1 140	1 353	-15 690	11 529

INTANGIBLE AND TANGIBLE ASSETS TSEK SEP	SWEDEN		NORWAY		FINLAND		NETHERLANDS		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Intangible assets	0	0	13 963	12 452	7 230	9 150	4 392	2 566	422 870	379 743	7 636	6 227	456 091	410 138
Tangible assets	2 317	3 198	3 890	7 360	5 391	6 298	6 339	3 715	5 349	5 830	0	0	23 285	26 401
Total intangible and tangible assets	2 317	3 198	17 853	19 812	12 621	15 448	10 731	6 281	428 219	385 573	7 636	6 227	479 376	436 539

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

FIXED ASSETS PER GEOGRAPHICAL AREA*

	2020-09-30	2019-09-30
Sweden	25 417	23 733
Denmark	701	685
Norway	82 586	86 739
Finland	160 141	186 004
Netherlands	210 531	139 377
Total fixed assets	479 376	436 539

*Does not reconcile with the breakdown of fixed assets in the segment reporting. Goodwill and other surplus values are presented in a group-wide segment to the Chief Executive Officer but is included in different geographical areas. A segment can also contain several geographical areas.

Note 4 Financial assets and liabilities

(TSEK)	2020-09-30	2019-09-30	2019-12-31
Financial assets measured at amortized cost (Hold to Collect)			
Trade accounts receivable	51 039	85 249	97 943
Contract assets	7 174	7 658	8 958
Other financial receivables	130	130	130
Cash and cash equivalents	131 058	164 495	128 289
Financial assets	189 401	257 332	235 320
Financial liabilities			
<i>Other financial liabilities valued at amortised cost</i>			
Liabilities to credit institutions	5 757	15 199	15 075
Debenture loan	295 805	294 097	294 530
Leasing liability	15 211	17 583	18 861
Liabilities to related parties	35	216	121
Trade accounts payable	21 480	39 478	40 202
<i>Financial liabilities measured at fair value</i>			
Contingent considerations relating to acquisitions	11 207	20 738	38 049
Financial liabilities	349 495	387 311	406 838

Contingent considerations	Webpro	Gauddi	Total
Opening balance 2020-01-01	20 312	17 737	38 049
Exchange rate changes	-1 987	156	-1 831
Payment of contingent considerations	0	-17 893	-17 893
Reassessment of additional purchase price	-7 118	0	-7 118
Closing balance 2020-06-30	11 207	0	11 207
	Webpro	Gauddi	Total
Expected payment 2020	11 207	0	11 207
Total expected payment	11 207	0	11 207

Contingent considerations relating to acquisitions

The liabilities are contingent considerations relating to acquisitions.

During 2020 a change has been made regarding the expected payment in 2020 of additional consideration for the acquisition of Webpro AS. The reason for this is because the agreed target for license revenue for the period 2019-07-01 - 2020-06-30 has not been fully met. According to the new assessment, 39% of the agreed additional consideration is expected to be paid and thus SEK 7,118 thousand has been recognized in the Group's earnings under financial income. Final payment of SEK 11 207 thousand will be made in the fourth quarter of 2020.

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 input is based on unobservable data. Liabilities are measured at fair value and based on the development of license revenues in the company in 2019 and 2020.

Alternative performance measurements

ZetaDisplay presents some financial measures in its financial reports 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 with measures used by other companies. These financial measures should therefore not be regarded as a substitute for measures defined under IFRS.

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
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.
Equity per share	Equity divided by the number of shares outstanding at end of period.	Measure of the company's net value per share.
EBITDA	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.
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.
Net debt	Interest-bearing liabilities decreased by interest-bearing assets and cash and cash equivalents.	Measures to show the Company's indebtedness.
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.
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.
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 2020	JUL-SEP 2019	JAN-SEP 2020	JAN-SEP 2019	ROLLING 12 MONTHS Q4 2019-Q3 2020	JAN-DEC 2019
License income	32 991	26 018	100 817	76 405	133 940	109 528
Support and other contractual services	5 453	6 988	15 440	20 699	22 302	27 561
Total SaaS-revenues	38 444	33 006	116 257	97 104	156 242	137 089

ARR (ANNUAL RECURRING REVENUE) (TSEK)	JUL-SEP 2020	JUL-SEP 2019	JAN-SEP 2020	JAN-SEP 2019	ROLLING 12 MONTHS Q4 2019-Q3 2020	JAN-DEC 2019
SaaS-revenues last month in the quarter	13 049	11 319	13 049	11 319		13 789
Multiplied with 12 months	12	12	12	12		12
ARR (Annual recurring revenue)	156 588	135 827	156 588	135 827		165 465

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)	JUL-SEP 2020	JUL-SEP 2019	JAN-SEP 2020	JAN-SEP 2019	ROLLING 12 MONTHS Q4 2019-Q3 2020	JAN-DEC 2019
Net sales	86 927	100 235	263 576	290 214	406 406	433 044
Total income	86 927	100 235	263 576	290 214	406 406	433 044
<i>Operating expenses</i>						
Goods for resale	-41 009	-49 704	-116 217	-139 150	-185 059	-207 992
Gross profit	45 918	50 532	147 359	151 065	221 347	225 052
Gross margin (%)	52,8	50,4	55,9	52,1	54,5	52,0

EBITDA (TSEK)	JUL-SEP 2020	JUL-SEP 2019	JAN-SEP 2020	JAN-SEP 2019	ROLLING 12 MONTHS Q4 2019-Q3 2020	JAN-DEC 2019
Operating profit	5 274	-14 531	-7 552	-9 358	5 234	3 428
<i>Depreciation and amortisation</i>	-8 280	-27 763	-25 983	-40 352	-34 405	-48 774
EBITDA	13 554	13 232	18 431	30 994	39 639	52 202
EBITDA-margin (%)	15,6	13,2	7,0	10,7	9,8	12,1

OPERATING MARGIN (TSEK)	JUL-SEP 2020	JUL-SEP 2019	JAN-SEP 2020	JAN-SEP 2019	ROLLING 12 MONTHS Q4 2019-Q3 2020	JAN-DEC 2019
Net sales	86 927	100 235	263 576	290 214	406 406	433 044
Operating profit	5 274	-14 531	-7 552	-9 358	5 234	3 428
Operating margin (%)	6,1	-14,5	-2,9	-3,2	1,3	0,8

Net debt (TSEK)	2020-09-30	2019-09-30	2019-12-31
Interest-bearing assets and cash and cash equivalents	131 058	164 495	128 289
Interest-bearing liabilities	-316 807	-327 095	-328 587
Net debt	-185 749	-162 600	-200 298

EQUITY PER SHARE (TSEK)	2020-09-30	2019-09-30	2019-12-31
Equity (TSEK)	248 505	271 000	268 759
Total ordinary shares at end of period	27 284 308	26 275 044	26 800 011
Equity per share (SEK)	9,11	10,31	10,03

EQUITY RATIO (TSEK)	2020-09-30	2019-09-30	2019-12-31
Equity	248 505	271 000	268 759
Total assets	692 888	735 373	773 339
Equity ratio (%)	35,9	36,9	34,8