



ZETADISPLAY AB (publ)
INTERIM REPORT
1 JANUARY – 30 SEPTEMBER 2022



Q3

Strong growth and implementation of strategic initiatives

July - September 2022

- Net sales increased by 27.8 % to SEK 129.9 (101.6) million. Adjusted for currency effects, sales increased by 23.1% to SEK 125.1 (101.6) million.
- SaaS revenues increased by 8.9 % to SEK 48.4 (44.5) million.
- ARR amounted to SEK 192.2 million. compared to (187.9) MSEK previous quarter
- EBITDA amounted to SEK 17.2 (13.2) million. Adjusted for non-recurring items, EBITDA amounted to SEK 17.2 (24.0) million.
- Operating profit amounted to SEK 7.6 (4.3) million.

January - September 2022

- Net sales increased by 23.1 % to SEK 367.1 (298.1) million.
- SaaS revenues increased by 11,3 % to SEK 142.5 (128.1) million.
- EBITDA amounted to SEK 31.0 (34.8) million. Adjusted for non-recurring items, EBITDA amounted to SEK 33.9 (54.4) million.
- Operating profit amounted to SEK 1.9 (8.4) million.

Significant events during the quarter

- No significant events occurred during the quarter.

Significant events after the quarter

- ZetaDisplay has initiated the refinancing process of its senior unsecured bonds.

FINANCIAL INDICATORS (TSEK)	JUL-SEP	JUL-SEP	JAN-SEP	JAN-SEP	ROLLING 12 MONTHS	JAN-DEC
	2022	2021	2022	2021	Q4 2021-Q3 2022	2021
Net sales	129 881	101 620	367 114	298 108	489 484	420 478
SaaS-revenues (recurring)	48 422	44 463	142 526	128 073	187 588	173 135
Gross margin (%)	57,0	64,4	58,1	63,1	57,9	61,4
EBITDA	17 159	13 220	31 056	34 789	46 384	50 117
EBITDA-margin (%)	13,2	13,0	8,5	11,7	9,5	11,9
Operating profit	7 612	4 291	1 947	8 429	7 981	14 463
Operating margin (%)	5,9	4,2	0,5	2,8	1,6	3,4
Profit/loss for the period	-1 156	-338	-14 424	-4 168	-16 348	-6 092
Equity ratio (%)	35,2	34,5	35,2	34,5		34,2

Comments from the CEO

Strong growth and implementation of strategic initiatives

ZetaDisplays net sales amounted to SEK 129.9 (101.6) million, which is an increase of 27.8% compared to the same period last year. Adjusted for currency effects, sales increased by 23.1% to SEK 125.1 (101.6) million. SaaS revenues amounted to SEK 48.4 (44.5) million and accounted for 37.3 (43.8) % of net sales. ARR was reported at SEK 192.2 million and EBITDA amounted to SEK 17.2 (13.2) million. Adjusted for non-recurring items, EBITDA was SEK 17.2 (24.0) million.

Net sales are attributable to increasing activity in the market. Project sales were 42.5% higher than the corresponding period last year and were reported at SEK 81.4 (57.1) million. Gross profit amounted to SEK 74.0 (65.5) million, corresponding to a gross margin of 57.0 (64.4) %. The margin was affected by a higher share of project sales compared to the previous year.

Comment

During the quarter, we experienced increased business activity, both among our existing customers and in new customer sales. Our framework agreements continue to develop according to plan, accelerating growth in all parts of our offering and contributing to our international expansion. During the quarter, we made several new installations in existing and new markets. The implementation of the Group strategic initiatives is progressing according to plan and strengthens the ability in all parts of the organization. It gives us good opportunities for continued growth in the short and long term. We are also seeing increased activity regarding new business opportunities in new customer sales. This is as a result of the investments we have made in our offering and our organization, which has strengthened our ability.

Outlook

We closely follow developments in the market and in the rest of the world. Through our strong partnership with leading suppliers and through coordination within the group and a stable international customer portfolio, we are well prepared to be able to manage any effects. Our assessment is that the market will continue to show stable growth during the current year.

Our performance has been strong during the quarter. I would like to thank our employees for their strong commitment and our customers for the trust we receive. During the quarter, we continued to invest in the future, which creates confidence for continued scalable growth in a growing market.

Per Mandorf

President and CEO

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 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 substantial 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 time period last year. Balance sheet items and cash flows refer to the position at the end of the period and are compared with the corresponding period last year.

Third quarter July - September 2022

Net sales

Net sales for the quarter increased by 27.8 % to SEK 129.9 (101.6) million, compared with the corresponding quarter last year. Implementation projects, consisting of hardware and installation, increased by 42.5% while SaaS revenues increased by 8.9 % to SEK 48.4 (44.5) million. Of total net sales, 37.3% (43.8) consisted of SaaS revenues.

Gross profit

Gross profit amounted to SEK 74.0 (65.5) million, corresponding to a gross margin of 57.0 (64.4) %. The lower gross margin is explained by a larger share of hardware and project revenues compared to the third quarter last year.

Operating expenses

The cost of goods sold amounted to SEK -56.0 (-36.1) million and consists primarily of hardware and installations. The difference is attributable to a higher volume of implementation projects compared to the third quarter last year.

Other external costs amounted to SEK -21.2 (-22.3) million.

Personnel costs amounted to SEK -39.5 (-34.9) million. Costs have increased because more staff are needed to meet the increased growth.

Depreciation and amortization amounted to SEK -9.5 (-8.9) million.

EBITDA

EBITDA amounted to SEK 17.2 (13.2) million, against respondent had an EBITDA margin of 13.2 (13.0) %.

Adjusted for costs for the strategic review and acquisition costs, EBITDA amounted to SEK 24.0 million last year, corresponding to an EBITDA margin of 23.6%.

Operating income

Operating profit amounted to SEK 7.6 (4.3) million, corresponding to a margin of 5.9 (4.2) %.

Financial records

Financial items amounted to SEK -6.6 (-3.6) million. External interest expenses related to the bond loan amounted to SEK -4.4 (-3.6) million.

Tax

Tax expenses for the quarter amounted to SEK -2.1 (-1.0) million. It is estimated that tax deficits are not expected to be used soon. Therefore, no deferred tax asset has been recognized in respect of the quarter deficit.

Profit for the quarter

Profit for the quarter amounted to SEK -1.1 (-0.3) million.

Cash flow

During the quarter, the Group generated cash flow from operating activities of SEK -6.6 (11.9) million. Cash flow from investing activities amounted to SEK -4.8 (-15.9) million, of which investments in intangible non-current assets amounted to SEK -4.8 (-5.8) million and acquisitions of property, plant and equipment amounted to SEK -0.0 (-0.3) million. Cash flow from financing activities amounted to SEK -3.0 (5.8) million. Total cash flow during the quarter amounted to SEK -14.3 (1.8) million.

The period January - September 2022

Net sales

Net sales for the period increased by 23.1 % to SEK 367.1 (298.1) million, compared with the corresponding period last year. The increase is partly explained by the acquisition of NORDLAND systems GmbH but also recovery in the market because of the pandemic. SaaS revenues increased by 11.3 % to SEK 142.5 (128.1) million. Of the total net sales, 52.4 (43.0) % consisted of SaaS revenues.

Gross profit

Gross profit amounted to SEK 213.1 (188.1) million, corresponding to a gross margin of 58.1 (63.1) %.

Operating expenses

The cost of goods sold amounted to SEK -153.9 (-110,0) million and consists of hardware and installations.

Other external costs amounted to SEK -73.0 (-58.8) million. The increase compared to the previous year is related to strategic investments to structure the Group for future growth and scalability.

Personnel costs amounted to SEK -125.9 (-108.4) million. Personnel costs include SEK 2.9 million, which is considered as non-recurring costs. The number of employees has increased in connection with the reinforcements that have been made of increased competencies centrally and acquisitions.

Depreciation and amortization amounted to SEK -29.1 (-26.4) million.

EBITDA

EBITDA amounted to SEK 31.0 (34.8) million, corresponding to an EBITDA margin of 8.5 (11.7) %.

Adjusted for non-recurring costs, EBITDA amounted to SEK 33.9 million, corresponding to an EBITDA margin of 9.2%.

Adjusted for costs for the strategic review and acquisition costs, EBITDA amounted to SEK 54.4 million the previous year, corresponding to an EBITDA margin of 18.3%.

Operating income

Operating profit amounted to SEK 1.9 (8.4) million, corresponding to an operating margin of 0.5 (2.8) %.

Financial records

Financial items amounted to SEK -13.7 (-9.3) million. External interest expenses related to the bond loan amounted to SEK -11.6 (-10.7) million.

Tax

Tax expenses for the period amounted to SEK -2.7 (-3.3) million. It is estimated that tax deficits are not expected to be used soon. Therefore, no deferred tax asset has been recognised in respect of the deficit for the period.

Profit for the period

Profit for the period amounted to SEK -14.4 (-4.2) million.

Cash flow

During the period, the Group generated cash flow from operating activities of SEK -2.8 (24.9) million. Cash flow from investing activities amounted to SEK -21.2 (-50.5) million, of which investments in intangible non-current assets amounted to SEK -15.9 (-15.8) million, acquisition of property, plant and equipment amounted to SEK -0.2 (-0,6) million and acquisitions of subsidiaries amounted to -5.1 (-34.1). Cash flow from financing activities amounted to SEK -11.0 (-10.7) million. Total cash flow during the period amounted to SEK -55.0 (-36.3) million.

Financial position

The equity/assets ratio at the end of the period was 35.2 (34.5) %. The Group had a total of SEK 74.0 (122.7) million in cash and cash equivalents and unutilized credits as of September 30, of which SEK 41.4 (90.8) million related to cash and cash equivalents. Net debt at the end of the period amounted to SEK -278.6 (-225.4) million.

The borrowing consists of a bond loan of a nominal amount of SEK 300 million. The bond loan matures in March 2023 and was listed on 20 September 2019 for institutional trading on the Corporate Bond List of Nasdaq Stockholm. The bond loan carries a floating interest rate of Stibor 3m + 4.75 percent. There is a risk that the Group will not succeed in obtaining sufficient financing and this could have a significant negative impact on the company's operations and, by extension, going concern. During the third quarter of 2022, the company's Board of Directors initiated the financing process and have appointed ABG Sundal Collier as financial advisor and White & Case as legal advisor to support the process. Given past successful funding, management are confident that this refinancing process will be successful.

The ZetaDisplay Group has an outstanding claim of approximately SEK 3.0 million from a customer in Russia regarding services performed in 2021. Transfer of the settlement from Russia is not possible now, but management estimates that the proceeds will be paid in the short term.

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 by segment and for the period, see Note 3.

Parent company

The operations of the parent company ZetaDisplay AB (publ) include a larger part of the business in segment Sweden, but 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.

Parent Company sales amounted to SEK 44.2 (32.5) million, for the third quarter. Operating profit/loss amounted to SEK -6.3 (-2.7) million and profit after tax to SEK -11.0 (-5.4) million.

The Parent Company had a total of SEK 45.3 (84.9) million in cash and cash equivalents and

unutilized credits as of September 30, of which SEK 25.3 (64.9) million related to cash and cash equivalents.

Investments in fixed assets during the period amounted to SEK 8.2 (4.8) million, of which investments in subsidiaries amounted to SEK 0 (2.2) million and investments in intangible assets amounted to SEK 3.1 (2.5) million.

Other information

Number of employees

The average number of full-time employees was 197 during the last 9-month period, compared with 186 in the corresponding period the previous year.

Related party transactions

In addition to what is described in the section share-related incentive programs above, there are no significant transactions except for customary transactions with Group companies, ordinary salaries and remuneration to senior executives and their companies, board fees and issued options and incentive programs.

Annual General Meeting

The Annual General Meeting was held on 30 June 2022. The AGM resolved all proposed matters in accordance with the previously published proposals of the Board of Directors or shareholders. For further information, please refer to the ir.zetadisplay.com.

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 involves seeking minimal unfavorable effects on earnings and position.

The Group's business risks and risk management as well as financial risks are described in detail in the Annual Report for 2021, pages 33-35. At the time of publication of this interim report, the war was

The share and shareholders

Following compulsory acquisition of shares, Hanover Active Equity Fund II S.C.A SICAV - RAIF is the sole shareholder¹ of the ordinary shares of ZetaDisplay as of 30 September 2022 (525).

going on at the EU's borders. ZetaDisplay has only insignificant exposure to Russia, Belarus, and Ukraine in terms of sales to customers in these countries.

Furthermore, ZetaDisplay has no subsidiaries in the countries in question nor any significant direct exposure to suppliers in Russia, Belarus, or Ukraine. However, it is difficult in the current situation to assess the indirect impact of the war on GDP growth, inflation, global supply chains and

consumer confidence and demand for the Group's products.

During the last two quarters of 2022, the increase in international marketing activities has created some challenges in hardware deliveries. We have been able to manage the situation thanks to our strong position with leading suppliers and through coordination within the Group. No events of material importance have occurred during the interim period that affect or

alter these descriptions of the Group's risks and their management.

Financial targets

The most important lever in our business model is the share of SaaS revenues from total sales and our ability to increase revenues over the lifetime of a project. The Group's success is based on an efficient and scalable delivery and service platform.

Malmö, November 30, 2022

Per Mandorf

President and CEO

This report has been subject to review 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 daily. 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 450 million and employs 200 employees in ten offices in six European countries and the United States. In total, the company manages over 80,000 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



Auditor's report

ZetaDisplay AB (publ) 556603-4434

Introduction

We have reviewed the condensed interim financial information (interim report) of ZetaDisplay AB (publ) as of 30 September 2022 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope 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 is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. 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. Accordingly, we do not express an audit opinion.

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.

Significant uncertainty regarding the going concern presumption

Without it affecting our statements above we would like to bring to the reader's attention the section "Financial position" on page 6 in the quarterly report as well as the group's and holding company's balance sheet respectively where it shows that the company's financing agreement runs out within 12 months from the balance sheet date, and that the company's short term liabilities exceed the company's current assets. Since a financing of the company's liabilities is not yet in place there is an indication of a significant uncertainty that can lead to significant doubt about the company's ability to continue as a going concern. If the company would be unable to realise its assets within the scope of the ordinary course of business this could lead to a significantly negative effect on the value of its assets.

Malmö, 30 November 2022

Öhrlings PricewaterhouseCoopers AB

Eva Carlsvi
Authorized Public Accountant

Patrik Larsson
Authorized Public Accountant

Auditor in charge

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - SUMMARY (TSEK)

	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	12 MONTHS JAN-DEC 2021
Net sales	129 881	101 620	367 114	298 108	420 478
Capitalized work on own account	3 672	3 946	12 161	11 272	15 713
Other revenue	176	981	2 688	2 597	4 896
Total Revenue	133 729	106 547	381 963	311 977	441 087
<i>Operating expenses</i>					
Goods for resale	-55 909	-36 133	-153 935	-109 961	-162 283
Other external expenses	-21 202	-22 302	-71 035	-58 810	-79 300
Personnel expenses	-39 459	-34 892	-125 937	-108 417	-149 387
Depreciations and write-downs	-9 547	-8 929	-29 109	-26 360	-35 654
Operating profit	7 612	4 291	1 947	8 429	14 463
Financial income	445	933	4 581	3 988	4 881
Financial expenses	-7 090	-4 566	-18 233	-13 283	-17 915
Profit/loss after financial items	967	658	-11 705	-866	1 429
Tax	-2 123	-996	-2 719	-3 302	-7 521
Net profit/loss	-1 156	-338	-14 424	-4 168	-6 092

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (TSEK)

	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	12 MONTHS JAN-DEC 2021
Profit/loss for the period	-1 156	-338	-14 424	-4 168	-6 092
Items that may later be transferred to profit/loss for the period					
Translations differences	9 166	3 610	23 721	11 599	16 570
Comprehensive income for the period	8 010	3 272	9 297	7 431	10 478
Attributable to shareholders in the Parent Company	8 010	3 272	9 297	7 431	10 478

CONSOLIDATED BALANCE SHEET - SUMMARY (TSEK)

	2022-09-30	2021-09-30	2020-12-31
ASSETS			
Intangible assets	555 876	528 277	533 773
Tangible assets	11 387	8 923	8 226
Right of use assets	18 398	15 082	18 480
Deferred tax assets	987	3 103	1 112
Financial non-current assets	130	130	130
Total non-current assets	586 778	555 515	561 721
Inventories	11 947	12 257	9 238
Current receivables	115 884	78 563	86 990
Cash and cash equivalents	41 438	90 818	93 472
Total current assets	169 269	181 638	189 700
TOTAL ASSETS	756 047	737 153	751 421
EQUITY AND LIABILITIES			
Equity attributable to shareholders in the Parent Company	266 361	254 017	257 064
Total equity	266 361	254 017	257 064
Non-current liabilities	30 418	334 737	337 191
Current liabilities	459 268	148 399	157 166
Total liabilities	489 686	483 136	494 357
TOTAL EQUITY AND LIABILITIES	756 047	737 153	751 421

CONSOLIDATED CASH-FLOW STATEMENTS (TSEK)

	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	12 MONTHS JAN-DEC 2021
<i>Operating activities</i>					
Operating profit	7 612	1 068	1 947	4 138	14 463
Adjustments for depreciation and amortisation	9 548	9 069	29 109	17 431	35 654
Interest received	279	-139	1 133	101	106
Interest paid	-5 028	-3 828	-12 921	-7 867	-16 081
Adjustment for items not included in cash flow	-2 119	1 062	-5 052	530	1 215
Income tax paid	-3 611	-517	-6 740	-2 875	-5 751
Cash flow from operating activities before changes in working capital	6 680	6 715	7 477	11 458	29 606
<i>Change in working capital</i>					
Change in inventories	10 412	-1 515	-2 148	-863	877
Change in receivables	15 157	-15 366	-24 495	2 368	12 611
Change in current liabilities	-38 800	807	-3 601	58	-8 850
Total change in working capital	-13 231	-16 074	-30 244	1 563	4 638
Cash flow from operating activities	-6 551	-9 359	-22 768	13 021	34 244
<i>Investment activities</i>					
Acquisition of subsidiaries	0	0	-5 107	-24 158	-34 051
Acquisition of intangible assets	-4 813	-5 166	-15 940	-10 067	-22 161
Acquisition of tangible assets	0	-208	-151	-355	-915
Cash flow from investment activities	-4 814	-5 374	-21 198	-34 580	-57 127
<i>Financing activities</i>					
Stock issue	0	0	0	0	9 723
Amortisation of debt	0	-3 000	0	-14 305	-14 281
Amortisation of lease debt	-2 965	-2 320	-8 074	-4 505	-9 394
Change in factoring debt	-7	1 668	-2 963	2 299	2 350
Cash flow from financing activities	-2 972	-3 652	-11 037	-16 511	-11 602
Cash flow for the period	-14 336	-18 385	-55 003	-38 070	-34 485
Cash and cash equivalents at start of period	54 753	108 008	93 469	125 671	125 671
Exchange rate difference	1 021	-961	2 973	1 061	2 286
Cash and cash equivalents at end of period	41 438	88 662	41 438	88 662	93 472

**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 2021-01-01	27 284	268 454	-10 500	-48 376	236 862
Changes in equity					
2021-01-01 – 2021-12-31					
Comprehensive income for the period			16 570	-6 092	10 478
<i>Transactions with shareholders:</i>					
Option premiums received		0			0
Stock issue	578	9 146	0	0	9 724
Closing balance 2021-12-31	27 862	277 600	6 070	-54 468	257 064
Changes in equity					
2022-01-01 – 2022-09-30					
Comprehensive income for the period			23 721	-14 424	9 297
Closing balance 2022-09-30	27 862	277 600	29 791	-68 892	266 361

**PARENT COMPANY INCOME STATEMENT - SUMMARY
(TSEK)**

	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	12 MONTHS JAN-DEC 2021
Net sales	44 178	32 487	124 414	93 531	127 899
Capitalized work on own account	1 839	2 099	6 709	5 577	8 213
Other income	-415	440	995	1 125	2 330
Total income	45 602	35 026	132 118	100 234	138 442
<i>Operating expenses</i>					
Goods for resale	-23 701	-8 911	-59 928	-34 045	-47 736
Other external expenses	-16 373	-19 514	-57 963	-44 408	-59 586
Personnel expenses	-10 209	-8 075	-32 163	-26 756	-35 474
Depreciation and amortisation	-1 623	-1 274	-5 703	-3 822	-5 377
Operating profit	-6 303	-2 748	-23 639	-8 797	-9 731
Result from participations in group companies	0	0	0	0	19 483
Interest income	1 786	1 443	6 425	5 436	6 933
Interest expenses	-6 505	-4 134	-16 936	-12 105	-16 173
Profit/loss after financial items	-11 022	-5 439	-34 150	-15 466	512
Tax	0	0	0	0	-1 217
Profit/loss for the period*	-11 022	-5 439	-34 150	-15 466	-705

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

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

	2022-09-30	2021-09-30	2021-12-31
<i>ASSETS</i>			
Intangible assets	31 488	23 250	25 962
Tangible assets	1 572	1 877	1 644
Participations in group companies	437 100	436 520	436 997
Deferred tax assets	0	1 217	0
Financial non-current assets	130	130	130
Total non-current assets	470 290	462 994	464 733
Inventories	1 874	115	295
Current receivables	109 937	94 631	118 649
Cash and cash equivalents	25 326	64 871	59 471
Total current assets	137 137	159 617	178 415
TOTAL ASSETS	607 427	622 611	643 148
<i>EQUITY AND LIABILITIES</i>			
Equity	193 486	212 878	227 636
Total equity	193 486	212 878	227 636
Non-current liabilities	2 347	306 577	310 375
Current liabilities	411 594	103 156	105 137
Total liabilities	413 941	409 733	415 512
TOTAL EQUITY AND LIABILITIES	607 427	622 611	643 148

Note 1 ZetaDisplay Group

ZetaDisplay AB (publ), 556603-4434, is a Swedish limited liability company with its registered office in Malmö Municipality, Skåne County, Sweden. The company's head office is located in Malmö and has the address: Höjdrodergatan 21, 212 39 Malmö.

BOLAG	ORG NUMMER	SÄTE	ANDEL %
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
Gauidi 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

Consolidated financial statements for ZetaDisplay AB have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act (ÅRL) and the Financial Reporting Board RFR 1 "Supplementary Accounting Rules for Groups". The parent company's financial statements are prepared in accordance with the 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 entered into force on 1 January 2022 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". Disclosures pursuant to IAS 34 p. 16A are disclosed both in the notes and elsewhere in the interim report.

ESMA's guidelines on alternative performance measures are applied, which means that the report contains disclosure requirements regarding financial measures that are not defined in accordance with IFRS. For definitions see pages 18-19.

Note 3 SEGMENT REPORTING

TSEK JUL-SEP	SWEDEN		NORWAY		FINLAND		NETHERLANDS	
	2022	2021	2022	2021	2022	2021	2022	2021
SaaS-revenues (recurring)	5 950	7 253	16 946	14 189	5 693	5 725	15 265	13 259
Hardware, installation and other services	32 439	19 695	16 327	7 701	8 414	6 902	6 585	8 670
Other income	-410	603	0	-140	2	168	0	-78
Internal income	324	729	-64	2 626	-170	0	2 006	2 123
Total income	38 303	28 281	33 209	24 376	13 939	12 794	23 856	23 975
EBITDA	7 577	10 392	11 875	9 364	1 889	1 630	10 299	6 369
<i>EBITDA margin</i>	<i>19.7%</i>	<i>36.8%</i>	<i>35.7%</i>	<i>42.8%</i>	<i>13.4%</i>	<i>12.3%</i>	<i>47.1%</i>	<i>23.0%</i>
Depreciation and amortisation	-425	-438	-1 988	-1 835	-775	-785	-1 795	-1 845
Operating profit	7 152	9 954	9 887	7 529	1 113	846	8 504	4 524
Financial income								
Financial expenses								
Profit before tax	7 152	9 954	9 887	7 529	1 113	846	8 504	4 524

TSEK JUL-SEP	GERMANY		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2022	2021	2022	2021	2022	2021	2022	2021
SaaS-revenues (recurring)	4 567	4 035	0	0	0	0	48 422	44 462
Hardware, installation and other services	17 695	14 188	0	0	0	0	81 460	57 156
Other income	587	426	0	0	0	0	179	981
Internal income	0	1 905	7 280	2 904	-9 376	-10 287	0	0
Total income	22 849	20 555	7 280	2 904	-9 376	-10 287	130 061	102 600
EBITDA	2 430	1 796	-16 931	-16 332	0	0	17 138	13 220
<i>EBITDA margin</i>	<i>10.9%</i>						<i>13.2%</i>	<i>13.0%</i>
Depreciation and amortisation	-569	-342	-4 377	-3 878	382	367	-9 548	-8 928
Operating profit	1 860	1 454	-21 308	-20 210	382	367	7 591	4 293
Financial income							445	333
Financial expenses							-7 090	-4 566
Profit before tax	1 860	1 454	-21 308	-20 210	382	367	946	658

TSEK JAN-SEP	SWEDEN		NORWAY		FINLAND		NETHERLANDS	
	2022	2021	2022	2021	2022	2021	2022	2021
SaaS-revenues (recurring)	20 928	20 867	47 572	41 642	17 167	17 228	43 671	38 964
Hardware, installation and other services	86 231	58 290	36 061	27 009	24 852	22 715	33 284	32 317
Other income	995	1 289	0	145	6	204	0	-78
Internal income	2 170	2 302	2 698	4 491	-48	41	6 270	6 106
Total income	110 324	82 749	86 331	73 287	41 977	40 187	83 225	77 310
EBITDA	17 148	19 382	26 295	27 228	5 598	3 255	23 097	19 080
<i>EBITDA margin</i>	<i>15.0%</i>	<i>24.5%</i>	<i>31.4%</i>	<i>37.2%</i>	<i>13.3%</i>	<i>8.1%</i>	<i>30.0%</i>	<i>24.7%</i>
Depreciation and amortisation	-1 253	-1 303	-6 053	-6 162	-2 307	-2 409	-5 040	-5 558
Operating profit	15 895	18 079	20 242	21 065	3 290	847	18 057	13 522
Financial income								
Financial expenses								
Profit before tax	15 895	18 079	20 242	21 065	3 290	847	18 057	13 522

TSEK JAN-SEP	GERMANY		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2022	2021	2022	2021	2022	2021	2022	2021
SaaS-revenues (recurring)	13 187	9 371	0	0	0	0	142 526	128 073
Hardware, installation and other services	44 161	29 704	0	0	0	0	224 589	170 035
Other income	1 886	1 036	0	0	0	0	2 687	2 597
Internal income	0	2 448	22 201	8 593	-33 291	-23 981	0	0
Total income	59 034	42 560	22 201	8 593	-33 291	-23 981	369 802	300 705
EBITDA	7 127	4 183	-48 208	-38 340	0	0	31 056	34 789
<i>EBITDA margin</i>	<i>12.4%</i>	<i>10.1%</i>					<i>8.0%</i>	<i>11.7%</i>
Depreciation and amortisation	-1 769	-786	-13 824	-11 238	1 137	1 097	-29 109	-26 360
Operating profit	5 357	3 397	-62 032	-49 578	1 137	1 097	1 947	8 429
Financial income							4 581	3 988
Financial expenses							-18 233	-13 283
Profit before tax	5 357	3 397	-62 032	-49 578	1 137	1 097	-11 705	-866

INTANGIBLE AND TANGIBLE ASSETS TSEK SEP	SWEDEN		NORWAY		FINLAND		NETHERLANDS	
	2022	2021	2022	2021	2022	2021	2022	2021
Intangible assets	0	0	22 399	19 792	4 146	5 356	71 549	69 874
Tangible assets	1 608	3 009	892	2 654	2 040	3 043	15 135	6 807
Total intangible and tangible assets	1 608	3 009	23 291	22 446	6 186	8 399	86 684	76 681

INTANGIBLE AND TANGIBLE ASSETS TSEK SEP	GERMANY		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2022	2021	2022	2021	2022	2021	2022	2021
Intangible assets	1	17	446 726	424 378	11 054	8 859	555 875	528 276
Tangible assets	8 329	5 413	1 782	3 080	0	0	23 786	24 006
Total intangible and tangible assets	8 330	5 430	448 508	427 458	11 054	8 859	585 661	552 282

SaaS revenues in the period and quarter consist of revenues that are recognized over time and hardware, installation, and other services as well as internal revenue consists of revenue that is recognized at a certain time.

FIXED ASSETS PER GEOGRAPHICAL AREA*

	2022-09-30	2021-09-30
Sweden	35 547	30 023
Denmark	729	669
Norway	170 366	167 870
Finland	78 496	76 036
Netherlands	216 709	199 854
Germany	83 814	77 830
Total fixed assets	585 661	552 282

**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)

(TSEK)	2022-09-30	2021-09-30	2021-12-31
Financial assets measured at amortized cost (Hold to Collect)			
Trade accounts receivable	70 787	56 565	63 690
Contract assets	28 655	11 648	15 023
Other financial receivables	130	130	130
Cash and cash equivalents	41 438	90 818	93 472
Financial assets	141 010	159 161	172 315
Financial liabilities			
<i>Other financial liabilities valued at amortised cost</i>			
Liabilities to credit institutions	2 816	4 070	5 667
Debenture loan	299 185	297 504	297 898
Leasing liability	17 819	14 850	18 982
Liabilities to related parties	0	0	0
Liabilities related to acquisitions	18 860	3 060	3 193
Trade accounts payable	19 239	35 067	29 660
<i>Financial liabilities measured at fair value</i>			
Contingent considerations relating to acquisitions	9 990	28 563	28 635
Financial liabilities	367 908	383 113	384 035

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 in 2021 and 2022.

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
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
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