



Strong result and continued growth

October - December 2021

- Net sales increased by 19.2% to SEK 122.4 (102.7) million
- SaaS revenue increased by 15.6% to SEK 45.1 (39.0) million
- EBITDA amounted to SEK 15.3 (20.1) million. Adjusted for non-recurring items, EBITDA amounted to SEK 15.8 (20.1) million
- ARR amounted to SEK 180.5 million compared to SEK 177.3 million in previous quarter
- Operating profit amounted to SEK 6.0 (11.2) million

Januari - December 2021

- Net sales increased by 14.8 % to SEK 420.5 (366.2) million
- SaaS revenue increased by 11.5% to SEK 173.1 (155.2) million
- EBITDA amounted to SEK 50.1 (38.5) million. Adjusted for non-recurring items, EBITDA amounted to SEK 70.2 (55.0) million
- Operating profit amounted to SEK 14.5 (3.7) million

Significant events during the quarter

- On October 7, ZetaDisplay AB (publ) held an extraordinary general meeting and a decision was made to make changes to the Board of Directors
- On October 8, the shares in ZetaDisplay AB (publ) were delisted
- On October 22, ZetaDisplay is ranked as the leader in the Nordic region and second largest in Europe according to Invidi's European ranking
- On November 3, ZetaDisplay wins 6-year contract with Norwegian Flytoget - Airport Express

Significant events after the quarter

- No significant events have taken place after the quarter

FINANCIAL INDICATORS (TSEK)	OCT-DEC	OCT-DEC	JAN-DEC	JAN-DEC
	2021	2020	2021	2020
Net sales	122 370	102 670	420 478	366 246
SaaS-revenues (recurring)	45 062	38 968	173 135	155 225
Gross margin (%)	57,2	59,8	61,4	57,0
EBITDA	15 328	20 056	50 117	38 487
EBITDA-margin (%)	12,5	19,5	11,9	10,5
Operating profit	6 034	11 208	14 463	3 656
Operating margin (%)	4,9	10,9	3,4	1,0
Profit/loss for the period	-1 924	-1 547	-6 092	-18 295
Equity ratio (%)	34,2	34,6	34,2	34,6

CEO comment

Strong result and continued growth

ZetaDisplay's net sales amounted to SEK 122,4 (102,7) million. SaaS revenues amounted to SEK 45.1 (39.0) million and represented 36.8 (38.0) % of net sales. EBITDA was 15.3 SEK (20.1) million. Adjusted for non-recurring items, EBITDA amounted to 15.8 (20.1) MSEK.

The increase in net sales is mainly explained by the acquisition of German NORDLAND systems GmbH. Gross profit for the period amounted to SEK 70.0 (61.4) million with a gross margin of 57.2 (59.8) %.

During the fourth quarter, we have seen increased activity in the market, which we are responding to with a continued strong customer offering. The customer base has remained intact throughout the pandemic and we are seeing a significant recovery in the market, and customer activity has increased. The number of procurements has increased and customers have started planning for new projects to a greater extent.

As in previous quarters, we are seeing an increase in activity in the market internationally and some shortage of components has led to delays in hardware and project deliveries.

Change of ownership

During the third quarter, the company changed its ownership. The management of ZetaDisplay, together with the new owners, has initiated the work to promote growth and create long-term positive effects.

Outlook

We are positive about the market recovering and we are preparing for further growth.

Financial reporting dates:

ZetaDisplay AB annual financial statements will be published on ir.zetadisplay.com last week in April.

Per Mandorf

President and CEO

The market

Digital Signage is a software steered interface for communication with consumers within a retail environment or with employees in larger organizations as well as communication in public spaces. Digital communication is now an integral part of the new communications concept that retailers and other companies are developing for the future. This creates an interesting, 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 and the USA. 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.

Fourth quarter October - December 2021

Net sales

Net sales for the quarter increased by 19.2% to SEK 122.4 (102.7) million compared to the corresponding quarter last year. The increase is largely explained by the acquisition of NORDLAND systems GmbH. Implementation projects consisting of hardware and installation increased by 21.4% whilst SaaS revenues increased by 15.6% to SEK 45.1 (39.0) million. Of the total net sales, SaaS-revenues, accounted for 36.8 (38.0) %.

Gross profit

Gross profit amounted to SEK 70.0 (61.4) million, corresponding to a gross margin of 57.2 (59.8) %.

Operating expenses

The cost of goods sold amounted to SEK -52.3 (-41.3) million and consists mainly of hardware and installations.

Other external costs amounted to SEK -20.5 (-15.1) million. Other external costs include SEK 0.3 million related to the acquisition of NORDLAND systems GmbH. Furthermore, cost related to the strategic review is included in other external cost for the period and amounts to SEK 0.2 million. Costs for the strategic review as well as acquisition costs are treated as non-recurring costs.

Personnel costs amounted to SEK -41.0 (-31.5) million.

Depreciation amounted to SEK -9.3 (-8.8) million.

EBITDA

EBITDA amounted to SEK 15.3 (20.1) million, corresponding to an EBITDA margin of 12.5 (19.5) %.

Adjusted for costs for the strategic review and acquisition costs, EBITDA amounted to SEK 15.8 million, corresponding to an EBITDA margin of 12.9%.

Operating profit

Operating profit amounted to SEK 6.0 (11.2) million, corresponding to a margin of 4.9 (10.9) %.

Adjusted for costs for the strategic review and acquisition costs, operating profit amounted to SEK 6.5 million, corresponding to an operating margin of 5.3%.

Financial items

The financial items amounted to SEK -3.7 (-9.9) million. External interest expenses related to the bond loan amounted to SEK -3.6 (-3.7) million.

Tax

The tax expense for the quarter amounted to SEK -4.2 (-2.9) million. The Group considers that tax losses are not expected to be used in the near future and therefore no deferred tax asset has been recognized for these losses.

Profit and loss for the period

Profit for the quarter amounted to SEK -1.9 (-1.6) million.

Cash flow

During the quarter, the Group generated cash flow from operating activities of SEK 9.4 (13.1) million. Cash flow from investment activities amounted to SEK -6.6 (-16.9) million. Cash flow from financing activities amounted to SEK -0.9 (-0.4) million. Total cash flow during the quarter amounted to SEK 1.8 (-4.2) million.

January - December 2021

Net sales

Net sales for the period increased by 14.8% to SEK 420.5 (366.2) million, compared to the corresponding period last year. The increase is largely explained by the acquisition of NORDLAND systems GmbH. Implementation projects consisting of hardware and installation increased by 17.2% whilst SaaS revenues increased by 11.5% to SEK 173.1 (155.2) million.

Of the total net sales, SaaS-revenues, accounted for 41.2 (42.4) %.

Gross profit

Gross profit amounted to SEK 258.2 (208.8) million, corresponding to a gross margin of 61.4 (57.0) %.

Operating expenses

The cost of goods sold amounted to SEK -162.3 (-157.5) million and consists mainly of hardware and installations.

Other external costs amounted to SEK -79.3 (-63.1) million. Other external costs include SEK 2.8 million related to the acquisition of NORDLAND systems GmbH. Further, cost related to the strategic review is included in other external cost and amounts to SEK 17.3 million. Costs for the strategic review as well as acquisition costs are treated as non-recurring costs. Last year, non-recurring costs of SEK 6.9 million were included in other external costs.

Personnel costs amounted to SEK -149.4 (-130.6) million. During 2020, non-recurring costs of SEK 8.7 million were included. The number of employees has increased in connection with the reinforcements that have been made by increased competences centrally as well as acquisitions.

Depreciation amounted to SEK -35.7 (-34.8) million.

EBITDA

EBITDA amounted to SEK 50.1 (38.5) million, corresponding to an EBITDA margin of 11.9 (10.5) %.

Adjusted for costs for the strategic review and acquisition costs, EBITDA amounted to SEK 70.2 million, corresponding to an EBITDA margin of 16.7%. Last year, EBITDA was affected by items affecting comparability attributable to non-

recurring costs amounting to SEK 16.5 million. Adjusted for this effect, EBITDA last year amounted to SEK 55.0 million, corresponding to a margin of 15.0%.

Operating profit

Operating profit amounted to SEK 14.5 (3.7) million, corresponding to an operating margin of 3.4 (1.0) %.

Adjusted for cost relating to acquisitions and the strategic review, operating profit amounted to SEK 34.5 million, corresponding to an operating margin of 8.2%.

Operating profit last year was affected by items affecting comparability attributable to non-recurring costs amounting to SEK 17.1 million. Adjusted for this effect, operating profit last year amounted to SEK 20.8 million, corresponding to an operating margin of 5.7%.

Financial items

The financial items amounted to SEK -13.0 (-18.0) million. External interest expenses related to the bond loan amounted to SEK -14.4 (-14.8) million. Last year, financial items were positively impacted by SEK 7.1 million as a result of the revaluation of debt relating to additional purchase considerations.

Tax

The tax expense for the period amounted to SEK -7.5 (-3.9) million. The group considers that tax losses are not expected to be used in the near future and therefore no deferred tax asset has been recognized for these losses.

Profit and loss for the period

Profit for the first half year amounted to SEK -6.1 (-18.3) million.

Cash flow

During the period, the Group generated cash flow from operating activities of SEK 34.2 (56.5) million. Cash flow from investment activities amounted to SEK -57.1 (-37.6) million, of which investments in intangible fixed assets amounted to SEK -22.2 (-17.8) million, acquisitions of property, plant and equipment amounted to SEK -0.9 (-1.1) million and acquisitions in subsidiaries amounted to -34.1 (0.0) million. Cash flow from financing activities amounted to SEK -11.6 (-17.8) million. The exercise period of the employee stock options TO 2018/21 ended on June 30. A total of 577,500 ordinary shares were subscribed for and the company received SEK 9.7 million in connection

with this. Total cash flow during the period amounted to SEK -34.5 (1.1) million.

Financial position

The equity/assets ratio at the end of the period was 34.2 (34.6) %. The Group had a total of SEK 124.2

million (158.0) in cash and cash equivalents and unutilized credits as of December 31, of which SEK 93.5 (125.7) million related to cash and cash equivalents. Net debt amounted to SEK -229.1 million (-190.6) at the end of the period.

Segments

ZetaDisplay reports in segments. During the first quarter of 2021, the segment Germany was added as a result of the acquisition of NORDLAND systems GmbH. For further information on the acquisition, see note 5. The segments consist of Sweden (including Denmark and other markets), Norway, Finland (including the Baltics), the Netherlands, Germany and the Group-wide segment. For financial information per segment and for the period see Note 3.

Parent company

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

The Parent Company's sales amounted to SEK 34.4 (31.8) million, for the fourth quarter. Operating profit amounted to SEK -0.9 (-0.3) million and profit after tax amounted to SEK 14.8 (0.0) million.

The Parent Company had a total of SEK 79.5 (113.8) million in cash and cash equivalents and unutilized credits as of December 31st, of which SEK 59.5 (93.8) million related to cash and cash equivalents.

Investments in fixed assets during the period amounted to SEK 4.0 (3.2) million, of which investments in subsidiaries amounted to SEK 0.0 (0.0) million and investments in intangible assets amounted to SEK 4.0 (3.2) million.

Other information

Number of employees

The average number of full-time employees was 189 during the last 12-month period, compared to 158 in the corresponding period last year.

Share-related incentive programs

The exercise period of the employee stock options TO 2018/21 ended on June 30, 2021. The shares were registered in July. A total of 577,500 ordinary shares were subscribed for, of which 525,000 were subscribed for by senior executives. This means a dilution effect of 2.1%. Of the outstanding incentive programs, only 13,500 options held by 5 individuals remain after Hanover's bid. These options are subject to compulsory redemption.

Related party transactions

In addition to what is described in the share-based incentive program section above, there are no significant transactions other than normal

transaction with group companies, ordinary salaries and remuneration to senior executives and their companies, board fees and issued options and incentive programs.

The share and shareholders

As of December 31, 2021, the number of shareholders to ordinary shares in ZetaDisplay was 525 (2,565). The number of shares amounts to 27,861,808. Hanover Active Equity Fund II S.C.A SICAV -RAIF holds 27,259,116 shares, corresponding to 97.8%. Other shareholders hold 602,692 shares, corresponding to 2.2%. The minority shares are subject to compulsory redemption. The shares were delisted on the 8th of October 2021.

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, risk management and financial risks are described in detail in the Annual Report for 2020, page 35-37. 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

During 2021, the increase in marketing activities internationally created some challenges in hardware deliveries. We have largely been able to handle the situation thanks to our strong position with leading suppliers and through coordination within the Group. There has been no shortage of human resources because of illness or quarantine. However, both new

and existing customers have postponed their investments in digital communication. This has contributed to reduced project revenues, which consist of hardware, installations, and project management. Several of our customers' operations have been negatively affected or even shut down. This has exceptionally prompted temporary conditional changes in subscription services. The Group has not yet suffered any customer losses directly linked to the COVID-19 pandemic. In the event of an extended pandemic or in the event of additional waves of the pandemic, where societies are again shut down, this would increase the risk of 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. In connection with the change of ownership that has taken place in the third quarter, the company will rework the financial targets presented in February 2019.

Malmö 28 February 2022

Per Mandorf

President and CEO

This year-end report has not been reviewed by the company's auditor and is a translation of the original Swedish year-end report that has been formally approved by the Board of Directors

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About ZetaDisplay

ZetaDisplay is a leader in the Nordic region and second in Europe. We actively drive the digital transformation in physical environments on a daily basis. Our solutions, concepts and software digitize, influence and inform people's behavior at the point of decision-making in shops, in public environments and in workplaces. Our solutions are known as Digital Signage which we develop and offer as SaaS solutions. We are a globally leading player that actively influences the development of the international Digital Signage market organically, through innovation and through acquisitions.

ZetaDisplay is headquartered in Malmö, has sales of approximately SEK 450 million and employs 200 people at ten offices in six European countries and the USA. In total, the company handles 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

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

	3 MONTHS OCT-DEC 2021	3 MONTHS OCT-DEC 2020	12 MONTHS JAN-DEC 2021	12 MONTHS JAN-DEC 2020
Net sales	122 370	102 670	420 478	366 246
Capitalized work on own account	4 441	4 101	15 713	14 191
Other revenue	2 299	1 147	4 896	9 240
Total Revenue	129 110	107 918	441 087	389 677
<i>Operating expenses</i>				
Goods for resale	-52 322	-41 266	-162 283	-157 483
Other external expenses	-20 490	-15 086	-79 300	-63 123
Personnel expenses	-40 970	-31 510	-149 387	-130 584
Depreciations and write-downs	-9 294	-8 848	-35 654	-34 831
Operating profit	6 034	11 208	14 463	3 656
Financial income	893	1 837	4 881	19 356
Financial expenses	-4 632	-11 729	-17 915	-37 386
Profit/loss after financial items	2 295	1 316	1 429	-14 374
Tax	-4 219	-2 863	-7 521	-3 921
Net profit/loss	-1 924	-1 547	-6 092	-18 295

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (TSEK)**

	3 MONTHS OCT-DEC 2021	3 MONTHS OCT-DEC 2020	12 MONTHS JAN-DEC 2021	12 MONTHS JAN-DEC 2020	12 MONTHS JAN-DEC 2019
Profit/loss for the period	-1 924	-1 547	-6 092	-18 295	-18 295
Items that may later be transferred to profit/loss for the period					
Translations differences	4 971	-10 983	16 570	-25 591	-25 591
Comprehensive income for the period	3 047	-12 530	10 478	-43 886	-43 886
Attributable to shareholders in the Parent Company	3 047	-12 530	10 478	-43 886	-43 886

CONSOLIDATED BALANCE SHEET - SUMMARY (TSEK)

	2021-12-31	2020-12-31
ASSETS		
Intangible assets	533 773	443 181
Tangible assets	8 226	6 254
Right of use assets	18 480	14 675
Deferred tax assets	1 112	3 390
Financial non-current assets	130	130
Total non-current assets	561 721	467 630
Inventories	9 238	6 132
Current receivables	86 990	85 692
Cash and cash equivalents	93 472	125 671
Total current assets	189 700	217 495
TOTAL ASSETS	751 421	685 125
EQUITY AND LIABILITIES		
Equity attributable to shareholders in the Parent Company	257 064	236 862
Total equity	257 064	236 862
Provisions	0	89
Non-current liabilities	337 191	321 615
Current liabilities	157 166	126 559
Total liabilities	494 357	448 174
TOTAL EQUITY AND LIABILITIES	751 421	685 125

**CONSOLIDATED CASH-FLOW STATEMENTS
 (TSEK)**

	3 MONTHS OCT-DEC 2021	3 MONTHS OCT-DEC 2020	12 MONTHS JAN-DEC 2021	12 MONTHS JAN-DEC 2020
Operating activities				
Operating profit	6 034	11 208	14 463	3 656
Adjustments for depreciation and amortisation	9 295	8 848	35 654	34 831
Interest received	5	253	106	309
Interest paid	-4 072	-3 245	-16 081	-15 360
Adjustment for items not included in cash flow	164	-4 127	1 215	-105
Income tax paid	-986	-2 869	-5 751	-7 185
Cash flow from operating activities before changes in working capital	10 440	10 068	29 607	16 146
Change in working capital				
Change in inventories	3 064	1 566	877	3 272
Change in receivables	-7 565	-10 476	12 611	43 861
Change in current liabilities	3 416	11 991	-8 850	-6 799
Total change in working capital	-1 086	3 081	4 638	40 334
Cash flow from operating activities	9 354	13 149	34 244	56 480
Investment activities				
Acquisition of subsidiaries	0	0	-34 051	0
Paid contingent consideration for acquisition of subsidiaries	0	-11 207	0	-18 717
Acquisition of intangible assets	-6 342	-5 669	-22 161	-17 784
Acquisition of tangible assets	-267	0	-915	-1 091
Cash flow from investment activities	-6 609	-16 876	-57 127	-37 592
Financing activities				
Stock issue	0	0	9 723	0
Subscription warrants	0	745	0	1 122
Amortisation of debt	0	0	-14 281	-943
Amortisation of lease debt	-2 497	-1 908	-9 394	-9 270
Change in factoring debt	1 566	723	2 350	-8 704
Cash flow from financing activities	-932	-440	-11 602	-17 795
Cash flow for the period	1 814	-4 167	-34 485	1 093
Cash and cash equivalents at start of period	90 819	131 059	125 671	128 289
Exchange rate difference	839	-1 221	2 286	-3 710
Cash and cash equivalents at end of period	93 472	125 671	93 472	125 671

**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 2020-01-01	26 800	256 949	15 091	-30 081	268 759
Changes in equity					
2020-01-01 - 2020-12-31					
Comprehensive income for the period			-25 591	-18 295	-43 886
<i>Transactions with shareholders:</i>					1 122
Option premiums received		1 122			1 122
Stock issue	484	10 383	0	0	10 867
Closing balance 2020-12-31	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
Stock issue	578	9 146			
Closing balance 2021-12-31	27 862	277 600	6 070	-54 468	257 064

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

	3 MONTHS OCT-DEC 2021	3 MONTHS OCT-DEC 2020	12 MONTHS JAN-DEC 2021	12 MONTHS JAN-DEC 2020
Net sales	34 368	31 794	127 899	117 608
Capitalized work on own account	2 636	2 187	8 213	7 405
Other income	1 205	63	2 330	4 236
Total income	38 209	34 044	138 442	129 249
<i>Operating expenses</i>				
Goods for resale	-13 691	-15 148	-47 736	-62 181
Other external expenses	-15 178	-10 313	-59 586	-41 401
Personnel expenses	-8 718	-6 824	-35 474	-36 940
Depreciation and amortisation	-1 555	-2 092	-5 377	-6 765
Operating profit	-934	-333	-9 731	-18 038
Result from participations in group companies	19 483	8 878	19 483	8 878
Interest income	1 497	2 465	6 933	14 889
Interest expenses	-4 068	-11 051	-16 173	-35 399
Profit/loss after financial items	15 978	-41	512	-29 670
Tax	-1 217	0	-1 217	0
Profit/loss for the period*	14 761	-41	-705	-29 670

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

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

	2021-12-31	2020-12-31
ASSETS		
Intangible assets	25 962	18 505
Tangible assets	1 644	2 508
Participations in group companies	436 997	366 008
Deferred tax assets	0	1 217
Financial non-current assets	130	130
Total non-current assets	464 733	388 368
Inventories	295	385
Current receivables	118 649	100 033
Cash and cash equivalents	59 471	93 804
Total current assets	178 415	194 222
TOTAL ASSETS	643 148	582 590
EQUITY AND LIABILITIES		
Equity	227 636	218 621
Total equity	227 636	218 621
Provisions	0	90
Non-current liabilities	310 375	301 596
Current liabilities	105 137	62 283
Total liabilities	415 512	363 879
TOTAL EQUITY AND LIABILITIES	643 148	582 590

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 Inc	D18921700	Baltimore	100
ProntoTV AS	981106431	Oslo	100
LiveQube AS	995543478	Oslo	100
Webpro International AS	912298795	Trondheim	100
NORLAND systems GmbH	HRB 9974 HL	Ahrensburg	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.

New standards and interpretations that are effective from January 1, 2021 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 20-21.

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 2021, subsidiaries in one country have applied for government grants due to COVID-19. The period to which the grants relate amounts to two months and is recognized under other income in the Group and segments corresponding to SEK 0.1 (4.1) million. The grants relate to support for other external costs of SEK 0.1 (0.7) million.

Note 3 Segment reporting

TSEK OCT-DEC	SWEDEN		NORWAY		FINLAND		NETHERLANDS	
	2021	2020	2021	2020	2021	2020	2021	2020
	SaaS-revenues (recurring)	7 995	6 101	14 288	12 767	5 723	6 268	13 204
Hardware, installation and other services	21 145	22 564	15 310	9 667	11 049	15 926	14 763	15 545
Other income	1 205	136	1	228	0	786	499	-49
Internal income	688	75	1 536	0	23	0	2 553	248
Total income	31 033	28 876	31 134	22 662	16 794	22 980	31 019	29 576
EBITDA *)	6 199	5 518	9 461	7 161	2 945	3 600	6 709	7 560
<i>EBITDA margin</i>	21,3%	19,2%	32,0%	31,9%	17,6%	16,2%	24,0%	25,7%
Depreciation and amortisation	-435	-404	-1 873	-1 835	-799	-1 014	-1 758	-2 724
Operating profit	5 763	5 114	7 588	5 326	2 146	2 586	4 951	4 836
Financial income								
Financial expenses								
Profit before tax	5 763	5 114	7 588	5 326	2 146	2 586	4 951	4 836

TSEK OCT-DEC	GERMANY		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2021	2020	2021	2020	2021	2020	2021	2020
	SaaS-revenues (recurring)	3 852	0	0	0	0	0	45 062
Hardware, installation and other services	15 040	0	0	0	0	0	77 308	63 702
Other income	596	0	0	46	0	0	2 300	1 147
Internal income	0	0	3 113	3 070	-7 912	-3 394	0	0
Total income	19 488	0	3 113	3 116	-7 912	-3 394	124 670	103 816
EBITDA *)	-174	0	-9 811	-3 782	0	0	15 329	20 057
<i>EBITDA margin</i>	-0,9%						12,5%	19,5%
Depreciation and amortisation	-601	0	-4 193	-3 241	365	370	-9 295	-8 848
Operating profit	-775	0	-14 004	-7 023	365	370	6 034	11 209
Financial income							893	1 837
Financial expenses							-4 632	-11 729
Profit before tax	-775	0	-14 004	-7 023	365	370	2 295	1 317

TSEK JAN-DEC	SWEDEN		NORWAY		FINLAND		NETHERLANDS	
	2021	2020	2021	2020	2021	2020	2021	2020
	SaaS-revenues (recurring)	28 863	28 916	55 930	46 656	22 951	24 129	52 168
Hardware, installation and other services	79 435	79 873	42 318	35 524	33 764	46 969	47 080	47 783
Other income	2 494	2 662	146	1 099	203	1 170	421	1 251
Internal income	2 990	2 302	6 026	0	63	0	8 659	307
Total income	113 782	113 753	104 421	83 279	56 982	72 268	108 328	104 865
EBITDA *)	25 581	3 694	36 689	27 017	6 201	4 359	25 789	24 854
<i>EBITDA margin</i>	23,6%	3,4%	37,3%	32,9%	10,9%	6,1%	26,0%	24,1%
Depreciation and amortisation	-1 738	-1 656	-8 035	-7 398	-3 207	-3 891	-7 316	-7 730
Operating profit	23 842	2 038	28 654	19 619	2 993	468	18 473	17 124
Financial income								
Financial expenses								
Profit before tax	23 842	2 038	28 654	19 619	2 993	468	18 473	17 124

TSEK JAN-DEC	GERMANY		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2021	2020	2021	2020	2021	2020	2021	2020
	SaaS-revenues (recurring)	13 223	0	0	0	0	0	173 135
Hardware, installation and other services	44 744	0	0	872	0	0	247 342	211 021
Other income	1 632	0	0	3 058	0	0	4 897	9 240
Internal income	2 448	0	11 706	12 315	-31 893	-14 924	0	0
Total income	62 048	0	11 706	16 245	-31 893	-14 924	425 375	375 486
EBITDA *)	4 009	0	-48 151	-21 436	0	0	50 118	38 488
<i>EBITDA margin</i>	6,9%						11,9%	10,5%
Depreciation and amortisation	-1 387	0	-15 432	-15 668	1 461	1 510	-35 654	-34 831
Operating profit	2 622	0	-63 582	-37 104	1 461	1 510	14 463	3 657
Financial income							4 881	19 356
Financial expenses							-17 915	-37 386
Profit before tax	2 622	0	-63 582	-37 104	1 461	1 510	1 429	-14 373

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.

INTANGIBLE AND TANGIBLE ASSETS TSEK SEP	SWEDEN		NORWAY		FINLAND		NETHERLANDS	
	2021	2020	2021	2020	2021	2020	2021	2020
	Intangible assets	0	0	21 357	15 300	4 989	6 466	69 263
Tangible assets	2 574	1 958	2 101	3 503	2 709	4 541	6 872	6 380
Total intangible and tangible assets	2 574	1 958	23 458	18 803	7 698	11 007	76 135	77 152

INTANGIBLE AND TANGIBLE ASSETS TSEK SEP	GERMANY		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2021	2020	2021	2020	2021	2020	2021	2020
	Intangible assets	13	0	428 901	343 010	9 249	7 633	533 772
Tangible assets	9 695	0	2 756	4 547	0	0	26 707	20 929
Total intangible and tangible assets	9 708	0	431 657	347 557	9 249	7 633	560 479	464 110

FIXED ASSETS PER GEOGRAPHICAL AREA*

	2021-12-31	2020-12-31
Sweden	31 978	25 687
Denmark	668	666
Norway	171 335	160 557
Finland	75 484	77 609
Netherlands	199 196	199 593
Germany	81 819	0
Total fixed assets	560 479	464 112

*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)	2021-12-31	2020-12-31
Financial assets measured at amortized cost (Hold to Collect)		
Trade accounts receivable	63 690	65 598
Contract assets	15 023	8 375
Other financial receivables	130	130
Cash and cash equivalents	93 472	125 671
Financial assets	172 315	199 774
Financial liabilities		
<i>Other financial liabilities valued at amortised cost</i>		
Liabilities to credit institutions	5 667	2 978
Debenture loan	297 898	296 229
Leasing liability	18 982	15 128
Liabilities to related parties	0	0
Liabilities related to acquisitions	3 193	
Trade accounts payable	29 660	33 512
<i>Financial liabilities measured at fair value</i>		
Contingent considerations relating to acquisitions	28 635	0
Financial liabilities	384 035	347 847

	NORLAND systems GmbH	Total
Contingent considerations		
Opening balance 2021-01-01	0	
Payment of contingent considerations	28 449	28 449
Exchange rate changes	186	186
Closing balance 2021-12-31	28 635	28 635

	NORLAND systems GmbH	Total
Expected payment 2022	18 899	18 899
Expected payment 2023	9 736	9 736
Total expected payment	28 635	28 635

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 input is based on unobservable data. The liabilities are measured at fair value and are based on certain performance thresholds related to EBITDA 2021 and 2022.

Not 5 Business Combinations

On March 4, 2021, ZetaDisplay AB (publ) acquired 100% of the share capital in NORDLAND systems GmbH. Nordland is a leading German integrator. The acquisition gives ZetaDisplay an entry into the German market and the acquisition is an essential step for ZetaDisplay towards achieving its financial targets.

Payments carried forward

TSEK	NORDLAND systems GmbH
Cash and cash equivalents	36 676
Outstanding payment	3 060
Earn out 1 (2022-05-31)*	18 802
Earn out 2 (2023-05-31)*	9 647
Total payments carried forward	68 185

**) Om vissa definierade prestationströsklar uppnås under 2021 och 2022 kan en maximal tilläggsköpeskillning om 2,8 MEUR utgå. Ledningen bedömer det sannolikt att den villkorade köpeskillningen kommer att betalas. Verkligt värde vid förvärvstidpunkten för den totalt villkorade köpeskillningen har bedömts uppgå till 28,4 MSEK.*

Acquisition costs amount to SEK 2.8 million and have been reported in the income statement as other external expenses.

Reported amounts as at the acquisition date for acquired net assets

TSEK	NORDLAND systems GmbH
Non-current assets	
Intangible assets	26
Tangible assets	4 871
Right of use assets	3 663
Current assets	
Inventories	3 783
Trade accounts receivable	8 203
Other receivables	650
Cash and cash equivalents	2 451
Long-term liabilities	
Other interest bearing liabilities	-15 351
Current liabilities	
Trade accounts payable	-4 261
Other liabilities	-3 640
Identified assets and liabilities, net	392
Payments carried forward	68 185
Surplus value	67 793
Allocation of surplus value:	
Goodwill	54 565
Customer relations	18 657
Deferred tax	-5 429

According to the preliminary balance for the acquisition, the difference between the net assets of NORDLAND systems GmbH and the total payments carried forward are SEK 68.2 million. This excess value has been preliminary allocated to customer relations SEK 18.7 million, deferred tax SEK 5.4 million and goodwill SEK 54.6 million. Customer relations are based on a service life of ten years. Goodwill is attributable to the expected development of future markets, revenue growth and the overall workforce in the company. No part of the goodwill is tax deductible.

Net cash flow from business combinations

TSEK	NORLAND systems GmbH
Cash payments	36 676
Minus: Cash and cash equivalents acquired	-2 625
Net cash flow	34 051

Effect of the acquisition on consolidated profit/loss

The acquired business contributed revenues of 59,6 MSEK, EBITDA of SEK 4,0 million, operating profit of SEK 3,5 million and profit after tax of SEK 3,1 million for the period of March 4 to December 31 2021.

If the acquisition had taken place on January 1, 2021, the Group's revenue would have amounted to SEK 428,9 million, EBITDA of SEK 50,4 million, the Groups operating profit to SEK 14,7 million and profit after tax to SEK -6,8 million.

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
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)	OKT-DEC 2021	OKT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
License income	37 503	32 672	144 907	133 489
Support and other contractual services	7 559	6 296	28 228	21 736
Total SaaS-revenues	45 062	38 968	173 135	155 225

ARR (ANNUAL RECURRING REVENUE) (TSEK)	OKT-DEC 2021	OKT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
SaaS-revenues last month in the quarter	15 038	13 362	15 038	13 362
Multiplied with 12 months	12	12	12	12
ARR (Annual recurring revenue)	180 456	160 344	180 456	160 344

GROSS MARGIN (TSEK)	OKT-DEC 2021	OKT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
Net sales	122 370	102 670	420 478	366 246
Total income	122 370	102 670	420 478	366 246
<i>Operating expenses</i>				
Goods for resale	-52 322	-41 266	-162 283	-157 483
Gross profit	70 048	61 404	258 195	208 763
Gross margin (%)	57,2	59,8	61,4	57,0

EBITDA (TSEK)	OKT-DEC 2021	OKT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
Operating profit	6 034	11 208	14 463	3 656
<i>Depreciation and amortisation</i>	-9 294	-8 848	-35 654	-34 831
EBITDA	15 328	20 056	50 117	38 487
EBITDA-margin (%)	12,5	19,5	11,9	10,5

OPERATING MARGIN (TSEK)	OKT-DEC 2021	OKT-DEC 2020	JAN-DEC 2021	JAN-DEC 2020
Net sales	122 370	102 670	420 478	366 246
Operating profit	6 034	11 209	14 463	3 656
Operating margin (%)	4,9	10,9	3,4	1,0

Net debt (TSEK)	2021-12-31	2020-12-31
Interest-bearing assets and cash and cash equivalents	93 472	125 671
Interest-bearing liabilities	-322 547	-316 281
Net debt	-229 075	-190 610

EQUITY RATIO (TSEK)	2021-12-31	2020-12-31
Equity	257 064	236 863
Total assets	751 421	685 125
Equity ratio (%)	34,2	34,6