



1 JULY – 30 SEPTEMBER 2024

Interim Report

ZETADISPLAY AB (PUBL)



Strong growth and strategic wins position ZetaDisplay for future expansion

JULY – SEPTEMBER 2024

- Recurring revenue, adjusted for discontinued operations*, increased by 20.6% to SEK 62.8 (52.1) million
- Recurring revenue, excluding adjustments for discontinued operations, increased by 13.6 % to 62.8 (55.3) million
- Net sales, adjusted for discontinued operations*, increased by 30.7% to SEK 148.8 (113.8) million
- Net sales, excluding adjustments for discontinued operations, increased by 28.9 % to SEK 148.8 (115.4) million
- Gross margin* decreased to 57.9% (62.5%)
- Adjusted EBITDA* was SEK 22.9 (12.0) million

SIGNIFICANT EVENTS DURING THE QUARTER

- In July ZetaDisplay AB announced that it has signed a multi-year exclusive framework agreement with A-Train/Arlanda Express for the development, deployment and services of their digital signage network. The agreement encompasses a full transition to ZetaDisplay's software platform for the entire screen network, an upgrade of digital signage installations on board the Arlanda express train, and the replacement of all advertising screens at Arlanda express train stations and platforms, including Arlanda Station. In total, this project will involve approximately 250 new installations.

SIGNIFICANT EVENTS AFTER THE QUARTER

- In November it was announced that ZetaDisplay has signed a multi-year agreement with Praktikertjänst, one of Sweden's largest healthcare providers, for the development, establishment and operation of a complete new nationwide digital signage display network. The agreement includes new installations of digital signage solutions at up to 1,000 clinics and will operate fully on ZetaDisplay's proprietary software platform - Engage Suite. In addition, the agreement includes delivery of new screen hardware, service, operations and support for approximately 2,500-3,000 screens. For ZetaDisplay, this new partnership represents significant growth in the health care segment over the coming years. The deployment is estimated to span approximately two years and will ultimately include thousands of new installations powered by ZetaDisplay's software solutions.

* Recurring revenue and adjusted EBITDA for 2023 have been reduced by 3.4 MSEK for the quarter, 4.6 MSEK for the period January to September, and 7.3 MSEK for the full year. These adjustments have been made to reflect the restructuring of our German operation, during which certain non-core activities were identified for discontinuation. Additionally, the September 2023 figures include adjustments to reflect the acquisition of PeakMedia Digital Signage GmbH, accounting for the 11 days the company was owned during Q3 2023.

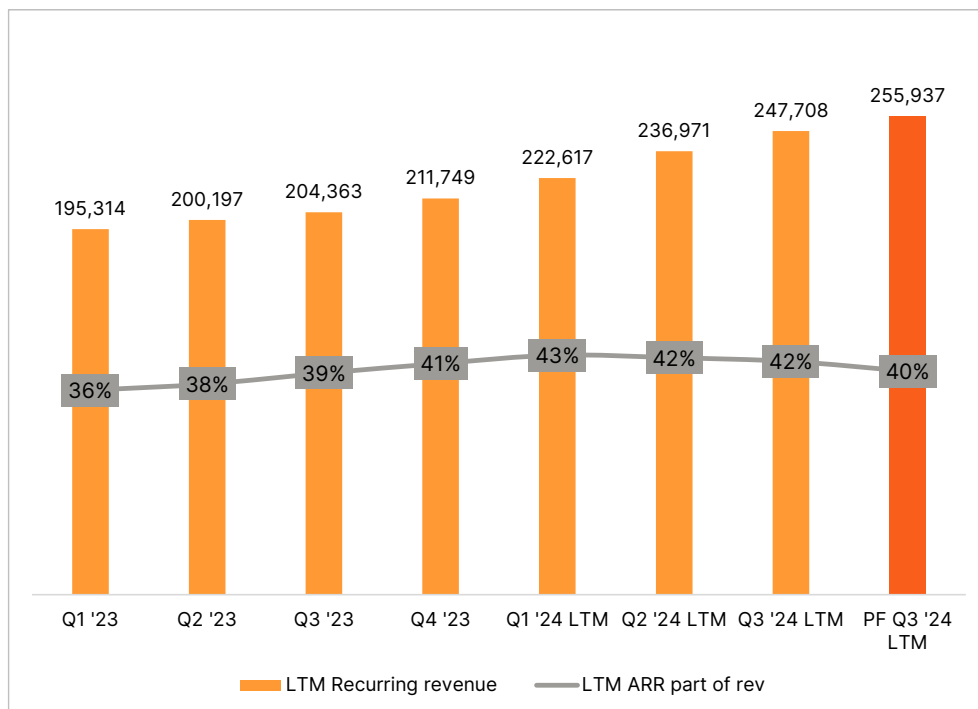


FINANCIAL INDICATORS

kSEK	JUL-SEP 2024	JUL-SEP* 2023	JAN-SEP 2024	JAN-SEP* 2023	LTM* 23/24	PF LTM* 23/24	JAN-DEC* 2023
Net sales*	148,804	113,823	439,353	357,115	596,220	642,806	513,982
Recurring revenue*	62,810	52,072	190,558	154,598	247,708	255,937	211,749
Gross margin (%)*	57.9	62.5	57.6	60.9	55.4	54.2	57.4
EBITDA before restructuring costs*	15,011	(3,781)	28,939	8,549	32,842	39,963	12,453
Hanover costs	4,671	8,595	16,886	18,778	33,730	33,730	35,622
Other non-recurring items	3,227	7,156	17,757	13,130	23,849	23,848	19,221
Adjusted EBITDA*	22,909	11,970	63,582	40,457	90,421	97,541	67,296
Adjusted EBITDA margin (%)*	15.4	10.5	14.5	11.3	15.2	15.2	13.1
Operating profit/ loss	(7,162)	(15,755)	(30,620)	(22,523)	(114,531)	(107,693)	(106,433)
Operating margin (%)	(4.8)	(13.7)	(7.0)	(6.3)	(19.1)	(16.6)	(20.4)
Net profit/ loss	(21,952)	(29,036)	(71,995)	(53,556)	(171,644)	(166,995)	(153,204)
Leverage LTM	3.9	6.2	3.9	6.2	3.9	3.6	4.8
Equity ratio (%)	20.5	32.3	20.5	32.3	20.5	20.5	18.2

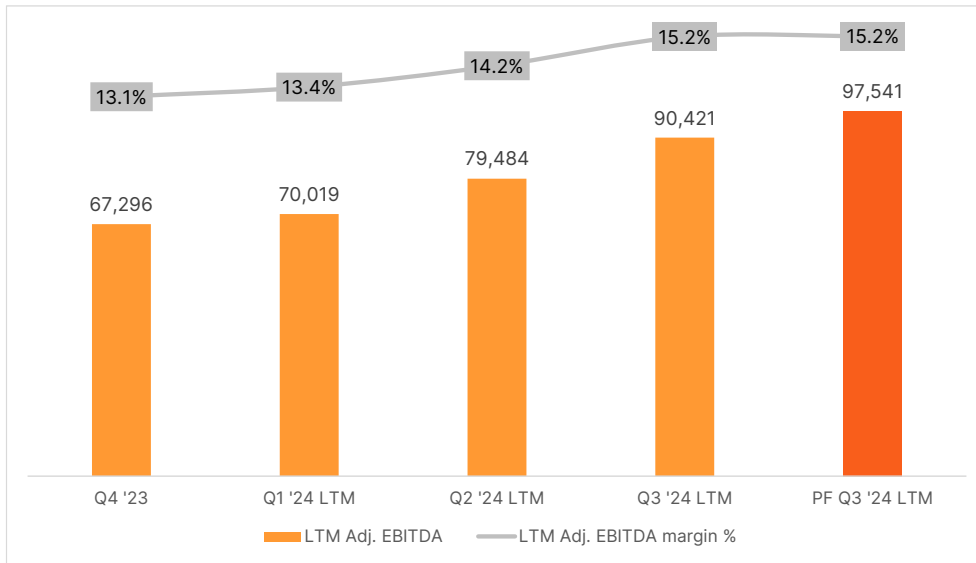
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LTM Recurring Revenue





LTM Adjusted EBITDA





CEO comment

GROWTH IN RECURRING REVENUE AND STRATEGIC EXPANSION

Net sales for the quarter increased to SEK 148.8 (113.8) million, with recurring revenue rising by 20.6% to SEK 62.8 (52.1) million, representing 42.2% of net sales. The growth in recurring revenue reflects our strategic focus on building a solid foundation of recurring revenue streams.

Simultaneously our overall adjusted EBITDA grew to SEK 22.9 (12.0) million underscoring our ability to manage costs effectively and enhance profitability. This achievement is particularly noteworthy given the somewhat reduced gross margin. The lower gross margin is mainly attributable to the increased share of third-party solutions in our recurring revenue mix following recent acquisitions and is anticipated to improve as integration and software migration activities progress.

During the quarter, we signed a notable new deployment project in Germany with an existing key client, which has now entered the full execution phase. Additionally, we recently won a significant tender for a new enterprise customer contract in Sweden with Praktikertjänst, a leading national healthcare provider. The contract involves the rollout of a completely new digital signage network across 1,000 locations, comprising approximately 2,500–3,000 screens.

We effectively continue to grow service projects outside Europe, both in the US and MEA regions. Our pipeline of mid- and long-term prospects, both locally and internationally, has grown considerably, driven by a strong commercial trend with new business wins. The group-wide sales transformation project is nearing completion, resulting in a rapidly growing sales funnel across all countries. Notably, orders signed from new customers have more than doubled year-to-date. While we experienced continued delays in certain hardware projects during Q3, our overall momentum remains positive, fuelled by growth in both new and existing business.

Our acquisition of Beyond Digital Solutions Ltd in the UK earlier this year continues to generate significant value for the group, both in terms of financial performance and enhanced market penetration for our software products. Our software suite recently achieved a record number of recognitions at key international awards, further enhancing its reputation as a high-quality offering and strengthening our ability to position our solutions across a wide range of markets and segments.

OUTLOOK

Our long-term plan and investment initiatives for growth are now visibly supported by the execution of our 2024 strategic growth transformation plan.

In addition, our acquisitions provide additional growth in the medium term, alongside increased organic growth, showcased by new key customer projects, strong growth in new prospects pipeline as well as a growing share of incoming requests.

Hanover transformation projects are nearing completion, and we anticipate significantly lower exceptional costs related to these initiatives next year. As always, we maintain our commitment to prioritizing and investing in activities that foster long-term growth and enhance our focus on customer satisfaction in addition to enhancing our software product quality. I would like to thank all our co-workers for their tireless commitment to customer success and thank our customers for their continued trust.

UPCOMING REPORTING SESSIONS

ZetaDisplay AB (publ) year-end report will be published on ir.zetadisplay.com in February, week 9, 2025.



Anders Olin
President and CEO



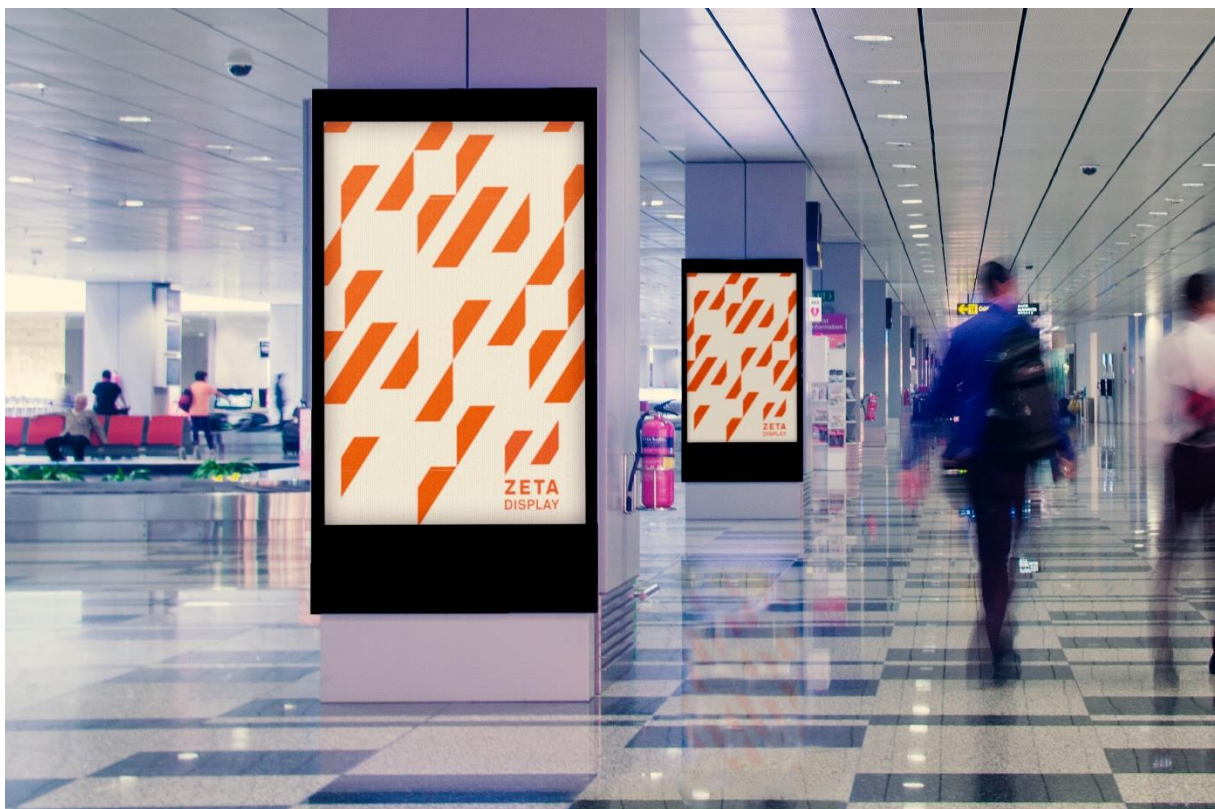
The market

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

Today, the Group has operations in eight 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 becoming an increasingly important part of the business following the initial installation, generating steady recurring revenue streams. 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

BASIS OF PREPARATION

The figures presented in this report are unaudited. Profit and loss and cash flow items are compared with the corresponding period of last year. Balance sheet items refer to the position at the end of the period and are compared with the corresponding date last year.

THIRD QUARTER JULY – SEPTEMBER 2024

Net sales

Net sales for the quarter increased by 30.7% to SEK 148.8 (113.8*) million, primarily driven by strategic acquisitions that have significantly strengthened our market presence in Europe. During the quarter, as part of our restructuring efforts in Germany, certain non-core activities were identified for discontinuation. Adjusted for discontinued operations, recurring revenue grew by 20.6% to SEK 62.8 (52.1*) million.

While recurring revenue accounted for 42.2% (45.7%*) of total net sales, slightly lower than the previous year due to the impact of acquisitions and the Q3 adjustment for discontinued operations, the significant absolute growth in 2024 underscores the critical role recurring revenue continues to play in our strategy. We remain focused on further increasing the share of recurring revenue as a key driver of our long-term growth and value creation.

Gross profit

The cost of goods sold, primarily consisting of hardware and installations, amounted to SEK -62.6 (-42.7) million.

Gross profit for the quarter reached SEK 86.2 (71.1*) million, corresponding to a gross margin of 57.9% (62.5%*). The slight decrease in margin is mainly attributable to the acquisition of companies with a lower gross margin on recurring revenue, largely driven by the use of third-party software. As these acquisitions are integrated and transitioned to ZetaDisplay's software, the margin is expected to gradually improve.

Operating expenses

Other external costs amounted to SEK -22.9 (-33.9) million of which SEK 7.9 (15.8) million

related to non-recurring items. Personnel costs were SEK -55.1 (-46.5) million.

Hanover costs and other non-recurring items primarily consist of acquisition and integration costs related to recent acquisitions, as well as other transformation costs aimed at delivering efficiency improvements across the Group's operations to achieve its longer-term strategic objectives.

Restructuring costs

Restructuring costs of SEK -1.7 (-2.3) million are solely related to the staff rationalization program and associated exit payments. In Q3, we have continued to focus on restructuring sales and operations in the Netherlands, as well as streamlining the organization in Denmark.

EBITDA

Excluding restructuring costs, Hanover costs, other non-recurring items, and discontinued operations, our adjusted EBITDA increased significantly to SEK 22.9 (12.0*) million, resulting in an adjusted EBITDA margin of 15.4% (10.5%*). This demonstrates our balanced focus on both growth and cost control, ensuring operational efficiency while driving strategic expansion.

Operating profit

Operating profit stated before restructuring costs, Hanover costs and other non-recurring items was SEK 2.5 (2.2) million, resulting in an operating margin of 1.7% (1.9%).

Operating loss after restructuring costs amounted to SEK -7.2 (-15.8) million and an operating margin of -4.8% (-13.7%).



Financial items

The financial items amounted to SEK -14.5 (-11.7) million. External interest expense related to the bond loan was SEK -8.7 (-9.0) million due to a decrease in interest rates.

Tax

Tax charge for the quarter was SEK -0.3 (-1.6) million. The Group considers that tax losses are not expected to be used in the near future and therefore no deferred tax asset has been recognized for these losses.

Profit and loss for the quarter after tax

Loss for the quarter after tax amounted to SEK -22.0 (-29.0) million.

Cash flow

During the quarter, the Group generated cash flow from operating activities of SEK 16.1 (9.8)

million. Cash flow from investment activities amounted to SEK -14.9 (-52.9). The higher cashflow from investments last year is primarily attributable to the acquisition of PeakMedia Digital Signage. Cash flow from financing activities amounted to SEK -3.5 (62.7) million. Total cash flow during the quarter amounted to SEK -2.3 (19.7) million.

Financial position

Hanover Investors, our owners, has invested a total of SEK 108.4 million during the first three quarters of the year.

The equity ratio at the end of the period was 20.5% (32.3%). The Group had a total of SEK 45.7 (52.1) million in cash and cash equivalents as of 30 September 2024. Net debt at the end of the period amounted to SEK 354.0 (309.1) million.

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Segment

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

Austria and the UK) and the Group-wide segment. For financial information per segment for the period see Note 3.

Parent company

The operations of the Parent Company ZetaDisplay AB are reported in the Nordic segment. The Company also provides a number of group-wide support functions for other segments including software development, coordination of sales, purchasing, delivery, service and support, as well as finance and other back-office functions.

The Parent Company's net sales amounted to SEK 28.8 (40.4) million, for the third quarter.

Operating loss was SEK -6.3 (-15.2) million and loss after tax was SEK -19.9 (-25.9) million.

Cash and cash equivalents on 30 September 2024 totalled SEK 32.0 (6.4) million.



Other information

NUMBER OF EMPLOYEES

The average number of full-time employees was 237 in the last 3-month period, compared to 218 in the corresponding period last year. This increase is fully attributable to recent acquisitions.

TRANSACTIONS WITH RELATED PARTIES

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

Transactions with Hanover during the quarter were SEK 1.0 (13.1) million and SEK 0.2 (3.2) million was outstanding at the period end. Since the bond refinancing in February 2023, Hanover costs are borne by the Hanover Active Equity Fund II ("the Fund") (the ultimate beneficial owner) but the Fund has made no advanced payments during the quarter ended 30 September 2024.

Services provided were in respect of:

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

There were no other significant transactions with related parties.

THE STOCK AND SHAREHOLDERS

Hanover Active Equity Fund II S.C.A SICAV – RAIF is the sole shareholder of the ordinary shares in ZetaDisplay.

SIGNIFICANT RISKS AND UNCERTAINTIES

Through its operations, the Group is exposed to various financial risks such as market risk (consisting of currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management means striving for minimal adverse effects on results and position. The Group's business risks and risk management as well as financial risks are described in detail in the annual report for 2023, pages 37-39.

A key risk to the Group's future cash flows is the impact of an increase in interest rates on the listed bond due to the loan's value and future term. The bond has a variable interest rate based on 3 months STIBOR and the market rate may be subject to significant fluctuations. To mitigate this risk, the Group has an interest rate swap in place to hedge 50% of the risk of interest rate fluctuation on the listed bond.

The change in sales composition toward a greater proportion of recurring revenue will offer some protection against economic weakness in the markets where the Group operates.

FINANCIAL OBJECTIVES

The most important lever in our business model is the proportion of recurring revenue relative to total sales and our ability to increase revenue over the lifetime of a project with a customer. The Group's success is based on an efficient and scalable delivery and service platform



Malmö, 28 November 2024

Anders Olin

President and CEO

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

FOR FURTHER INFORMATION PLEASE CONTACT

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About ZetaDisplay

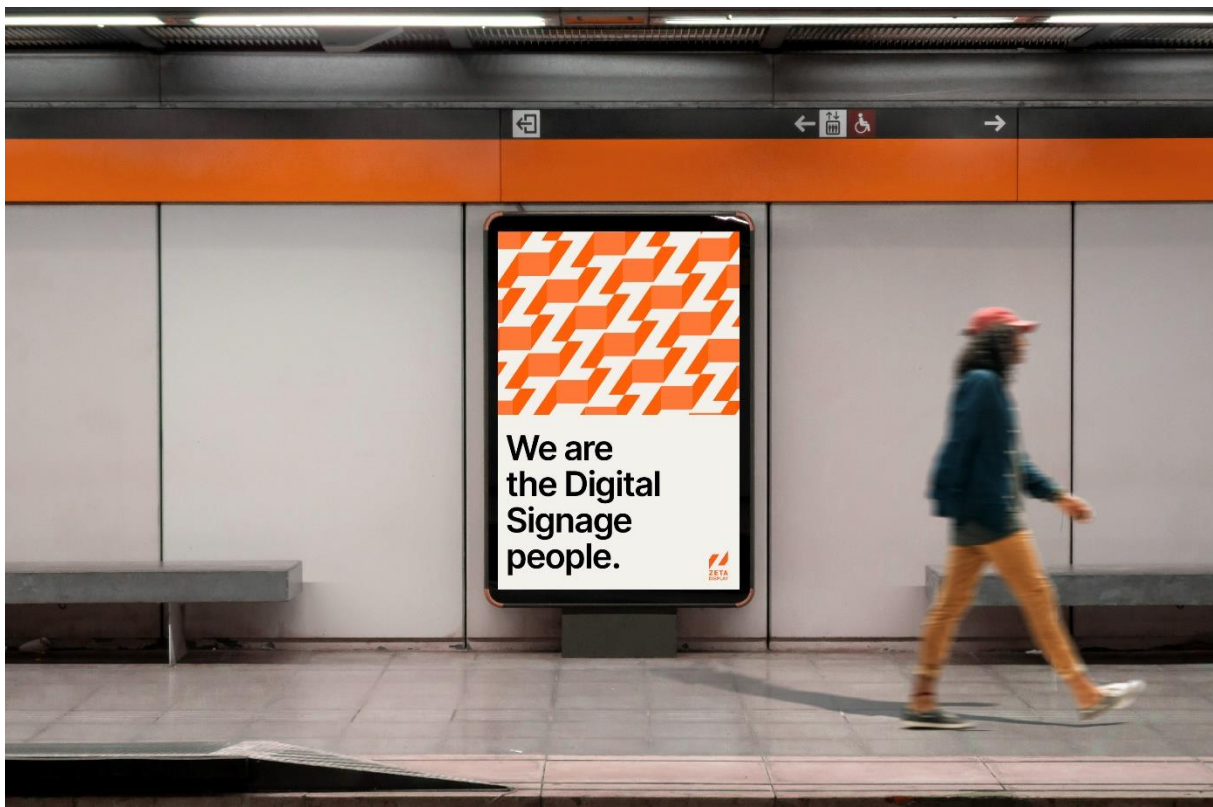
20 YEARS OF LEADERSHIP AND INNOVATION IN DIGITAL SIGNAGE

ZetaDisplay was founded 2003 in Sweden as one of the early pioneers of digital signage. We are one of the leading European SaaS groups in the digital signage market and a leading force in the European digital signage industry. Our proprietary software platform and digital signage solutions inspire, influence and guide millions of people every day in all types of spaces indoor and outdoor. ZetaDisplay is one of the largest European digital signage groups with direct operations in eight European countries and the US with more than 120,000 active installations in over 50 countries, across all major continents, as the business partner of

choice for respected blue-chip brands. 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-Sweden, has a turnover of SEK ≈550 million and employs approx. 240 co-workers. ZetaDisplay is owned by the investment company Hanover Investors.

More information at www.ir.zetadisplay.com and www.hanoverinvestors.com





Financial reports

INCOME STATEMENT - GROUP

kSEK	JUL-SEP 2024	JUL-SEP 2023	JAN-SEP 2024	JAN-SEP 2023	JAN-DEC 2023
Net sales	148,804	115,413	439,353	359,914	521,271
Capitalized work on own account	6,146	3,542	16,772	10,996	22,335
Other revenue	607	2,541	3,449	6,226	7,567
Total revenue	155,557	121,496	459,574	377,136	551,173
<i>Operating expenses</i>					
Goods for resale	(62,574)	(42,684)	(186,256)	(139,468)	(218,851)
Other external expenses	(22,899)	(33,871)	(84,058)	(84,788)	(120,306)
Personnel expenses	(55,073)	(46,503)	(160,321)	(140,902)	(192,274)
Depreciations and write-downs	(20,445)	(11,943)	(50,809)	(32,251)	(118,366)
Operating profit/ loss before restructuring costs	(5,434)	(13,505)	(21,870)	(20,273)	(98,624)
Restructuring costs	(1,728)	(2,250)	(8,750)	(2,250)	(7,809)
Operating profit/ loss after restructuring costs	(7,162)	(15,755)	(30,620)	(22,523)	(106,433)
Financial income	2	1,375	3,818	2,822	4,442
Financial expenses	(14,472)	(13,065)	(43,580)	(33,316)	(51,034)
Profit/ loss after financial items	(21,632)	(27,445)	(70,382)	(53,017)	(153,025)
Tax	(320)	(1,591)	(1,613)	(539)	(179)
Net profit/ loss	(21,952)	(29,036)	(71,995)	(53,556)	(153,204)

STATEMENT OF COMPREHENSIVE INCOME

kSEK	JUL-SEP 2024	JUL-SEP 2023	JAN-SEP 2024	JAN-SEP 2023	JAN-DEC 2023
Net profit/ loss	(21,952)	(29,036)	(71,995)	(53,556)	(153,204)
<i>Items that may later be transferred to profit/ loss for the period</i>					
Translation differences	(6,919)	23,258	625	36,278	(14,216)
Comprehensive income for the period	(28,871)	(5,778)	(71,370)	(17,278)	(167,420)
Attributable to shareholders in the Parent Company	(28,871)	(5,778)	(71,370)	(17,278)	(167,420)



BALANCE SHEET - GROUP

kSEK	30 SEP 2024	30 SEP 2023	31 DEC 2023
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Goodwill	427,312	459,693	377,447
Customer relations	115,382	84,059	81,351
Trademarks	5,079	6,303	6,103
Capitalised development cost	66,065	51,790	62,243
Other intangible assets	15,100	14,730	14,507
<i>Tangible assets</i>			
Right of use assets	54,898	11,919	22,358
Equipment	10,168	8,884	7,282
Leasehold improvements	5,167	5,047	8,334
Deferred tax	736	1,009	872
Non-current receivables	-	45	130
Total non-current assets	699,907	643,479	580,627
Current assets			
<i>Inventories</i>			
Finished goods	18,459	22,569	12,223
Total inventories	18,459	22,569	12,223
<i>Current receivables</i>			
Trade accounts receivable	71,104	53,857	97,873
Tax assets	17	293	185
Other receivables	3,029	8,265	4,810
Prepaid expenses and accrued income	21,218	41,675	19,786
Total current receivables	95,368	104,090	122,654
Cash and cash equivalents	45,724	52,137	51,230
Total current assets	159,551	178,796	186,107
Total assets	859,458	822,275	766,734



BALANCE SHEET – GROUP

kSEK	30 SEP 2024	30 SEP 2023	31 DEC 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	27,862	27,862	27,862
Other contributed capital	422,327	277,600	313,917
Translation reserve	25,488	75,357	24,863
Profit/ loss brought forward	(299,341)	(114,898)	(227,346)
Total equity attributable to Parent Company shareholder	176,336	265,921	139,296
Non-current liabilities			
<i>Interest-bearing liabilities</i>			
Liabilities to credit institutions	2,057	-	2,589
Debenture loan	289,783	300,000	285,847
Leasing liabilities	35,591	6,001	12,471
<i>Non-interest bearing liabilities</i>			
Derivatives	2,654	-	2,634
Deferred tax liability	28,517	23,816	21,126
Other provisions	4,779	-	-
Total non-current liabilities	363,381	329,817	324,667
Current liabilities			
<i>Interest-bearing liabilities</i>			
Liabilities to credit institutions	55,153	50,014	62,729
Leasing liabilities	17,134	5,192	8,622
<i>Non-interest bearing liabilities</i>			
Trade accounts payable	56,801	32,872	53,085
Additional consideration	45,216	28,504	34,615
Tax payable	4,641	865	5,707
Other liabilities	28,318	29,101	33,478
Accrued expenses and prepaid income	112,478	79,989	104,535
Total current liabilities	319,741	226,537	302,771
Total equity and liabilities	859,458	822,275	766,734



STATEMENT OF CHANGES IN EQUITY – GROUP

kSEK	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	TRANSLATION RESERVES	ACCUMULATED RESULTS	TOTAL EQUITY
Attributable to shareholders in the Parent Company					
Opening balance 2023-01-01	27,862	277,600	39,079	(74,142)	270,399
Changes in equity					
2023-01-01 - 2023-12-31					
Profit/ loss for the period	-	-	-	(153,204)	(153,204)
Transactions with shareholders	-	36,317	-	-	36,317
Comprehensive income/(loss) for the period	-	-	(14,216)	-	(14,216)
Closing balance 2023-12-31	27,862	313,917	24,863	(227,346)	139,296
Changes in equity					
2024-01-01 - 2024-09-30					
Profit/ loss for the period	-	-	-	(71,995)	(71,995)
Transactions with shareholders	-	108,410	-	-	108,410
Comprehensive income/(loss) for the period	-	-	625	-	625
Closing balance 2024-09-30	27,862	422,327	25,488	(299,341)	176,336



CASH FLOW STATEMENT - GROUP

kSEK	JUL-SEP 2024	JUL-SEP 2023	JAN-SEP 2024	JAN-SEP 2023	JAN-DEC 2023
Operating activities					
Operating profit/ loss	(7,162)	(15,755)	(30,620)	(22,523)	(106,433)
Adjustments for depreciation and amortisation	20,445	11,943	50,809	32,251	118,366
Interest received	18	1,375	182	2,822	4,325
Interest paid	(11,175)	(12,108)	(33,483)	(28,527)	(40,124)
Other non-cash items	(3,030)	(738)	(5,610)	(1,704)	(2,658)
Income tax paid	(4,662)	(3,313)	(9,962)	(2,457)	149
Cash flow from operating activities before changes in working capital	(5,566)	(18,596)	(28,684)	(20,138)	(26,375)
Change in working capital					
Change in inventories	2,182	(1,348)	(900)	(9,266)	(4,537)
Change in receivables	42,647	15,556	39,124	69,153	22,483
Change in other operating receivables	1,850	4,765	1,326	(14,978)	6,848
Change in current liabilities	(25,003)	9,446	(11,504)	(27,299)	16,992
Total change in working capital	21,676	28,419	28,046	17,610	41,786
Cash flow from operating activities	16,110	9,823	(638)	(2,528)	15,411
Investment activities					
Acquisition of subsidiaries	-	(31,840)	(54,737)	(31,840)	(50,839)
Paid contingent consideration for acquisitions of subsidiaries	(7,091)	(14,761)	(12,548)	(14,761)	-
Acquisition of intangible assets	(8,027)	(5,974)	(21,524)	(23,503)	(36,689)
Acquisition of tangible assets	233	(297)	(3,337)	(2,012)	(2,780)
Cash flow from investment activities	(14,885)	(52,872)	(92,146)	(72,116)	(90,308)
Financing activities					
Other contributed equity	-	30,920	108,410	30,920	36,317
Borrowings raised	-	36,559	50,000	50,000	338,436
Repayment of loan	-	-	(50,000)	-	(300,000)
Amortisation of lease debt	(4,702)	(4,020)	(13,324)	(10,255)	(15,148)
Change in factoring debt	1,164	(754)	(7,417)	(3,437)	9,367
Cash flow from financing activities	(3,538)	62,705	87,669	67,228	68,972
Cash flow for the period	(2,313)	19,656	(5,115)	(7,416)	(5,925)
Cash and cash equivalents at start of period	49,343	33,597	51,230	59,225	59,225
Exchange rate difference	(1,306)	(1,116)	(391)	328	(2,070)
Cash and cash equivalents at end of period	45,724	52,137	45,724	52,137	51,230



INCOME STATEMENT – PARENT COMPANY

kSEK	JUL-SEP 2024	JUL-SEP 2023	JAN-SEP 2024	JAN-SEP 2023	JAN-DEC 2023
Net sales	28,817	40,353	99,593	112,684	178,744
Capitalized work on own account	2,959	2,197	8,344	6,555	15,944
Other revenue	4,614	1,671	6,183	3,953	3,672
Total revenue	36,390	44,221	114,120	123,192	198,360
<i>Operating expenses</i>					
Goods for resale	(14,250)	(19,032)	(50,164)	(45,754)	(62,056)
Other external expenses	(10,698)	(27,002)	(45,934)	(77,748)	(119,763)
Personnel expenses	(13,969)	(11,497)	(44,828)	(35,425)	(49,303)
Depreciation and amortisation	(3,727)	(1,922)	(11,971)	(6,078)	(11,849)
Operating profit/ loss	(6,254)	(15,232)	(38,777)	(41,813)	(44,611)
Results from participations in group companies*	-	-	-	-	(37,298)
Financial income	-	2,231	4,759	5,652	7,608
Financial expenses	(13,614)	(12,852)	(40,052)	(33,207)	(50,175)
Profit/ loss after financial items	(19,868)	(25,853)	(74,070)	(69,368)	(124,476)
Tax	-	-	-	-	58
Net profit/ loss	(19,868)	(25,853)	(74,070)	(69,368)	(124,418)

* Reduction in carrying value of shares in subsidiaries



BALANCE SHEET – PARENT COMPANY

kSEK	30 SEP 2024	30 SEP 2023	31 DEC 2023
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Capitalised development cost	41,323	31,627	39,750
Other intangible assets	10,866	13,780	11,251
<i>Tangible assets</i>			
Equipment	1,561	458	535
Leasehold improvements	91	335	335
<i>Financial assets</i>			
Participations in group companies	574,453	483,795	458,283
Deferred tax	58	-	58
Non-current receivables	-	130	130
Total non-current assets	628,352	530,125	510,342
Current assets			
<i>Inventories</i>			
Finished goods	713	1,363	1,041
Total inventories	713	1,363	1,041
<i>Current receivables</i>			
Trade accounts receivable	40,160	41,815	41,575
Tax assets	17	56	159
Receivables from group companies	11,533	58,798	44,208
Other receivables	150	1,040	564
Prepaid expenses and accrued income	30,801	53,371	79,626
Total current receivables	82,661	155,080	166,132
Cash and cash equivalents	31,967	6,440	12,286
Total current assets	115,341	162,883	179,459
Total assets	743,693	693,008	689,801



BALANCE SHEET - PARENT COMPANY

kSEK	30 SEP 2024	30 SEP 2023	31 DEC 2023
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	27,862	27,862	27,862
Other contributed capital	144,727	30,920	36,317
Reserve fund	15,678	15,678	15,678
Development fund	41,323	39,428	39,750
<i>Unrestricted equity</i>			
Premium fund	187,850	187,850	187,850
Profit/ loss brought forward	(254,521)	(123,828)	(178,878)
Total equity	162,919	177,910	128,579
Non-current liabilities			
<i>Interest-bearing liabilities</i>			
Debenture loan	300,000	300,000	300,000
<i>Non-interest bearing liabilities</i>			
Derivatives	2,654	-	2,634
Total non-current liabilities	302,654	300,000	302,634
Current liabilities			
<i>Interest-bearing liabilities</i>			
Liabilities to credit institutions	50,000	50,000	50,000
<i>Non-interest bearing liabilities</i>			
Trade accounts payable	28,131	32,872	54,266
Additional consideration	45,216	34,615	34,615
Liabilities to subsidiaries	86,366	42,334	52,987
Other liabilities	6,061	5,330	6,567
Accrued expenses and prepaid income	62,346	49,947	60,153
Total current liabilities	278,120	215,098	258,588
Total equity and liabilities	743,693	693,008	689,801



Notes

NOTE 1 ZETADISPLAY GROUP

ZetaDisplay AB (publ), 556603-4434, is a Swedish public limited liability company registered in Malmö municipality, Skåne County. The company's head office is located in Malmö, at this address: Gustav Adolfs Torg 10A, 211 39 Malmö.

COMPANY	REG. NUMBER	SEAT	SHARES %
ZetaDisplay AB	556603-4434	Malmö	
ZetaDisplay Sverige AB	556642-5871	Malmö	100
ZetaDisplay Finland OY	1914200-9	Vantaa	100
ZetaDisplay Danmark A/S	29226342	Köpenhamn	100
ZetaDisplay BV	27285283	Rosmalen	100
Gaudi Inc	D18921700	Baltimore	100
ZetaDisplay Norway AS	981106431	Oslo	100
LiveQube AS	995543478	Oslo	100
ZetaDisplay Germany GmbH	HRB 9974 HL	Ahrensburg	100
PeakMedia Digital Signage GmbH	FN 567262i	Ebbs	100
Beyond Integrity Holdings Ltd	12130263	Hebburn	100
Beyond Digital Solutions Ltd	07851729	Hebburn	100

NOTE 2 ACCOUNTING PRINCIPLES

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

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

New standards and interpretations that are effective from 1 January 2024 have not had any effect on the Group's or the Parent Company's financial statements for the interim period.

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

The ESMA's guidelines on Alternative Performance Measures have been applied, which means that the report covers disclosure requirements for financial measures which are not defined under IFRS. For definitions see pages 23-25.



NOTE 3 SEGMENT REPORTING

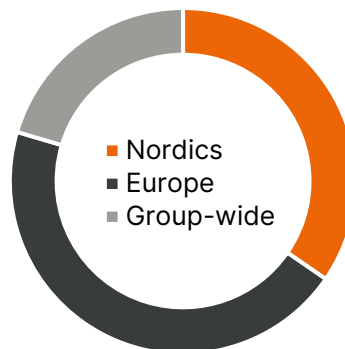
JUL-SEP kSEK	Nordics		Europe	
	2024	2023	2024	2023
Total revenue	41,555	77,772	84,682	49,683
Reported EBITDA	(14,821)	19,910	18,356	10,917

JUL-SEP kSEK	Group-wide		Group eliminations		Total for the group	
	2024	2023	2024	2023	2024	2023
Total revenue	26,703	11,428	2,617	(17,387)	155,557	121,496
Reported EBITDA	9,748	(34,639)	-	-	13,283	(3,812)

JAN-SEP kSEK	Nordics		Europe	
	2024	2023	2024	2023
Total revenue	141,758	231,709	223,616	160,815
Reported EBITDA	14,703	55,524	38,526	35,201

JAN-SEP kSEK	Group-wide		Group eliminations		Total for the group	
	2024	2023	2024	2023	2024	2023
Total revenue	97,580	32,303	(3,380)	(47,691)	459,574	377,136
Reported EBITDA	(33,040)	(80,997)	-	-	20,189	9,728

Revenue by segment, LTM





NOTE 4 FINANCIAL ASSETS AND LIABILITIES

kSEK	30 SEP 2024	30 SEP 2023	31 DEC 2023
Financial assets measured at amortized cost			
Trade accounts receivable	71,104	53,857	97,873
Contract assets	10,131	17,396	13,788
Other financial receivables	-	45	130
Cash and cash equivalents	45,724	52,137	51,230
Financial assets	126,959	123,435	163,021
Financial liabilities			
<i>Other financial liabilities valued at amortised cost</i>			
Liabilities to credit institutions	57,210	50,014	65,318
Debenture loan	289,783	300,000	285,847
Derivatives	2,654	-	2,634
Leasing liabilities	52,725	11,193	21,093
Liabilities related to acquisitions	-	15,862	9,549
Trade accounts payable	56,801	32,872	53,085
<i>Financial liabilities measured at fair value</i>			
Contingent considerations related to acquisitions	45,216	12,642	25,066
Financial liabilities	504,389	422,583	462,592

Contingent considerations relating to acquisitions

Contingent consideration is in respect of earn-outs associated with 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 are based on unobservable data. The liabilities are measured at fair value and are based on certain performance thresholds related to EBITDA.



NOTE 5 BUSINESS COMBINATIONS

On 9 April 2024, the Group acquired 100 % of the shares in Beyond Digital Signage Limited ("Beyond"), a digital signage integrator based in the UK.

This acquisition represents a decisive step for ZetaDisplay in further expanding its European market presence by gaining access to the UK market. The acquisition was fully funded by equity from ZetaDisplay's owner, Hanover investors.

The post-acquisition results of Beyond are included in the consolidated results from the date of acquisition in 2024, contributing SEK 7.0 million to EBITDA for the quarter and SEK 12.3 million for the period April to September 2024.

Acquisition-related costs have impacted the results for 2024 by SEK 6.0 million.

The purchase price allocation is presented below:

kSEK	30 SEP 2024
Cash consideration	87,757
Deferred consideration (fair value)	2,823
Deferred contingent consideration (fair value)	20,357
Total consideration	110,937
<i>Fair value of net assets acquired:</i>	
Customer relationships	33,820
Goodwill	48,916
Tangible assets	2,782
Net debt and debt like items	(7,437)
Surplus cash & equivalents	33,168
Deferred tax liability	(312)
Total net assets	110,937



Alternative performance measurements

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

NON-IFRS MEASURES	DEFINITION	REASON
Recurring-revenue	Income of a recurring nature such as licenses, support and other agreed income	This measure shows how much of the revenue is of a recurring nature and how it nominally changes between quarters and over time
NRR (non-recurring revenue)	Income of a non-recurring nature such as hardware, installation, project management and other non-software related services	This measure is useful in showing how much of the revenue is of a non-recurring nature. This revenue is less predictable and subject to fluctuation as it is dependent upon customer budgets and the economies of the markets the Group operates within
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 non-current assets and including IFRS16	EBITDA facilitates comparability across companies and industries, offering insights into operational performance
EBITDA before restructuring costs	Operating profit excl. depreciation and amortization of tangible and intangible non-current assets and including IFRS16 stated before restructuring costs	The removal of one-off restructuring costs demonstrates the underlying EBITDA performance
Adjusted EBITDA	Reported EBITDA stated before Hanover costs and exceptional costs	Represents underlying EBITDA performance
EBITDA margin	EBITDA in relation to net sales	EBITDA margin facilitates comparability across companies and industries, offering insights into operational performance
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
Other non-recurring items	Costs/ income of a one-off nature that are not expected to recur, excluding restructuring costs	Performance measures are adjusted for non-recurring items to demonstrate underlying performance
Restructuring costs	One-off costs incurred in respect of reorganizing business operations to improve the Group's efficiency and long-term profitability	Separate presentation of costs in the income statement. Performance measures are adjusted for restructuring costs to demonstrate underlying performance
Net debt	Interest-bearing liabilities decreased by interest-bearing assets and cash and cash equivalents	Measures to show the Company's indebtedness
Equity ratio	Equity in relation to total assets	This ratio is useful for assessing the possibility of making dividend payments and strategic investments and to judge the Group's ability to meet its financial commitments
PF (proforma) LTM	Financial results of all group entities for the last twelve months, calculated as if all acquisitions had been part of the group for the entire period, regardless of their actual acquisition date.	To illustrate the financial results of the full group and provide a comparable view of its performance.



kSEK	JUL-SEP 2024	JUL-SEP* 2023	JAN-SEP 2024	JAN-SEP* 2023	JAN-DEC* 2023
License income	47,722	43,617	138,523	123,281	172,336
Support and other contractual services	15,088	11,651	52,035	35,721	46,703
Discontinued operations: support and other contractual services, and acquisitions	-	(3,196)	-	(4,404)	(7,290)
Total Recurring revenue	62,810	52,072	190,558	154,598	211,749

kSEK	JUL-SEP 2024	JUL-SEP* 2023	JAN-SEP 2024	JAN-SEP* 2023	JAN-DEC* 2023
Net sales	148,804	115,413	439,353	359,914	521,271
Discontinued operations and acquisitions	-	(1,590)	-	(2,799)	(7,289)
Adjusted net sales	148,804	113,823	439,353	357,115	513,982
<i>Operating expenses</i>					
Goods for resale	(62,574)	(42,684)	(186,256)	(139,468)	(218,851)
Gross profit	86,230	71,139	253,097	217,647	295,131
Gross margin (%)	57.9	62.5	57.6	60.9	57.4

kSEK	JUL-SEP 2024	JUL-SEP* 2023	JAN-SEP 2024	JAN-SEP* 2023	JAN-DEC* 2023
Operating profit/ loss before restructuring costs	(5,434)	(13,505)	(21,870)	(20,273)	(98,624)
Depreciation and amortisation	20,445	11,943	50,809	32,251	118,366
Discontinued operations and acquisitions	-	(2,219)	-	(3,429)	(7,290)
EBITDA before restructuring costs	15,011	(3,781)	28,939	8,549	12,453
EBITDA margin (%) before restructuring costs	10.1	(3.3)	6.6	2.4	2.4

kSEK	JUL-SEP 2024	JUL-SEP* 2023	JAN-SEP 2024	JAN-SEP* 2023	JAN-DEC* 2023
Operating profit/ loss after restructuring costs	(7,162)	(15,755)	(30,620)	(22,523)	(106,433)
Depreciation and amortisation	20,445	11,943	50,809	32,251	118,366
Discontinued operations and acquisitions	-	(2,219)	-	(3,429)	(7,290)
EBITDA after restructuring costs	13,283	(6,031)	20,188	6,300	4,643
EBITDA margin (%) after restructuring costs	8.9	(5.2)	4.6	1.8	0.9

kSEK	JUL-SEP 2024	JUL-SEP 2023	JAN-SEP 2024	JAN-SEP 2023	JAN-DEC 2023
Net sales	148,804	115,413	439,353	359,914	521,271
Operating profit/ loss after restructuring costs	(7,162)	(15,755)	(30,620)	(22,523)	(106,433)
Operating margin (%) after restructuring costs	(4.8)	(13.7)	(7.0)	(6.3)	(20.4)

* Recurring revenue and adjusted EBITDA for 2023 have been reduced by 3.4 MSEK for the quarter, 4.6 MSEK for the period January to September, and 7.3 MSEK for the full year. These adjustments have been made to reflect the restructuring of our German operation, during which certain non-core activities were identified for discontinuation. Additionally, the September 2023 figures include adjustments to reflect the acquisition of PeakMedia Digital Signage GmbH, accounting for the 11 days the company was owned during Q3 2023.



kSEK	30 SEP 2024	30 SEP 2023	PF LTM 23/24	31 DEC 2023
Net debt	353,994	309,070	353,994	321,028
Adjusted EBITDA (LTM)*	90,421	50,219	97,541	67,296
Net debt/adjusted EBITDA ratio*	3.9	6.2	3.6	4.8

kSEK	30 SEP 2024	30 SEP 2023	31 DEC 2023
Interest-bearing liabilities	(399,718)	(361,207)	(372,258)
Interest-bearing assets and cash and cash equivalents	45,724	52,137	51,230
Net debt	353,994	309,070	321,028

kSEK	30 SEP 2024	30 SEP 2023	31 DEC 2023
Equity	176,336	265,921	139,296
Total assets	859,458	822,275	766,734
Equity ratio (%)	20.5	32.3	18.2

* Recurring revenue and adjusted EBITDA for 2023 have been reduced by 3.4 MSEK for the quarter, 4.6 MSEK for the period January to September, and 7.3 MSEK for the full year. These adjustments have been made to reflect the restructuring of our German operation, during which certain non-core activities were identified for discontinuation. Additionally, the September 2023 figures include adjustments to reflect the acquisition of PeakMedia Digital Signage GmbH, accounting for the 11 days the company was owned during Q3 2023.