



1 APRIL – 30 JUNE 2024

# Interim Report

ZETADISPLAY AB (PUBL)



# STRONG GROWTH IN THE QUARTER

## APRIL – JUNE 2024

- SaaS revenue increased by 24.5% to SEK 66.9 (53.7) million
- Excluding the impact of acquisitions, the increase in SaaS revenue was 6.5%
- Net sales increased by 28.7% to SEK 163.3 (126.9) million
- Gross margin decreased to 55.5% (61.4%)
- Adjusted EBITDA was SEK 27.9 (15.3) million

## SIGNIFICANT EVENTS DURING THE QUARTER

- On 9 April 2024, ZetaDisplay AB further expanded its European footprint into the United Kingdom with the successful acquisition of 100% of the shares in Beyond Digital Solutions Ltd (“Beyond”). Beyond has an impressive industry track record as well as high-quality creative content services and gives us direct access to one of Europe’s largest digital signage markets. This acquisition is accretive to group EBITDA and was fully funded by equity from ZetaDisplay's owner, Hanover Investors.

## SIGNIFICANT EVENTS AFTER 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.

## FINANCIAL INDICATORS

(TSEK)	APR-JUN 2024	APR-JUN 2023	JAN-JUN 2024	JAN-JUN 2023	LTM Q3 2023- Q2 2024	JAN-DEC 2023
Net sales	163,331	126,905	290,549	246,501	565,319	521,271
Proforma net sales*	165,119	159,341	313,632	305,193	652,495	644,056
SaaS-revenue (recurring)	66,883	53,738	127,748	103,735	243,052	219,039
Gross margin (%)	55.5	61.4	57.4	60.7	56.5	58.0
Reported EBITDA before restructuring costs	8,573	9,766	13,927	13,541	20,128	19,742
Hanover costs	5,988	3,402	12,216	7,552	40,286	35,622
Other non-recurring items	13,310	2,084	14,530	4,239	29,512	19,221
Adjusted EBITDA	27,871	15,252	40,673	25,332	89,926	74,585
Adjusted EBITDA margin (%)	17.1	12.0	14.0	10.3	15.9	14.3
Operating profit/loss	(11,147)	(234)	(23,460)	(6,767)	(123,126)	(106,433)
Operating margin (%)	(6.8)	(0.2)	(8.1)	(2.8)	(21.8)	(20.4)
Profit/loss for the period	(25,592)	(9,475)	(50,044)	(24,518)	(178,730)	(153,204)
Proforma leverage*	3.4	3.2	3.4	3.2	3.4	3.4
Equity ratio (%)	23.1	34.3	23.1	34.3	23.1	18.2

\*Includes all group entities irrespective of date of acquisition



# CEO comment

## STRONG GROWTH IN THE QUARTER

Net sales for the quarter increased to SEK 163.3 (126.9) million, with SaaS revenue rising significantly by 24.5 % to SEK 66.9 (53.7) million, now representing 40.9% of net sales. This robust growth underscores the continued strength and importance of our SaaS offerings, reflecting our strategic focus on building a solid foundation of recurring revenue streams.

While our reported EBITDA before restructuring costs was SEK 8.6 (9.8) million adjustments for Hanover costs and other non-recurring items reveal a strong underlying EBITDA of SEK 27.9 (15.3) million, corresponding to an adjusted EBITDA margin of 17.1% (12.0%). This significant improvement highlights our ability to effectively manage costs and enhance profitability, which is particularly noteworthy given the slightly reduced gross margin. The lower gross margin is primarily due to the increased share of third-party solutions in our SaaS mix following recent acquisitions and is anticipated to improve as integrations proceed.

Our growth transformation initiatives continue to be a high priority across the group. Although market conditions remain somewhat sluggish, we are seeing signs of increasing activity in key markets and industry verticals from both existing and new customers. During the quarter, we carried out several important customer project rollouts and delivered new projects outside Europe, both in the US and MEA regions. The pipeline of mid- and long-term larger prospects, both locally and internationally, has grown notably, driven by a strong commercial trend with new business wins, such as the recently announced Airport Express train contract with A-Train. Despite encountering intermittent delays in a few planned NRR projects during Q2, our overall momentum remains positive.

Our recent acquisition of Beyond Digital Solutions Ltd in the UK has already exceeded our expectations. Fully funded by equity from our owner, Hanover Investors, this acquisition enhances group EBITDA and strengthens our position in Europe with a valuable UK customer base and a skilled, motivated team.

A long-time planned move of our Swedish HQ in Malmö was finalized during the quarter. The HQ move signals the close of a 20-year chapter and heralds a modernized better suited attractive HQ work location and environment in a central location, as well as yielding cost savings. Continued progress is being made across the group to facilitate and upscale the organization to effectively manage a multi-national organization with higher complexity.

## OUTLOOK

Our long-term plan and investment initiatives for growth are supported by the continued execution of our 2024 strategic growth transformation plan, which includes the upscaling of key areas within our organization. We expect recent acquisitions to drive additional growth in the medium term, alongside increased organic growth, showcased by the diverse upwards trends in key customer projects, growth in new prospects pipeline as well as a growing share of incoming requests.

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 product market attraction and strength. 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) interim report January – September will be published on [ir.zetadisplay.com](http://ir.zetadisplay.com) in November, week 48, 2024.



Anders Olin  
President and CEO



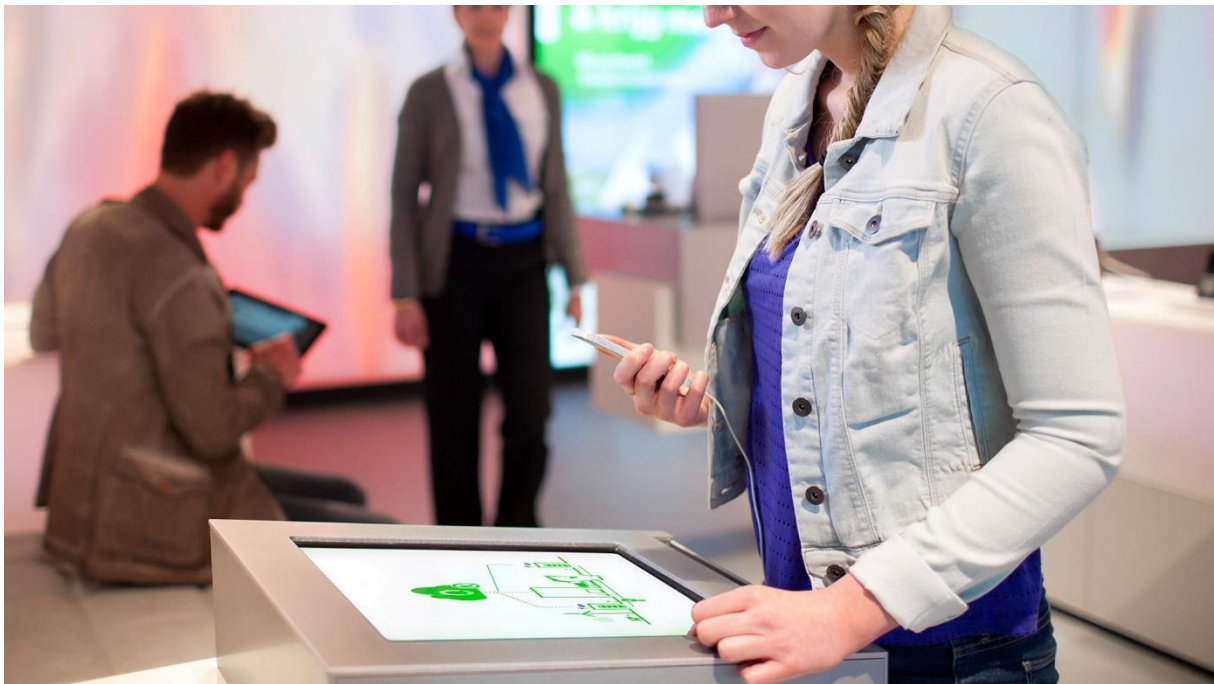
## The market

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 concept 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 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

## 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.

## Second quarter April – June 2024

### Net sales

Net sales for the quarter increased by 28.7% to SEK 163.3 (126.9) million, primarily driven by strategic acquisitions that have significantly bolstered our market presence in Europe. SaaS revenue grew by 24.5% to SEK 66.9 (53.7), demonstrating strong growth in this area. Adjusted for acquisitions, the increase in SaaS revenue was 6.5%, reflecting our ability to maintain organic growth despite soft market conditions.

While SaaS revenue accounted for 40.9% (42.3%) of total net sales, slightly lower than the previous year due to the impact of acquisitions, the significant growth in absolute terms underscores the critical role SaaS continues to play in our strategy. We remain focused on further increasing the share of SaaS 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 -72.7 (-49.0) million.

Gross profit for the quarter reached SEK 90.7 (77.9) million, corresponding to a gross margin of 55.5% (61.4%). The slight decrease in margin is mainly attributable to the acquisition of companies with a lower gross margin on SaaS 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 -36.2 (-25.1) million of which SEK 19.3 (5.5) million related to non-recurring items. Personnel costs

were SEK -53.1 (-46.8) million of which SEK nil (nil) million related to non-recurring items.

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. The increase in Hanover costs specifically relates to due diligence for the Beyond acquisition.

### Restructuring costs

Restructuring costs of SEK -3.8 (nil) million are solely related to the staff rationalization program and associated exit payments. In Q2, our focus has been on restructuring sales and operations in the Netherlands, which has generated positive energy and momentum.

### EBITDA

Excluding restructuring costs, Hanover costs and other non-recurring items, our adjusted EBITDA has increased significantly to SEK 27.9 (15.3) million, resulting in an improved adjusted EBITDA margin of 17.1% (12.0%).

### Operating profit

Operating profit stated before restructuring costs, Hanover costs and other non-recurring items was SEK 11.9 (5.3) million, resulting in an operating margin of 7.3% (4.1%).

Operating loss after restructuring costs amounted to SEK -11.1 (-0.2) million and an operating margin of -6.8% (-0.2%).

### Financial items

The financial items amounted to SEK -12.0 (-10.6) million. External interest expense



related to the bond loan was SEK -8.9 (-8.1) million due to an increase in interest rates.

### Tax

Tax charge for the quarter was SEK -2.5 (credit 1.3) 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 -25.6 (-9.5) million.

### Cash flow

During the quarter, the Group generated cash flow from operating activities of SEK -19.8 (3.0) million. Cash flow from investment

activities amounted to SEK -65.6 (-9.4) million. Cash flow from financing activities amounted to SEK 10.4 (8.2) million. Total cash flow during the quarter amounted to SEK -74.9 (1.7) million.

### Financial position

Hanover Investors, our owners, invested an additional SEK 16.5 million in the second quarter, following the SEK 91.9 million in the first quarter. This brings the total capital injection to SEK 108.4 million during the first half of the year.

The equity ratio at the end of the period was 23.1% (34.3%). The Group had a total of SEK 49.3 (33.6) million in cash and cash equivalents as of 30 June 2024. Net debt at the end of the period amounted to SEK 346.2 (281.6) million.

## 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 42.0 (36.6) million, for the second quarter.

Operating loss was SEK -14.5 (-11.1) million and loss after tax was SEK -24.1 (-20.8) million.

Cash and cash equivalents on 30 June 2024 totalled SEK 30.7 (16.4) million.



## Other information

### NUMBER OF EMPLOYEES

The average number of full-time employees was 237 in the last 3-month period, compared to 210 in the corresponding period last year. This increase is entirely due to recent acquisitions.

### TRANSACTIONS WITH RELATED PARTIES

During the quarter, the Group engaged in transactions with entities affiliated with Hanover Investors Management LLP (collectively referred to as "Hanover"). Hanover Investors Management LLP acts as the advisor to the investment manager of the funds that ultimately own the share capital of ZetaDisplay AB.

Transactions with Hanover during the quarter were SEK 10.1 (3.4) million and SEK 0.5 (6.6) 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) and the Fund has advanced SEK 16.5 million in the quarter ended 30 June 2024.

Services provided included:

- Strategic advice;
- Director services;
- Upgrading support functions including finance, tax, HR and legal; and
- Implementing best practices in sales and procurement.

There were no other significant transactions with related parties.

### THE STOCK AND SHAREHOLDERS

Following the compulsory redemption of shares, Hanover Active Equity Fund II S.C.A

SICAV – RAIF is the sole shareholder of the ordinary shares in ZetaDisplay.

### SIGNIFICANT RISKS AND UNCERTAINTIES

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

A key risk to the Group's future cash flows is the potential impact of rising interest rates on the listed bond, given the loan's value and remaining 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 shift in sales composition towards a greater proportion of recurring revenue will offer some protection against economic downturns in the markets where the Group operates.

### FINANCIAL OBJECTIVES

The most important lever in our business model is the proportion of SaaS 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, 30 August 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

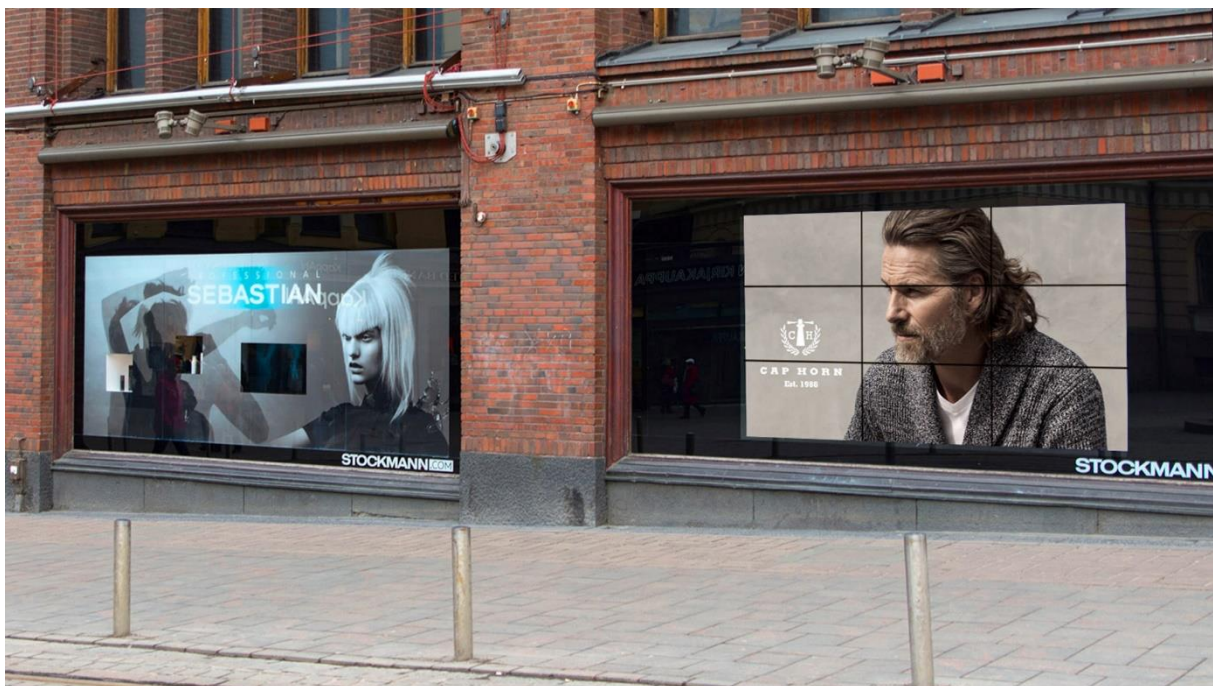
## 20 YEARS OF LEADERSHIP AND INNOVATION IN DIGITAL SIGNAGE

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 exceeding SEK 550 million and employs approximately 240 co-workers. ZetaDisplay is owned by the investment company Hanover Investors.

More information at [www.ir.zetadisplay.com](http://www.ir.zetadisplay.com) and [www.hanoverinvestors.com](http://www.hanoverinvestors.com)





# Financial reports

## INCOME STATEMENT - GROUP

(TSEK)	3 MONTHS APR-JUN 2024	3 MONTHS APR-JUN 2023	6 MONTHS JAN-JUN 2024	6 MONTHS JAN-JUN 2023	12 MONTHS JAN-DEC 2023
Net sales	163,331	126,905	290,549	246,501	521,271
Capitalized work on own account	5,920	3,444	10,626	7,454	22,335
Other revenue	1,237	351	2,842	1,687	7,567
<b>Total revenue</b>	<b>170,488</b>	<b>130,700</b>	<b>304,017</b>	<b>255,642</b>	<b>551,173</b>
<i>Operating expenses</i>					
Goods for resale	(72,652)	(49,044)	(123,682)	(96,784)	(218,851)
Other external expenses	(36,169)	(25,077)	(61,160)	(50,917)	(120,306)
Personnel expenses	(53,094)	(46,813)	(105,248)	(94,400)	(192,274)
Depreciations and write-downs	(15,942)	(10,000)	(30,364)	(20,308)	(118,366)
<b>Operating profit/loss before restructuring costs</b>	<b>(7,369)</b>	<b>(234)</b>	<b>(16,437)</b>	<b>(6,767)</b>	<b>(98,624)</b>
Restructuring costs	(3,778)	-	(7,023)	-	(7,809)
<b>Operating profit/loss after restructuring costs</b>	<b>(11,147)</b>	<b>(234)</b>	<b>(23,460)</b>	<b>(6,767)</b>	<b>(106,433)</b>
Financial income	2,372	2,014	3,817	2,779	4,442
Financial expenses	(14,363)	(12,591)	(29,108)	(21,582)	(51,034)
<b>Profit/loss after financial items</b>	<b>(23,138)</b>	<b>(10,811)</b>	<b>(48,751)</b>	<b>(25,570)</b>	<b>(153,025)</b>
Tax	(2,454)	1,336	(1,293)	1,052	(179)
<b>Profit/loss for the period</b>	<b>(25,592)</b>	<b>(9,475)</b>	<b>(50,044)</b>	<b>(24,518)</b>	<b>(153,204)</b>

## STATEMENT OF COMPREHENSIVE INCOME

(TSEK)	3 MONTHS APR-JUN 2024	3 MONTHS APR-JUN 2023	6 MONTHS JAN-JUN 2024	6 MONTHS JAN-JUN 2023	12 MONTHS JAN-DEC 2023
<b>Profit/loss for the period</b>	<b>(25,592)</b>	<b>(9,475)</b>	<b>(50,044)</b>	<b>(24,518)</b>	<b>(153,204)</b>
<i>Items that may later be transferred to profit/loss for the period:</i>					
Translation differences	(3,940)	18,317	7,544	13,019	(14,216)
<b>Comprehensive income/loss for the period</b>	<b>(29,532)</b>	<b>8,842</b>	<b>(42,500)</b>	<b>(11,499)</b>	<b>(167,420)</b>
<b>Attributable to shareholders in the Parent Company</b>	<b>(29,532)</b>	<b>8,842</b>	<b>(42,500)</b>	<b>(11,499)</b>	<b>(167,420)</b>



## BALANCE SHEET - GROUP

(TSEK) ASSETS	2024-06-30	2023-06-30	2023-12-31
Non-current assets			
<i>Intangible assets</i>			
Goodwill	462,857	450,307	377,447
Customer relations	76,423	62,551	81,351
Trademarks	5,529	2,511	6,103
Capitalized development cost	64,982	53,567	62,243
Other intangible assets	14,440	12,604	14,507
<i>Tangible assets</i>			
Right of use assets	51,545	16,038	22,358
Equipment	9,572	5,723	7,282
Leasehold improvements	8,893	8,535	8,334
Deferred tax assets	924	1,047	872
Non-current receivables	130	46	130
<b>Total non-current assets</b>	<b>695,295</b>	<b>612,929</b>	<b>580,627</b>
Current assets			
<i>Inventories</i>			
Finished goods	15,305	21,754	12,223
<b>Total inventories</b>	<b>15,305</b>	<b>21,754</b>	<b>12,223</b>
<i>Current receivables</i>			
Trade accounts receivable	101,396	70,234	97,873
Tax assets	36	285	185
Other receivables	4,063	233	4,810
Prepaid expenses and accrued income	21,057	54,070	19,786
<b>Total current receivables</b>	<b>126,552</b>	<b>124,822</b>	<b>122,654</b>
Cash and cash equivalents	49,343	33,597	51,230
<b>Total current assets</b>	<b>191,200</b>	<b>180,173</b>	<b>186,107</b>
<b>TOTAL ASSETS</b>	<b>886,495</b>	<b>793,102</b>	<b>766,734</b>



## BALANCE SHEET – GROUP

(TSEK) EQUITY AND LIABILITIES	2024-06-30	2023-06-30	2023-12-31
<b>Equity</b>			
Share capital	27,862	27,862	27,862
Other contributed capital	422,327	277,600	313,917
Translation reserve	32,407	52,098	24,863
Profit/loss brought forward	(277,390)	(85,860)	(227,346)
<b>Total equity attributable to Parent Company shareholders</b>	<b>205,206</b>	<b>271,700</b>	<b>139,296</b>
<b>Non-current liabilities</b>			
<i>Interest-bearing liabilities</i>			
Liabilities to credit institutions	2,249	-	2,589
Debenture loan	289,113	300,000	285,847
Leasing liabilities	34,269	8,066	12,471
<i>Non-interest-bearing liabilities</i>			
Derivatives	1,609	-	2,634
Deferred tax liability	20,111	16,656	21,126
<b>Total non-current liabilities</b>	<b>347,351</b>	<b>324,722</b>	<b>324,667</b>
<b>Current liabilities</b>			
<i>Interest-bearing liabilities</i>			
Liabilities to credit institutions	54,273	16	62,729
Leasing liabilities	15,599	7,130	8,622
<i>Non-interest-bearing liabilities</i>			
Trade accounts payable	69,559	41,767	53,085
Additional consideration	51,428	20,126	34,615
Tax payable	8,041	1,913	5,707
Other liabilities	27,318	27,000	33,478
Accrued expenses and prepaid income	107,720	98,728	104,535
<b>Total current liabilities</b>	<b>333,938</b>	<b>196,680</b>	<b>302,771</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>886,495</b>	<b>793,102</b>	<b>766,734</b>



## STATEMENT OF CHANGES IN EQUITY – GROUP

(TSEK)	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					
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 - 2024-06-30					
Loss for the period				(50,044)	(50,044)
Transactions with shareholders		108,410			108,410
Comprehensive income/loss for the period			7,544		7,544
Closing balance 2024-06-30	27,862	422,327	32,407	(277,390)	205,206



## CASH FLOW STATEMENT - GROUP

(TSEK)	3 MONTHS APR-JUN 2024	3 MONTHS APR-JUN 2023	6 MONTHS JAN-JUN 2024	6 MONTHS JAN-JUN 2023	12 MONTHS JAN-DEC 2023
Operating activities					
Operating profit/loss	(11,147)	(234)	(23,460)	(6,767)	(106,433)
Adjustments for depreciation and amortisation	15,942	10,000	30,364	20,308	118,366
Interest received	-	563	164	1,448	4,325
Interest paid	(9,961)	(11,291)	(22,308)	(16,419)	(40,124)
Other non-cash items	1,727	(276)	(2,578)	(970)	(2,658)
Income tax paid	(1,662)	(619)	(5,300)	856	149
Cash flow from operating activities before changes in working capital	(5,101)	(1,857)	(23,118)	(1,544)	(26,375)
Change in working capital					
Change in inventories	(4,440)	4,182	(3,082)	(7,918)	(4,537)
Change in trade accounts receivable	(27,216)	(3,502)	(3,523)	50,122	22,483
Change in other operating receivables	(132)	780	(524)	(16,692)	6,848
Change in accounts payable and other liabilities	17,132	3,385	13,499	(36,745)	16,992
Total change in working capital	(14,656)	4,845	6,370	(11,233)	41,786
Cash flow from operating activities	(19,757)	2,988	(16,748)	(12,777)	15,411
Investment activities					
Acquisition of subsidiaries	(54,737)	-	(60,194)	-	(50,839)
Acquisition of intangible assets	(7,850)	(9,670)	(13,497)	(17,529)	(36,689)
Acquisition of tangible assets	(3,001)	225	(3,570)	(1,717)	(2,780)
Cash flow from investment activities	(65,588)	(9,445)	(77,261)	(19,246)	(90,308)
Financing activities					
Other contributed equity	16,478	-	108,410	-	36,317
Borrowings raised	-	13,883	50,000	313,883	338,436
Repayment of loans	-	-	(50,000)	(300,000)	(300,000)
Amortisation of lease debt	(5,676)	(3,041)	(8,622)	(6,235)	(15,148)
Change in factoring debt	(397)	(2,683)	(8,581)	(3,125)	9,367
Cash flow from financing activities	10,405	8,159	91,207	4,523	68,972
Cash flow for the period	(74,940)	1,702	(2,802)	(27,500)	(5,925)
Cash and cash equivalents at start of period	124,205	36,278	51,230	59,225	59,225
Exchange rate difference	78	(4,383)	915	1,872	(2,070)
Cash and cash equivalents at end of period	49,343	33,597	49,343	33,597	51,230



## INCOME STATEMENT – PARENT COMPANY

(TSEK)	3 MONTHS APR-JUN 2024	3 MONTHS APR-JUN 2023	6 MONTHS JAN-JUN 2024	6 MONTHS JAN-JUN 2023	12 MONTHS JAN-DEC 2023
Net sales	41,996	36,586	70,776	72,331	178,744
Capitalized work on own account	3,196	2,151	5,385	4,358	15,944
Other income	222	1,992	1,569	2,705	3,672
<b>Total revenue</b>	<b>45,414</b>	<b>40,729</b>	<b>77,730</b>	<b>79,394</b>	<b>198,360</b>
<i>Operating expenses</i>					
Goods for resale	(20,995)	(14,015)	(35,913)	(26,722)	(62,056)
Other external expenses	(18,946)	(23,996)	(35,237)	(51,169)	(119,763)
Personnel expenses	(16,344)	(11,725)	(30,858)	(23,928)	(49,303)
Depreciation and amortisation	(3,635)	(2,062)	(8,245)	(4,156)	(11,849)
<b>Operating profit/loss</b>	<b>(14,506)</b>	<b>(11,069)</b>	<b>(32,523)</b>	<b>(26,581)</b>	<b>(44,611)</b>
Results from participations in group companies*	-	-	-	-	(37,298)
Financial income	2,888	3,290	4,759	4,754	7,608
Financial expenses	(12,527)	(13,033)	(26,438)	(21,687)	(50,175)
<b>Profit/loss after financial items</b>	<b>(24,145)</b>	<b>(20,812)</b>	<b>(54,202)</b>	<b>(43,514)</b>	<b>(124,476)</b>
Tax	-	-	-	-	58
<b>Profit/loss for the period</b>	<b>(24,145)</b>	<b>(20,812)</b>	<b>(54,202)</b>	<b>(43,514)</b>	<b>(124,418)</b>

\* Reduction in carrying value of shares in subsidiaries



## BALANCE SHEET – PARENT COMPANY

(TSEK) ASSETS	2024-06-30	2023-06-30	2023-12-31
<i>Non-current assets</i>			
<i>Intangible assets</i>			
Capitalized development cost	40,813	30,189	39,750
Other intangible assets	11,030	12,603	11,251
<i>Tangible assets</i>			
Equipment	930	555	535
Leasehold improvements	94	305	335
<i>Financial Assets</i>			
Participation in group companies	575,157	437,100	458,283
Deferred tax assets	58	-	58
Non-current receivables	130	130	130
<b>Total non-current assets</b>	<b>628,212</b>	<b>480,882</b>	<b>510,342</b>
<i>Current assets</i>			
<i>Inventories</i>			
Finished goods	411	2,323	1,041
<b>Total inventories</b>	<b>411</b>	<b>2,323</b>	<b>1,041</b>
<i>Current receivables</i>			
Trade accounts receivable	63,262	40,593	41,575
Tax assets	36	42	159
Receivables from group companies	11,264	34,432	44,208
Other receivables	111	838	564
Prepaid expenses and accrued income	27,899	59,640	79,626
<b>Total current receivables</b>	<b>102,572</b>	<b>135,545</b>	<b>166,132</b>
Cash and cash equivalents	30,731	16,377	12,286
<b>Total current assets</b>	<b>133,714</b>	<b>154,245</b>	<b>179,459</b>
<b>TOTAL ASSETS</b>	<b>761,926</b>	<b>635,127</b>	<b>689,801</b>





## BALANCE SHEET - PARENT COMPANY

(TSEK) EQUITY AND LIABILITIES	2024-06-30	2023-06-30	2023-12-31
<i>Equity</i>			
<i>Restricted equity</i>			
Share capital	27,862	27,862	27,862
Other contributed capital	144,727	-	36,317
Statutory reserve	15,678	15,678	15,678
Development fund	40,813	30,189	39,750
<i>Unrestricted equity</i>			
Premium fund	187,850	187,850	187,850
Profit/loss brought forward	(234,142)	(88,736)	(178,878)
<b>Total equity</b>	<b>182,788</b>	<b>172,843</b>	<b>128,579</b>
<i>Non-current liabilities</i>			
<i>Interest-bearing liabilities</i>			
Debenture loan	300,000	300,000	300,000
<i>Non-interest-bearing liabilities</i>			
Derivatives	1,609	-	2,634
<b>Total non-current liabilities</b>	<b>301,609</b>	<b>300,000</b>	<b>302,634</b>
<i>Current liabilities</i>			
<i>Interest-bearing liabilities</i>			
Liabilities to credit institutions	50,000	-	50,000
<i>Non-interest-bearing liabilities</i>			
Trade accounts payables	34,136	35,202	54,266
Additional consideration	51,428	20,126	34,615
Liabilities to subsidiaries	85,354	38,437	52,987
Other liabilities	8,300	18,427	6,567
Accrued expenses and prepaid income	48,311	50,092	60,153
<b>Total current liabilities</b>	<b>277,529</b>	<b>162,284</b>	<b>258,588</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>761,926</b>	<b>635,127</b>	<b>689,801</b>



# Notes

## NOTE 1 ZETADISPLAY GROUP

ZetaDisplay AB (publ), 556603-4434, is a Swedish public limited liability company registered in Malmö municipality, Skåne County. The company's head office is located in Malmö, at this address: Gustav Adolfs Torg 10, 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 21-23.



### NOTE 3 SEGMENT REPORTING

(TSEK)	NORDICS		EUROPE	
APR-JUN	2024	2023	2024	2023
Total revenue	52,465	79,949	77,556	54,783
Reported EBITDA	24,071	18,145	11,036	14,184

(TSEK)	GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
APR-JUN	2024	2023	2024	2023	2024	2023
Total revenue	43,848	11,264	(3,381)	(15,296)	170,488	130,700
Reported EBITDA	(30,312)	(22,563)	-	-	4,795	9,766

(TSEK)	NORDICS		EUROPE	
JAN-JUN	2024	2023	2024	2023
Total revenue	100 202	153 937	138 935	111 132
Reported EBITDA	29 524	35 614	20 169	24 285

(TSEK)	GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
JAN-JUN	2024	2023	2024	2023	2024	2023
Total revenue	70 336	20 875	(5 456)	(30 302)	304 017	255 642
Reported EBITDA	(42 789)	(46 358)	-	-	6 904	13 541



## NOTE 4 FINANCIAL ASSETS AND LIABILITIES

(TSEK)	2024-06-30	2023-06-30	2023-12-31
Financial assets measured at amortised cost			
Trade accounts receivable	101,396	70,234	97,873
Contract assets	14,565	29,089	13,788
Other financial receivables	130	46	130
Cash and cash equivalents	49,343	33,597	51,230
<b>Financial assets</b>	<b>165,434</b>	<b>132,966</b>	<b>163,021</b>
Financial liabilities			
<i>Other financial liabilities valued at amortised cost</i>			
Liabilities to credit institutions	56,522	16	65,318
Debenture loan	289,113	300,000	285,847
Derivatives	1,609	-	2,634
Leasing liability	49,868	15,196	21,093
Liabilities related to acquisitions	7,025	13,051	9,549
Trade accounts payable	69,559	41,767	53,085
<i>Financial liabilities measured at fair value</i>			
Contingent considerations relating to acquisitions	44,403	7,075	25,066
<b>Financial liabilities</b>	<b>518,099</b>	<b>377,105</b>	<b>462,592</b>

### 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 for the second quarter of 2024, contributing SEK 5.3 million to EBITDA.

Acquisition-related costs have impacted the results for the second quarter of 2024 by SEK 5.5 million.

The preliminary purchase price allocation is presented below\*:

(TSEK)	2024-06-30
Cash paid	87,757
Deferred consideration (fair value)	2,823
Deferred contingent consideration (fair value)	20,357
<b>Total consideration</b>	<b>110,937</b>
<i>Fair value of net assets acquired:</i>	
Goodwill	78,897
Fixed assets	1,388
Working capital	4,075
Cash	33,020
Other liabilities	(6,443)
<b>Total net assets</b>	<b>110,937</b>

\* The purchase price allocation process is ongoing, meaning that customer relations are currently included in goodwill.



## 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
SaaS-revenue (recurring)	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
Proforma net sales	Net sales of all group entities irrespective of date of acquisition	To demonstrate what the net sales of the full group would have been if newly acquired entities had been held for the entire period
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
Reported 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
Reported 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
Proforma Adjusted EBITDA	Adjusted EBITDA for all group entities irrespective of date of acquisition	Represents underlying EBITDA performance for all group entities irrespective of date of acquisition
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



SAAS REVENUE (RECURRING) (TSEK)	APR-JUN 2024	APR-JUN 2023	JAN-JUN 2024	JAN-JUN 2023	JAN-DEC 2023
License income	44,833	41,695	90,801	79,664	172,336
Support and other contractual services	22,050	12,043	36,947	24,071	46,703
Total SaaS-revenue	66,883	53,738	127,748	103,735	219,039
<b>GROSS MARGIN (TSEK)</b>	<b>APR-JUN 2024</b>	<b>APR-JUN 2023</b>	<b>JAN-JUN 2024</b>	<b>JAN-JUN 2023</b>	<b>JAN-DEC 2023</b>
Net sales	163,331	126,905	290,549	246,501	521,271
<i>Operating expenses</i>					
Goods for resale	(72,652)	(49,044)	(123,682)	(96,784)	(218,851)
Gross profit	90,679	77,861	166,867	149,717	302,420
Gross margin (%)	55.5	61.4	57.4	60.7	58.0
<b>REPORTED EBITDA BEFORE RESTRUCTURING COSTS (TSEK)</b>	<b>APR-JUN 2024</b>	<b>APR-JUN 2023</b>	<b>JAN-JUN 2024</b>	<b>JAN-JUN 2023</b>	<b>JAN-DEC 2023</b>
Operating profit/loss before restructuring costs	(7,369)	(234)	(16,437)	(6,767)	(98,624)
Depreciation and amortisation	15,942	10,000	30,364	20,308	118,366
Reported EBITDA before restructuring costs	8,573	9,766	13,927	13,541	19,742
EBITDA margin (%)	5.2	7.7	4.8	5.5	3.8
<b>REPORTED EBITDA AFTER RESTRUCTURING COSTS (TSEK)</b>	<b>APR-JUN 2024</b>	<b>APR-JUN 2023</b>	<b>JAN-JUN 2024</b>	<b>JAN-JUN 2023</b>	<b>JAN-DEC 2023</b>
Operating profit/loss	(11,147)	(234)	(23,460)	(6,767)	(106,433)
Depreciation and amortisation	15,942	10,000	30,364	20,308	118,366
Reported EBITDA after restructuring costs	4,795	9,766	6,904	13,541	11,933
EBITDA margin (%)	2.9	7.7	2.4	5.5	2.3
<b>OPERATING MARGIN (TSEK)</b>	<b>APR-JUN 2024</b>	<b>APR-JUN 2023</b>	<b>JAN-JUN 2024</b>	<b>JAN-JUN 2023</b>	<b>JAN-DEC 2023</b>
Net sales	163,331	126,905	290,549	246,501	521,271
Operating profit/loss	(11,147)	(234)	(23,460)	(6,767)	(106,433)
Operating margin (%)	(6.8)	(0.2)	(8.1)	(2.8)	(20.4)



NET DEBT/ADJUSTED EBITDA RATIO (TSEK)	30 JUN 2024	30 JUN 2023	31 DEC 2023
Net debt	346,160	281,615	321,028
Adjusted EBITDA (LTM*)	89,926	68,411	74,585
Net debt/adjusted EBITDA ratio	3.8	4.1	4.3

\* LTM = last twelve months

NET DEBT/PROFORMA ADJUSTED EBITDA RATIO (TSEK)	30 JUN 2024	30 JUN 2023	31 DEC 2023
Net debt	346,160	281,615	321,028
Proforma adjusted EBITDA (LTM)	101,573	89,321	93,611
Net debt/proforma adjusted EBITDA	3.4	3.2	3.4

NET DEBT (TSEK)	30 JUN 2024	30 JUN 2023	31 DEC 2023
Interest-bearing liabilities	(395,503)	(315,212)	(372,258)
Interest-bearing assets and cash and cash equivalents	49,343	33,597	51,230
Net debt	346,160	281,615	321,028

EQUITY RATIO (TSEK)	30 JUN 2024	30 JUN 2023	31 DEC 2023
Equity	205,206	271,700	139,296
Total assets	886,495	793,102	766,734
Equity ratio (%)	23.1	34.3	18.2