



ZETADISPLAY AB
INTERIM REPORT
1 JANUARY – 30 JUNE 2022

Q2



Continued growth and investments for the future

April - June 2022

- Net sales increased by 15.9 % to SEK 126.0 (108.7) million
- SaaS revenue increased by 8.4 % to SEK 47.1 (43.5) million.
- ARR amounted to SEK 187.9 million compared to SEK 192.6 million the previous quarter
- EBITDA amounted to SEK 8.5 (10.1) million. Adjusted for non-recurring items, EBITDA amounted to MSEK 8.5 (17.1)
- Operating profit amounted to MSEK -1.2 (1.1)

January - June 2022

- Net sales increased by 20.7 % to SEK 237.2 (196.5) million
- SaaS revenue increased by 12.6% to SEK 94.1 (83.6) million.
- EBITDA amounted to SEK 13.9 (21.6) million. Adjusted for non-recurring items, EBITDA amounted to MSEK 16.8 (30.5)
- Operating profit amounted to MSEK -5.7 (4.1)

Significant events during the quarter

- No significant events occurred during the quarter.

Significant events after the quarter

- No significant events occurred after the quarter.

FINANCIAL INDICATORS (TSEK)	APR-JUN	APR-JUN	JAN-JUN	JAN-JUN	ROLLING 12 MONTHS	JAN-DEC
	2022	2021	2022	2021	Q3 2021-Q2 2022	2021
Net sales	125 991	108 722	237 233	196 488	461 223	420 478
SaaS-revenues (recurring)	47 130	43 470	94 104	83 610	183 629	173 135
Gross margin (%)	57,8	60,2	58,7	62,4	59,5	61,4
EBITDA	8 470	10 137	13 897	21 569	42 445	50 117
EBITDA-margin (%)	6,7	9,3	5,9	11,0	9,2	11,9
Operating profit	-1 192	1 068	-5 665	4 138	4 660	14 463
Operating margin (%)	-0,9	1,0	-2,4	2,1	1,0	3,4
Profit/Loss for the period	-7 023	-6 248	-13 268	-3 830	-15 530	-6 092
Equity ratio (%)	33,1	32,6	33,1	32,6		34,2

Comments from the CEO

Continued growth and investments for the future

ZetaDisplay's net sales amounted to SEK 126.0 (108.7) million, which is an increase of 15.9% compared to the same period last year. SaaS revenues amounted to SEK 47.1 (43.5) million and accounted for 37.4 (40.0) % of net sales. ARR was quoted at SEK 187.9 million and EBITDA was SEK 8.5 (10.1) million. Adjusted for non-recurring items, EBITDA was MSE K 8.5 (17.1).

The increase in net sales is due to the increase in market activity. Project sales were 20.9% higher than the corresponding period last year and were quoted at SEK 78.9 (65.3) million. Gross profit amounted to SEK 72.8 (65.4) million, corresponding to a gross margin of 57.8 (60.2) %. The margin was affected by a higher share of project sales compared to the previous year.

A growing market

The international framework agreements continue to develop according to plan. This has resulted in several new installations in both existing and new markets. We are also seeing increased activity regarding new business opportunities in new customer sales. This is as a result of the investments we have made in our offering and our organization, which has strengthened our ability.

The general increase in activity in the market internationally and some shortage of components has led to some delays 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. Delivery challenges may continue during the autumn, but we are prepared to continue to be able to handle any effects.

Outlook

The market has recovered during the current year and we are preparing for further growth in the second half of the year.

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

Per Mandorf

President and CEO

Market

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

Today, the Group has operations in six European countries and in the United States. ZetaDisplay continuously evaluates new 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 inquiries from existing customers who intend to take the next step and develop and broaden their investment in this channel.

To meet current and future customer demands, ZetaDisplay needs to continuously enhance its processes, systems and product solutions. A 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 and loss items are compared with the corresponding period of the previous year. Balance sheet items and cash flows refer to the position at the end of the period and are compared with the corresponding time last year.

Second quarter April - June 2022

Net sales

Net sales for the quarter increased by 15.9 % to SEK 126.0 (108.7) million, compared with the corresponding quarter last year. Implementation projects, consisting of hardware and installation, increased by 20.9% while SaaS revenues increased by 8.4% to SEK 47.1 (43.5) million. Of total net sales, 37.4 % (40.0) of SaaS revenue.

Gross profit

Gross profit amounted to SEK 72.8 (65.4) million, corresponding to a gross margin of 57.8 (60.2) %. The lower gross margin is explained by a larger share of hardware and project revenue compared to the second quarter last year.

Operating expenses

The cost of merchandise amounted to SEK -53.2 (-43.3) million and consists primarily of hardware and installations. The difference is attributable to a higher volume of implementation projects compared to the second quarter last year.

Other external costs amounted to SEK -28.1 (-20.6) million. The increase compared to the previous year is related to strategic investments to structure the Group for future growth and scalability. Last year, other external costs included SEK 0.4 million, which are related to the acquisition of NORDLAND systems GmbH. Costs related to the Company's strategic review were also included in other external costs and amounted to SEK 6.6 million until June 30, 2021. Costs for the strategic review and costs related to acquisitions are treated as non-recurring costs.

Personnel costs amounted to SEK -42.0 (-38.7) million. Costs have increased as a result of more staff to meet the increased growth.

Depreciation and amortization amounted to SEK -9.7 (-9.1) million.

EBITDA

EBITDA amounted to SEK 8.5 (10.1) million, against respondent an EBITDA margin of 6.7 % (9.3 %).

Adjusted for costs for the strategic review and acquisition costs, EBITDA amounted to SEK 17.1 million last year, corresponding to an EBITDA margin of 15.7%.

Operating profit

Operating profit amounted to SEK -1.2 (1.1) million, corresponding to an operating margin of -0.9 (1.0) %.

Financial items

Financial items amounted to SEK -5.1 (-6.0) million. External interest expenses related to the bond loan amounted to SEK 3.6 (3.6) million.

Tax

Tax expense for the quarter amounted to SEK -0.8 (-1.4) million. It is estimated that tax deficits are not expected to be used in the near future. Therefore, no deferred tax asset has been recognized in respect of the quarter's deficit.

Profit for the quarter

Profit for the quarter amounted to SEK -7.0 (-6.2) million.

Cash flow

During the quarter, the Group generated cash flow from operating activities of SEK -19.1 (-9.4) million. Cash flow from investing activities amounted to MSEK -10.3 (-5.4), of which investments in intangible non-current assets amounted to MSEK -5.1 (-5.2) and acquisitions of property, plant and equipment amounted to MSEK -0.1 (-0.2). Cash flow from financing activities amounted to SEK -3.0 (-3.7) million. Total cash flow during the quarter amounted to SEK -32.5 (-18.4) million.

First half year January - June 2022

Net sales

Net sales for the period increased by 20.7% to SEK 237.2 (196.5) million, compared with the corresponding period last year. The increase is partly explained by:

the acquisition of NORDLAND systems GmbH but also recovery in the market as a result of the pandemic. SaaS revenues increased by 12.6% to SEK 94.1 (83.6) million. Of total net sales, 39.7 % (42.6) of SaaS revenue was accounted for.

Gross profit

Gross profit amounted to SEK 139.2 (122.7) million, corresponding to a gross margin of 58.7 (62.4) %.

Operating expenses

The cost of merchandise amounted to SEK -98.0 (-73.8) million and consists primarily of hardware and installations.

Other external costs amounted to SEK -49.8 (-36.5) million. The increase compared to the previous year is related to strategic investments to structure the Group for future growth and scalability. Other external costs include the previous year SEK 2.3 million related to the acquisition of NORDLAND systems GmbH. Furthermore, the previous year included costs for the Company's strategic review in other external costs amounting to SEK 6.6 million until June 30, 2021. Costs for the strategic review and costs related to acquisitions are treated as non-recurring costs.

Personnel costs amounted to SEK -86.5 (-73.5) million. Personnel costs include SEK 2.9 million, which are considered non-recurring costs. The number of employees has increased in connection with the reinforcements that have been made of increased competencies centrally and acquisitions.

Depreciation amounted to SEK -19.5 (-17.4) million.

EBITDA

EBITDA amounted to SEK 13.9 (21.6) million, corresponding to an EBITDA margin of 5.9 (11.0) %.

Adjusted for non-recurring costs, EBITDA amounted to SEK 16.8 million, corresponding to an EBITDA margin of 7.1%.

Adjusted for costs for the strategic review and acquisition costs, EBITDA amounted to SEK 30.4 million last year, corresponding to an EBITDA margin of 15.5%.

Operating profit

Operating profit amounted to SEK -5.7 (4.1) million, corresponding to an operating margin of -2.4 (2.1) %.

Financial items

Financial items amounted to SEK -7.0 (-5.7) million. External interest expenses related to the bond loan amounted to SEK 7.1 (7.1) million.

Tax

Tax expense for the period amounted to SEK -0.6 (-2.3) million. It is estimated that tax deficits are not expected to be used in the near future. Therefore, no deferred tax asset has been recognised in respect of the deficit for the period.

Profit for the period

Loss for the period amounted to SEK -13.3 (-3.8) million.

Cash flow

During the period, the Group generated cash flow from operating activities of SEK -16.2 (13.0) million. Cash flow from investing activities amounted to MSEK -16.4 (-34.6), of which investments in intangible non-current assets amounted to MSEK -11.1 (-10.1) and acquisitions of property, plant and equipment amounted to MSEK -0.2 (-0.4). Cash flow from financing activities amounted to SEK -8.1 (-16.5) million. Total cash flow during the period amounted to SEK -40.7 (-38.1) million.

Financial position

The equity/assets ratio at the end of the period was 33.1 (32.6) %. The Group had a total of SEK 88.2 (119.2) million in cash and cash equivalents and unutilized credits as of June 30, of which SEK 54.8 (88.7) million related to cash and cash equivalents. Net debt at the end of the period amounted to SEK -260,5 (-227.3) million.

Segments

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

Parent company

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

Parent Company sales amounted to SEK 42.7 (35.0) million for the second quarter. Operating profit/loss amounted to MSEK -8.7 (-6.6) and profit after tax was MSEK -12.7 (-11.8).

Other information

Number of employees

The average number of full-time employees was 199 during the last 6-month period, compared with 181 in the corresponding period last year.

Share-related incentive programs

Of the outstanding incentive programs, after Hanover's bid, only 13,500 options remain held by 5 individuals. A final decision was made by the arbitral tribunal on 2 August on compulsory acquisition.

Related party transactions

In addition to what is described in the share-related incentive programs section above, there are no significant transactions other than customary transactions with group companies, ordinary

The Parent Company had a total of SEK 50.0 (79.5) million in cash and cash equivalents and unutilized credits as of June 30, of which SEK 50.0 (59.5) million related to cash and cash equivalents.

Investments in fixed assets during the period amounted to MSEK -8.6 (-2.8), of which investment in subsidiaries amounted to MSEK -5.1 (-0.4) and investments in intangible assets amounted to MSEK -3.3 (-2.4).

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

The share and shareholders

The number of shareholders in ZetaDisplay amounted to 507 (2,251) as of 30 June 2022. The number of shares amounts to 27,861,808. Hanover Active Equity Fund II S.C.A SICAV -RAIF holds 27,274,611 shares representing 97.9%. Other shareholders hold 587,197 shares, which corresponds to 2.1%. A final decision was made by the arbitral tribunal on 2 August on compulsory acquisition.

Annual General Meeting

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

Significant risks and uncertainties

Through its operations, the Group is exposed to various financial risks such as market risk (consisting of currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management involves seeking minimal unfavourable effects on earnings and position. The Group's business risks and risk

management, and financial risks are described in detail in the Annual Report for 2021, pages 33-35. Upon publication of this interim report, the war rages on the EU's borders. ZetaDisplay has only insignificant exposure to Russia, Belarus and Ukraine in terms of sales to customers in these countries. Furthermore, ZetaDisplay has no subsidiaries in the countries in question, nor any significant direct exposure to suppliers in Russia, Belarus or Ukraine. However, it is difficult in the current situation to assess the indirect impact of the war on GDP growth, inflation, global supply chains and – ultimately – consumer confidence and demand for the Group's products.

COVID-19

During the first quarter of 2022, the increase in marketing activities internationally has 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 as a consequence 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 closed. This has exceptionally led to temporary

changes in terms and conditions in subscription services. The Group has not yet suffered any bad debt losses directly linked to the COVID-19 pandemic. In the event of a protracted pandemic or in the event of additional waves of the pandemic, where communities are again shut down, this would increase the risk of a negative impact on the Group's financial position. Other than the report on COVID-19, no events of material importance have occurred during the interim period that affect or alter these descriptions of the Group's risks and their management.

Financial targets

The most important lever in our business model is the share of SaaS 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.

Malmö, August 31, 2022

Per Mandorf

President and CEO

This report has not been subject to review by the company's auditor.

For further information please contact:

Per Mandorf, President and CEO, Mobile +46 (0)704-25 82 34, E-Mail per.mandorf@zetadisplay.com

Stefan Egerstad, Interim CFO, Mobile +46 (0)702-99 88 67, E-Mail stefan.egerstad@zetadisplay.com

About ZetaDisplay

ZetaDisplay is a leader in the Nordic region and second leader in Europe and we 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 time of decision-making in stores, in public environments and in workplaces. Our solutions are known as Digital Signage which we develop and offer as SaaS solutions. We are a global leader that actively influences the development of the international Digital Signage market organically, through innovation and through acquisitions.

ZetaDisplay is based in Malmö, has a turnover of approximately SEK 450 million and employs 200 employees in ten offices in six European countries and the United States. In total, the company manages over 80,000 installations in more than 50 markets. ZetaDisplay is owned by the British investment company Hanover Investors. More information at www.ir.zetadisplay.com and www.hanoverinvestors.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - SUMMARY (TSEK)

	3 MONTHS APR-JUN 2022	3 MONTHS APR-JUN 2021	6 MONTHS JAN-JUN 2022	6 MONTHS JAN-JUN 2021	12 MONTHS JAN-DEC 2021
Net sales	125 991	108 722	237 233	196 488	420 478
Capitalized work on own account	4 053	3 586	8 489	7 326	15 713
Other revenue	1 741	498	2 512	1 616	4 896
Total Revenue	131 785	112 806	248 234	205 430	441 087
<i>Operating expenses</i>					
Goods for resale	-53 177	-43 294	-98 026	-73 828	-162 283
Other external expenses	-28 089	-20 643	-49 833	-36 508	-79 300
Personnel expenses	-42 049	-38 732	-86 478	-73 525	-149 387
Depreciations and write-downs	-9 662	-9 069	-19 562	-17 431	-35 654
Operating profit	-1 192	1 068	-5 665	4 138	14 463
Financial income	1 254	-1 977	4 136	3 055	4 881
Financial expenses	-6 320	-3 987	-11 143	-8 717	-17 915
Profit/loss after financial items	-6 258	-4 896	-12 672	-1 524	1 429
Tax	-765	-1 352	-596	-2 306	-7 521
Net profit/loss	-7 023	-6 248	-13 268	-3 830	-6 092

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (TSEK)

	3 MONTHS APR-JUN 2022	3 MONTHS APR-JUN 2021	6 MONTHS JAN-JUN 2022	6 MONTHS JAN-JUN 2021	12 MONTHS JAN-DEC 2021
Profit/loss for the period	-7 023	-6 248	-13 268	-3 830	-6 092
Items that may later be transferred to profit/loss for the period					
Translations differences	3 559	-7 197	14 530	7 989	16 570
Comprehensive income for the period	-3 464	-13 445	1 262	4 159	10 478
Attributable to shareholders in the Parent Company	-3 464	-13 445	1 262	4 159	10 478

CONSOLIDATED BALANCE SHEET - SUMMARY (TSEK)

	2022-06-30	2021-06-30	2021-12-31
ASSETS			
Intangible assets	547 664	522 347	533 773
Tangible assets	10 347	9 617	8 226
Right of use assets	14 463	13 153	18 480
Deferred tax assets	1 181	3 054	1 112
Financial non-current assets	130	130	130
Total non-current assets	573 785	548 301	561 721
Inventories	22 365	10 861	9 238
Current receivables	128 417	92 033	86 990
Cash and cash equivalents	54 753	88 662	93 472
Total current assets	205 535	191 556	189 700
TOTAL ASSETS	779 320	739 857	751 421
EQUITY AND LIABILITIES			
Equity attributable to shareholders in the Parent Company	258 327	241 021	257 064
Total equity	258 327	241 021	257 064
Provisions	0	0	0
Non-current liabilities	324 893	333 597	337 191
Current liabilities	196 100	165 239	157 166
Total liabilities	520 993	498 836	494 357
TOTAL EQUITY AND LIABILITIES	779 320	739 857	751 421

CONSOLIDATED CASH-FLOW STATEMENTS (TSEK)

	3 MONTHS APR-JUN 2022	3 MONTHS APR-JUN 2021	6 MONTHS JAN-JUN 2022	6 MONTHS JAN-JUN 2021	12 MONTHS JAN-DEC 2021
Operating activities					
Operating profit	-1 192	1 068	-5 665	4 138	14 463
Adjustments for depreciation and amortisation	9 662	9 069	19 562	17 431	35 654
Interest received	0	-139	854	101	106
Interest paid	-3 986	-3 828	-7 892	-7 867	-16 081
Adjustment for items not included in cash flow	-3 356	1 062	-2 933	530	1 215
Income tax paid	1 888	-517	-3 129	-2 875	-5 751
Cash flow from operating activities before changes in working capital	3 016	6 715	796	11 458	29 606
Change in working capital					
Change in inventories	-11 849	-1 515	-12 560	-863	877
Change in receivables	-35 312	-15 366	-39 652	2 368	12 611
Change in current liabilities	25 048	807	35 195	58	-8 850
Total change in working capital	-22 113	-16 074	-17 017	1 563	4 638
Cash flow from operating activities	-19 096	-9 359	-16 222	13 021	34 244
Investment activities					
Acquisition of subsidiaries	-5 107	0	-5 107	-24 158	-34 051
Acquisition of intangible assets	-5 143	-5 166	-11 122	-10 067	-22 161
Acquisition of tangible assets	-86	-208	-155	-355	-915
Cash flow from investment activities	-10 337	-5 374	-16 385	-34 580	-57 127
Financing activities					
Stock issue	0	0	0	0	9 723
Amortisation of debt	0	-3 000	0	-14 305	-14 281
Amortisation of lease debt	-2 489	-2 320	-5 109	-4 505	-9 394
Change in factoring debt	-529	1 668	-2 956	2 299	2 350
Cash flow from financing activities	-3 018	-3 652	-8 065	-16 511	-11 602
Cash flow for the period	-32 451	-18 385	-40 672	-38 070	-34 485
Cash and cash equivalents at start of period	87 092	108 008	93 472	125 671	125 671
Exchange rate difference	112	-961	1 951	1 061	2 286
Cash and cash equivalents at end of period	54 753	88 662	54 751	88 662	93 472

STATEMENT OF CHANGES IN EQUITY – SUMMARY
(TSEK)

GROUP	CAPITAL STOCK	ADDITIONAL PAID-IN CAPITAL	TRANSLATION RESERVES	ACCUMULATED RESULTS	TOTAL EQUITY
					Attributable to shareholders in the parent company
Opening balance 2020-01-01	27 284	268 454	-10 500	-48 376	236 862
Changes in equity					
2021-01-01 - 2021-12-31					
Comprehensive income for the period			16 570	-6 092	10 478
<i>Transactions with shareholders:</i>					
Option premiums received		0			0
Stock issue	578	9 146	0	0	9 724
Closing balance 2021-12-31	27 862	277 600	6 070	-54 468	257 064
Changes in equity					
2022-01-01 - 2022-06-30					
Comprehensive income for the period			14 531	-13 268	1 263
Closing balance 2022-06-30	27 862	277 600	20 601	-67 736	258 327

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

	3 MONTHS APR-JUN 2022	3 MONTHS APR-JUN 2021	6 MONTHS JAN-JUN 2022	6 MONTHS JAN-JUN 2021	12 MONTHS JAN-DEC 2021
Net sales	42 677	35 028	80 236	61 044	127 899
Capitalized work on own account	2 293	1 727	4 870	3 478	8 213
Other income	1 568	-174	1 410	685	2 330
Total income	46 538	36 581	86 515	65 208	138 442
<i>Operating expenses</i>					
Goods for resale	-20 734	-17 247	-36 227	-25 134	-47 736
Other external expenses	-22 806	-15 207	-41 590	-24 894	-59 586
Personnel expenses	-9 726	-9 460	-21 954	-18 681	-35 474
Depreciation and amortisation	-1 975	-1 275	-4 080	-2 548	-5 377
Operating profit	-8 703	-6 608	-17 336	-6 049	-9 731
Result from participations in group companies	0	0	0	0	19 483
Interest income	2 026	-1 437	4 639	3 993	6 933
Interest expenses	-6 096	-3 734	-10 431	-7 971	-16 173
Profit/loss after financial items	-12 773	-11 779	-23 128	-10 027	512
Tax	0	0	0	0	-1 217
Profit/loss for the period*	-12 773	-11 779	-23 128	-10 027	-705

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

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

	2022-06-30	2021-06-30	2021-12-31
ASSETS			
Intangible assets	29 769	20 983	25 962
Tangible assets	1 241	2 056	1 644
Participations in group companies	437 100	434 514	436 997
Deferred tax assets	0	1 217	0
Financial non-current assets	130	130	130
Total non-current assets	468 240	458 900	464 733
Inventories	2 539	150	295
Current receivables	152 249	105 187	118 649
Cash and cash equivalents	30 024	59 494	59 471
Total current assets	184 812	164 831	178 415
TOTAL ASSETS	653 052	623 731	643 148
EQUITY AND LIABILITIES			
Equity	204 508	208 595	227 636
Total equity	204 508	208 595	227 636
Provisions	0	0	0
Non-current liabilities	300 331	309 559	310 375
Current liabilities	148 213	105 577	105 137
Total liabilities	448 544	415 136	415 512
TOTAL EQUITY AND LIABILITIES	653 052	623 731	643 148

Note 1 ZetaDisplay Group

ZetaDisplay AB, 556603-4434, is a Swedish limited liability 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	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
Gaudi Inc	D18921700	Baltimore	100
ProntoTV AS	981106431	Oslo	100
LiveQube AS	995543478	Oslo	100
Webpro International AS	912298795	Trondheim	100
NORDLAND systems GmbH	HRB 9974 HL	Ahrensburg	100

Note 2 Accounting principles

Consolidated financial statements for ZetaDisplay AB have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act (ÅRL) and the Financial Reporting Board RFR 1 "Supplementary Accounting Rules for Groups". The parent company's financial statements are prepared in accordance with the Annual Accounts Act and RFR 2, "Accounting for legal entities".

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

New standards and interpretations that entered into force on 1 January 2022 have not had any effect on the Group's

or the Parent Company's financial statements for the interim period.

The interim report is prepared in accordance with IAS 34 "Interim reporting". Disclosures pursuant to IAS 34 p. 16A are disclosed both in the notes and elsewhere in the interim report.

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

Not 3 Segment reporting

TSEK APR-JUN	SWEDEN		NORWAY		FINLAND		NETHERLANDS	
	2022	2021	2022	2021	2022	2021	2022	2021
	SaaS-revenues (recurring)	7 518	6 840	15 098	13 967	5 629	5 695	14 547
Hardware, installation and other services	29 483	24 331	12 308	10 721	8 585	6 835	14 132	12 171
Other income	1 154	-174	0	285	3	0	4	0
Internal income	758	685	978	888	69	0	2 043	1 995
Total income	38 912	31 683	28 383	25 861	14 287	12 530	30 727	27 131
EBITDA *)	3 653	4 077	8 270	9 544	2 037	636	6 615	6 517
<i>EBITDA margin</i>	<i>9,9%</i>	<i>13,1%</i>	<i>30,2%</i>	<i>38,7%</i>	<i>14,3%</i>	<i>5,1%</i>	<i>23,1%</i>	<i>25,9%</i>
Depreciation and amortisation	-421	-435	-2 006	-1 835	-766	-799	-1 578	-1 859
Operating profit	3 232	3 642	6 264	7 709	1 272	-163	5 037	4 658
Financial income								
Financial expenses								
Profit before tax	3 232	3 642	6 264	7 709	1 272	-163	5 037	4 658

TSEK APR-JUN	GERMANY		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2022	2021	2022	2021	2022	2021	2022	2021
	SaaS-revenues (recurring)	4 338	4 003	0	0	0	0	47 130
Hardware, installation and other services	14 353	11 197	0	0	0	0	78 861	65 254
Other income	612	387	-15	0	0	0	1 758	498
Internal income	0	543	7 461	3 306	-11 309	-7 417	0	0
Total income	19 302	16 130	7 446	3 306	-11 309	-7 417	127 749	109 223
EBITDA *)	2 535	2 248	-14 620	-12 886	0	0	8 491	10 136
<i>EBITDA margin</i>	<i>13,6%</i>	<i>13,9%</i>	<i>-19,8%</i>	<i>-38,7%</i>	<i>0,0%</i>	<i>0,0%</i>	<i>6,7%</i>	<i>9,3%</i>
Depreciation and amortisation	-602	-394	-4 668	-3 241	378	370	-9 662	-9 071
Operating profit	1 933	1 854	-19 287	-16 127	378	370	-1 171	1 065
Financial income							1 254	-1 977
Financial expenses							-6 320	-3 987
Profit before tax	1 933	1 854	-19 287	-16 127	378	370	-6 237	-4 899

TSEK JAN-JUN	SWEDEN		NORWAY		FINLAND		NETHERLANDS	
	2022	2021	2022	2021	2022	2021	2022	2021
	SaaS-revenues (recurring)	14 978	13 614	30 626	27 453	11 474	11 503	28 406
Hardware, installation and other services	53 792	38 595	19 734	19 308	16 438	15 813	26 699	23 647
Other income	1 405	686	0	285	4	36	0	0
Internal income	1 846	1 573	2 762	1 865	122	41	4 264	3 983
Total income	72 021	54 468	53 122	48 911	28 038	27 393	59 369	53 335
EBITDA *)	9 571	8 990	14 420	17 864	3 709	1 625	12 798	12 711
<i>EBITDA margin</i>	<i>13,9%</i>	<i>17,2%</i>	<i>28,6%</i>	<i>38,2%</i>	<i>13,3%</i>	<i>5,9%</i>	<i>23,2%</i>	<i>25,8%</i>
Depreciation and amortisation	-828	-865	-4 065	-4 155	-1 532	-1 624	-3 245	-3 713
Operating profit	8 743	8 125	10 355	13 709	2 177	1	9 553	8 998
Financial income								
Financial expenses								
Profit before tax	8 743	8 125	10 355	13 709	2 177	1	9 553	8 998

TSEK JAN-JUN	GERMANY		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2022	2021	2022	2021	2022	2021	2022	2021
	SaaS-revenues (recurring)	8 620	5 336	0	0	0	0	94 104
Hardware, installation and other services	26 466	15 516	0	0	0	0	143 129	112 879
Other income	1 099	610	0	0	0	0	2 508	1 617
Internal income	0	543	14 921	5 689	-23 915	-13 694	0	0
Total income	36 185	22 005	14 921	5 689	-23 915	-13 694	239 741	198 107
EBITDA *)	4 697	2 387	-31 277	-22 008	0	0	13 918	21 569
<i>EBITDA margin</i>	<i>13,4%</i>	<i>11,4%</i>	<i>-21,2%</i>	<i>-38,8%</i>	<i>0,0%</i>	<i>0,0%</i>	<i>5,9%</i>	<i>11,0%</i>
Depreciation and amortisation	-1 200	-444	-9 447	-7 361	755	729	-19 562	-17 433
Operating profit	3 497	1 943	-40 724	-29 369	755	729	-5 644	4 136
Financial income							4 136	3 055
Financial expenses							-11 143	-8 717
Profit before tax	3 497	1 943	-40 724	-29 369	755	729	-12 651	-1 526

INTANGIBLE AND TANGIBLE ASSETS TSEK JUN	SWEDEN		NORWAY		FINLAND		NETHERLANDS	
	2022	2021	2022	2021	2022	2021	2022	2021
	Intangible assets	0	0	22 035	18 440	4 441	5 695	70 746
Tangible assets	2 014	1 909	1 256	1 926	2 332	3 397	8 768	6 306
Total intangible and tangible assets	2 014	1 909	23 291	20 366	6 773	9 092	79 514	76 458

INTANGIBLE AND TANGIBLE ASSETS TSEK JUN	GERMANY		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2022	2021	2022	2021	2022	2021	2022	2021
	Intangible assets	5	20	440 008	419 611	10 429	8 429	547 664
Tangible assets	8 716	5 686	1 725	3 545	0	0	24 810	22 769
Total intangible and tangible assets	8 721	5 706	441 733	423 156	10 429	8 429	572 474	545 116

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

FIXED ASSETS PER GEOGRAPHICAL AREA*

	2022-06-30	2021-06-30
Sweden	34 193	27 117
Denmark	697	666
Norway	169 843	165 889
Finland	77 531	76 245
Netherlands	207 154	199 135
Germany	83 056	76 064
Total fixed assets	572 474	545 116

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

NOTE 4 FINANCIAL ASSETS AND LIABILITIES (TSEK)

(TSEK)	2022-06-30	2021-06-30	2021-12-31
Financial assets measured at amortized cost (Hold to Collect)			
Trade accounts receivable	75 513	69 865	63 690
Contract assets	31 805	12 918	15 023
Other financial receivables	130	130	130
Cash and cash equivalents	54 753	88 662	93 472
Financial assets	162 201	171 575	172 315
Financial liabilities			
<i>Other financial liabilities valued at amortised cost</i>			
Liabilities to credit institutions	3 077	6 407	5 667
Debenture loan	298 758	297 079	297 898
Leasing liability	14 324	12 495	18 982
Liabilities to related parties	0	0	0
Liabilities related to acquisitions	7 685	10 902	3 193
Trade accounts payable	32 976	28 350	29 660
<i>Financial liabilities measured at fair value</i>			
Contingent considerations relating to acquisitions	19 458	28 350	28 635
Financial liabilities	376 279	383 583	384 035

Contingent considerations relating to acquisitions

The liabilities are contingent considerations relating to acquisitions.

Fair Value measurement is carried out according to level 3, which means that fair value is determined on the basis of valuation models where material inputs is based on unobservable data. The liabilities are measured at fair value and are based on certain performance thresholds related to EBITDA.

Alternative performance measurements

ZetaDisplay presents some financial measures in the financial statements which are not defined under IFRS. The Company considers that these measures provide valuable additional information to investors, as they allow the Company's performance to be assessed. As not all businesses calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should therefore not be seen as a substitute for measures defined in accordance with IFRSs.

Non-IFRS measures	Definition	Reason
ARR (Annual recurring revenue)	Last month for the quarter/period SaaS-revenues (recurring) calculated to 12 months	The performance measure indicates recurring revenues over the next 12 months based on revenues from existing customers at the end of the period. The key ratio is also essential to facilitate industry comparison
Gross margin	Net sales minus cost of goods for resale in relation to net sales	Measure to show the margin before the effect of costs such as other external expenses, staff costs and depreciation
EBITDA	Operating profit excl. depreciation and amortization of tangible and intangible noncurrent assets	EBITDA is adjusted for items that affect comparability, so the company believes this is a useful indicator of results from operating activities
EBITDA-margin	EBITDA in relation to net sales	The EBITDA margin is adjusted for items that affect comparability, so the company believes this is a useful indicator of the margin from operating activities
Net debt	Interest-bearing liabilities decreased by interest-bearing assets and cash and cash equivalents	Measures to show the Company's indebtedness
Operating profit	Profit/loss for the period before financial items and tax	Operating profit is a useful indicator of income from operating activities
Operating margin	Operating profit in relation to net sales	The operating margin is a useful indicator to compare the change in operating profit between two periods
SaaS-revenues (recurring)	Income of a recurring nature such as licenses, support and other agreed income	This measure is useful in showing how much of the revenue is of a recurring nature and how it nominally changes between quarters and over time
Equity ratio	Equity in relation to total assets	The company considers that this indicator is useful, and a supplement to other performance measures, for assessing the possibility of making dividend payments and strategic investments and to judge the company's ability to meet its financial commitments