



Increased SaaS revenues and operational efficiency lead to strong EBITDA

First quarter - January - March 2021

- Net sales decreased by 14.3% to SEK 87.8 (102.4) million
- SaaS revenues amounted to SEK 40.1 (39.5) million. Organically, SaaS revenues increased by 2.2% at constant exchange rates
- EBITDA amounted to SEK 11.4 (-6.2) million. Adjusted for acquisition cost, EBITDA for the first quarter amounted to SEK 13.3 million
- ARR amounted to SEK 173.5 million compared to SEK 160.3 million in the previous quarter
- Operating profit amounted to SEK 3.1 (-15.5) million
- Earnings per share before and after dilution amounted to SEK 0,08 (-0,56) and SEK 0,08 (-0,56) SEK respectively

Significant events during the quarter

- ZetaDisplay expands its cloud based Digital Signage software platform with Digital Out of Home (DOOH) functionality
- ZetaDisplay announces that Hans van 't Hoff has been appointed Chief Operations Officer
- ZetaDisplay has renewed the Digital Signage contract with Randstad Netherlands for an additional three years until 2024
- ZetaDisplay acquires NORDLAND systems GmbH with preliminary net sales for 2020 of SEK 78.4 million, SaaS revenues of SEK 16.4 million and an EBITDA of SEK 6.4 million
- ZetaDisplay announces that the Board of Directors of ZetaDisplay AB has decided to conduct a review of strategic alternatives for ZetaDisplay with the purpose of creating best possible value for the shareholders

Significant events after the quarter

- ZetaDisplay announces that the publication of the interim report for January-March 2021 will be brought forward to April 27, 2021
- ZetaDisplay receives the global Digital Signage Award for its SNØ installation in Oslo, Norway

FINANCIAL INDICATORS (TSEK)	JAN-MAR		ROLLING 12 MONTHS	
	2021	2020	Q2 2020-Q1 2021	JAN-DEC 2020
Net sales	87,766	102,434	351,578	366,246
SaaS-revenues (recurring)	40,140	39,493	155,872	155,225
Annual recurring revenue (ARR)	173,475	158,796		160,344
Gross margin (%)	65.2	52.7	60.3	57.0
EBITDA	11,432	-6,185	56,105	38,487
EBITDA-margin (%)	13.0	-6.0	15.9	10.5
Operating profit	3,070	-15,489	22,216	3,656
Operating margin (%)	3.5	-15.1	6.3	1.0
Profit/loss for the period	2,418	-16,149	272	-18,295
Equity ratio (%)	33.8	33.4		34.6
Equity per share	9.36	9.39		8.68
Earnings per share before dilution (SEK)	0.08	-0.56		-0.63
Earnings per share after dilution (SEK)	0.08	-0.56		-0.63

CEO comment

Increased SaaS revenues and operational efficiency lead to strong EBITDA

ZetaDisplay continues to increase its profitability and delivers a strong EBITDA in the first quarter of 2021. In a prudent market, the EBITDA margin lifts to 13.0 (-6.0)%, thanks to higher SaaS revenues, scalability in the organization and continued cost control. SaaS revenues amounted to SEK 40.1 (39.5) million and represent 45.7 (38.6) % of net sales. ARR amounts to SEK 173.5 million.

Net sales for the quarter amounted to SEK 87.8 (102.4) million, a decrease of 14.3% compared to the same quarter last year. Project sales were 24.3% lower than the corresponding period last year. Gross profit increased to SEK 57.2 (54.0) million. The gross margin rose to 65.2 (52.7) % due to higher SaaS revenues. EBITDA for the period amounted to SEK 11.4 (-6.2) million.

Continued strong customer base

The customer base is intact and increasing, however, demand for new projects continues to be prudent. Regulations and lockdowns in the company's main markets shift decision-making processes among customers. We are steadily increasing our delivery capacity and expanding our offering, and this strengthens the margin as well as our partnership with customers.

The international framework agreements are developing in line with our plan and confirm our unique position to deliver, operate and develop complex global digital transformation projects.

Expansion into Europe's largest Digital Signage market

The acquisition of German NORDLAND systems GmbH in early March follows the Group's strategy to drive consolidation and growth in the European market. Nordland is a leading player in Europe's single largest Digital Signage market. The company shows good profitability, stable and increasing SaaS revenues and an attractive customer base. Integration has begun and we focus on new sales acquisition, an expanded offering, and knowledge transfer of the product and service portfolio.

Scalable and efficient organization delivers

The global function-based organisation, that was introduced a year ago, has led to increased harmonisation of working methods, broadening of product and service offerings, as well as strengthening operational capabilities and more efficient investments. The economies of scale increase our delivery capability, creating added value for customers. At the same time, efficient investments lead to increased profitability, which provides us room for continued investments in our offering.

An example of new functionality for our products and service offerings is the investment into a Digital-Out-Of-Home application that was launched during the quarter. We will conduct frequent launches of new functionality during the year to secure and strengthen our competitiveness. Our good financial position and the high share of SaaS revenues create the conditions for continued strategic investments.

Our employees still work largely from home. Through good collaboration, great commitment, efficient systems and processes, the entire business remains in full operational mode.

Outlook

As described in the year-end report for 2020, we expect a gradual normalization of demand in 2021. The first quarter has shown that decision-making processes are still longer than normal, however, we see clear indicators that demand is returning. We participate in several major international tenders and believe that the ongoing digitalization in society will accelerate once restrictions are removed. We maintain our positive view of a growing recovery in project sales during the second half of the year.

Our improved international delivery capabilities are well in line with the digital transformation in society, and through the acquisition of Nordland we have opened for expansion in German-speaking markets (DACH).

We continuously follow up our long-term financial targets, where the goal is to achieve SEK 200 million in SaaS revenues and SEK 100 million in

EBIT by the end of 2022. These objectives remain within reach.

I feel great pride in our performance during the quarter, employee engagement, the trust of our customers and our advancement in strategic priorities.

We have developed as an organization during challenging times and strengthened our offering and position. We look forward to continuously driving the consolidation of the European digital signage market, both organically and through further acquisitions.

Malmö, 27 April 2021

Per Mandorf
President and CEO

Financial reporting dates

Interim Report April – June 19 July 2021

Interim Report July - September 8 November 2021

The Market

Digital Signage is a software steered interface for communication with consumers within a retail environment or with employees in larger organizations as well as communication in public spaces. Digital communication is now an integral part of the new communications concept that retailers and other companies are developing for the future. This creates an interesting, expanding market for ZetaDisplay, supplying a 360-degree concept covering strategy, planning, software, hardware, installation and content production, analysis as well as technical support and services.

Today, the Group has operations in six European countries and the USA. ZetaDisplay continuously evaluates new form of alliances with companies and organizations within Digital Signage to be able to grow the market together.

Sales of service solutions are increasing as an important part of the business after the initial installation and produce steady SaaS-revenues. The maturity level among our customers is rising, and ZetaDisplay is receiving enquiries from existing customers who intend to take the next step and develop and broaden their investment in this channel.

To meet current and future customer demands, ZetaDisplay needs to continuously enhance its processes, systems, and product solutions. A large portion of the investments goes into increased technical functionality and harmonized platforms, to enable us to exploit economies of scale within the organization. This is also a way of creating a secure and future-proof solution for our customers.

Financial overview

Profit/loss items are compared with the corresponding period last year. Balance sheet items and cash flows represent the position at the end of the period and are compared with the same date last year.

First quarter January – March 2021

Net sales

Net sales for the period amounted to SEK 87.8 (102.4) million. The decrease compared to the corresponding period last year amounts to 14.3% and is explained by a lower volume of new implementation projects due to the COVID-19 pandemic. SaaS revenues amounted to SEK 40.1 (39.5) million. The organic change in net sales at fixed exchange rates amounted to -17.4% and organic growth in SaaS revenues was 2.2%.

Annual Recurring Revenue (ARR) amounted to SEK 173.5 million (Q4 2020: 160.3), of which SEK 16.0 million related to NORDLAND systems GmbH.

Of total net sales, SaaS-revenues, accounted for 45.7 (38.6) %.

Gross profit

Gross profit amounted to SEK 57.2 (54.0) million. Gross margin was 65.2 % (52.7) %. The higher gross margin is mainly explained by a relatively higher share of SaaS revenues.

Operating expenses

The cost of goods sold amounted to SEK -30.5 (-48.4) million and consists mainly of hardware and installations. The difference is attributable to a lower volume of implementation projects caused by the ongoing COVID-19 pandemic.

Other external expenses amounted to SEK -15.9 (-22.0) million, of which SEK 1.9 million is attributable to acquisition costs. During the first quarter of 2020, non-recurring costs of SEK 6.9 million were included.

Personnel costs amounted to SEK -34.8 (-44.2) million. During the first quarter of 2020, non-recurring costs of SEK 8.7 million were included.

Depreciation amounted to SEK -8.4 (-9.3) million. In the first quarter of 2020, non-recurring depreciation of SEK 0.6 million was included.

EBITDA

EBITDA amounted to SEK 11.4 (-6.2) million, corresponding to an EBITDA margin of 13.0 (-6.0)%. Adjusted for acquisition-related costs, EBITDA for the first quarter amounted to SEK

13.3 million. Last year, EBITDA was affected by items affecting comparability amounting to SEK 16.5 million in the first quarter of the year.

Adjusted for these items, EBITDA amounted to SEK 13.3 (10.3) million, corresponding to an EBITDA margin of 15.1 (10.1) %.

Operating profit

Operating profit amounted to SEK 3.1 (-15.5) million, corresponding to an operating margin of 3.5 (-15.1) %.

Adjusted for acquisition costs EBIT amounted during the first quarter to SEK 5.0 million.

During the first quarter of 2020, operating profit was affected by items affecting comparability related to non-recurring costs amounting to SEK 17.1 million. Adjusted for this one-time cost, operating profit amounted to SEK 1.6 million, corresponding to an operating margin of 1.6%.

Financial items

The financial items amounted to SEK 0.3 (-1.0) million. The change compared to the previous year is mainly attributable to exchange rate effects. External interest expenses related to the bond loan amounted to SEK 3.6 (3.6) million.

Tax

The tax expense for the period amounted to SEK -0.9 (0.3) 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

Profit for the period amounted to SEK 2.4 (-16.2) million. Earnings per share amounted to SEK 0.08 (-0.56) before and after dilution.

Cash flow

During the period, the Group generated cash flow from operating activities of SEK 22.4 (25.2) million. Cash flow from investment activities amounted to SEK -29.2 (-11.6) million, of which the payment of the earn-out consideration amounted to SEK 0.0 (-7.5) million, acquisition of subsidiaries amounted to SEK -24.2 (0.0) million, investments in intangible fixed assets amounted to SEK -4.9 (-3.5) million and the acquisition of tangible fixed assets amounted to SEK -

0.2 (-0.5) million. Cash flow from financing activities amounted to SEK -12.9 (-6.3) million. During the period, total cash flow amounted to SEK -19.7 (7.3) million.

Financial position

The equity ratio at the end of the period was 33.8 (33.4)%. The Group had a total of SEK 140.8 (181.2)

million in cash and cash equivalents and unused credits as of March 31. Of which, SEK 108.0 (136.0) million related to cash and cash equivalents. Net debt amounted to SEK -209.3 (-189.0) million at the end of the period.

Segments

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

First quarter January - March 2021

Segment Sweden reported revenue from external customers of SEK 21.0 (30.0) million for the first quarter, corresponding to a decrease of 30.0%. EBITDA amounted to SEK 4.9 (-3.6) million for the quarter and the EBITDA margin was 23.4 (-11.8)%.

Segment Norway reported revenue from external customers of SEK 22.1 (25.7) million for the first quarter, corresponding to a decrease of 14.2%. EBITDA amounted to SEK 8.3 (5.3) million for the quarter and EBITDA margin was 37.7 (20.5)%.

Segment Finland reported revenue from external customers of SEK 14.8 (19.0) million for the first quarter, corresponding to a decrease of 22.2%.

EBITDA amounted to SEK 1.0 (-3.1) million for the quarter and EBITDA margin was 6.7 (-16.0)%.

Segment Netherlands reported revenue from external customers of SEK 24.2 (27.0) million for the first quarter, corresponding to a decrease of 10.3%. In the first quarter, EBITDA amounted to SEK 6.2 (4.2) million and the EBITDA margin was 25.6 (15.7)%.

The new Segment Germany reported revenues from external customers of SEK 5.7 million. In the first quarter, EBITDA amounted to SEK 0.1 (0.0) million and EBITDA margin was 2.5 (0.0)%.

Group-wide costs have decreased by 20.3% from SEK 14.4 million to SEK 11.5 million.

Parent company

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

The Parent Company's sales amounted to SEK 26.0 (31.8) million, for the first quarter. Operating profit amounted to SEK 0.6 (-1.9) million and profit after tax amounted to SEK 1.8 (-1.9) million.

Investments in fixed assets for the first quarter amounted to SEK 70.2 (1.5) million, of which investments in subsidiaries amounted to SEK 68.1 (0.0) million and investments in intangible assets amounted to SEK 2.1 (1.5) million.

The Parent Company had a total of SEK 90.5 (138.4) million in cash and cash equivalents and unutilized credits as of March 31, of which SEK 70.5 (113.0) million related to cash and cash equivalents.

Other information

Number of employees

The average number of full-time employees was 159 in the last 3-month period, compared to 164 in the corresponding period last year.

Transactions with related parties

During the period, there have been no significant transactions to related parties except ordinary salaries and remuneration to senior executives and their companies as well as board fees.

All transactions are deemed to be on market terms.

The share and shareholders

Since December 4, 2017, ZetaDisplay's share is traded on Small Cap on Nasdaq Stockholm's main market. The share is traded under short code ZETA.

Erik Penser Bank is the liquidity guarantor of ZetaDisplay's ordinary shares. The bank has under-

taken to set purchase and sale prices for these securities on an ongoing basis.

As of March 31, 2021, the number of shareholders to ordinary shares in ZetaDisplay was 2,502 (1,977). The shareholder structure as of March 31, 2021 is shown in the table below.

The Company has four outstanding option programs of a total of 1,706,250 options with the right to subscribe for 1,733,750 shares in the company. The programs refer to long-term incentive programs for staff and senior executives.

All outstanding options have a subscription price that exceeds the share price as of March 31, 2021 and thus have no dilution effect in the period.

Shareholder

Shareholder	TOTAL SHARES	SHARE OF CAPITAL & VOTES %
Nidoco AB	3,748,651	13.7%
Anders Pettersson	3,306,641	12.1%
Mats Johansson	2,596,379	9.5%
Anders Moberg	1,199,990	4.4%
AMF Fonder	1,176,227	4.3%
Magari Venture AS	1,100,000	4.0%
Mats Leander	1,015,000	3.7%
Avanza Pension	785,890	2.9%
Leif Liljebrunn	765,512	2.8%
Martin Gullberg	760,500	2.8%
Mikael Hägg	600,000	2.2%
LMD Beheer B.V	596,762	2.2%
Andreas Morfiadakis	430,815	1.6%
SEB Life International	429,503	1.6%
Nordnet Pensionsförsäkring AB	318,623	1.2%
Manu Mesimäki	313,177	1.1%
Other shareholders	8,140,638	29.8%
TOTAL	27,284,308	100%

Significant risks and uncertainties

The Group is exposed, through its operations, to various financial risks such as market risk (consisting of currency, interest rate and price risk), credit risk and liquidity risk. The Group's overall risk management involves seeking minimal adverse effects on earnings and position. The Group's business risks, risk management and financial risks are described in detail in the Annual Report for 2020, page 32-33. In addition to the additional statement of COVID-19, no significant events have occurred during the interim period that affect or alter these descriptions of the Group's risks and their management.

COVID-19

We have not yet experienced any shortage of the technical equipment required to complete our deliveries, as we initially feared. There has also been no human resource shortage because of illness or quarantine. However, new as existing customers have postponed their investments in digital communications. This has contributed to a decrease in project revenues, which consist of hardware, installations and project management. The Group has no material bad debt losses directly linked to the COVID-19 pandemic. Government grants have not been received for the first quarter, for further information see Note 2. In the event of a further protracted pandemic this would increase the risk of a negative impact on the Group's financial position.

Financial objectives

The most important lever in our business model is the share of SaaS revenue from total sales and our ability to increase revenue over the lifetime of a project. The company's success is based on an efficient and scalable delivery and service platform that does not increase in complexity and drives costs as the service share increases.

The financial objectives are:

- SaaS-revenues exceeding SEK 200 million at the end of 2022.
- An operating profit of SEK 100 million at the end of 2022.
- To achieve an equity ratio in the period up to 2022 between 30 and 50%
- Use dividends to ensure that the equity ratio does not exceed 50%.

Malmö April 27, 2021

Per Mandorf

President and CEO

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

This interim report is such information that ZetaDisplay AB (publ) is required to disclose under the EU market abuse regulation. The information was submitted, on the authority of Per Mandorf, for publication on 27 April 2021 at 08:00

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About ZetaDisplay

ZetaDisplay acts at the heart of digital transformations in physical environments. We contribute to nudging peoples' behaviour at the point-of-decision in retail environments, public spaces, and workplace environments. Our solutions are known as Digital Signage that we develop and offer as SaaS-solutions. We are a European leader and intend to drive the further consolidation of the market organically and through acquisitions.

ZetaDisplay has its head office in Malmö. The company generates revenues of approx. SEK 450 million and employs 200 staff at ten offices in six European countries and the USA. In total, the company handles more than 70,000 installations on over 50 markets. The share is listed on Nasdaq Stockholm [ZETA]. More information at www.ir.zetadisplay.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - SUMMARY (TSEK)

	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	12 MONTHS JAN-DEC 2020
Net sales	87,766	102,434	366,246
Capitalized work on own account	3,740	2,904	14,191
Other revenue	1,118	3,120	9,240
Total Revenue	92,624	108,458	389,677
<i>Operating expenses</i>			
Goods for resale	-30,534	-48,448	-157,483
Other external expenses	-15,865	-22,009	-63,123
Personnel expenses	-34,793	-44,186	-130,584
Depreciations and write-downs	-8,362	-9,304	-34,831
Operating profit	3,070	-15,489	3,656
Financial income	5,032	6,635	19,356
Financial expenses	-4,730	-7,607	-37,386
Profit/loss after financial items	3,372	-16,461	-14,374
Tax	-954	312	-3,921
Net profit/loss	2,418	-16,149	-18,295
Profit/loss per share before dilution, SEK	0.08	-0.56	-0.63
Profit/loss per share after dilution, SEK	0.08	-0.56	-0.63
Average number of ordinary shares before dilution, TSEK	29,282	28,798	29,106
Average number of ordinary shares after dilution, TSEK	29,282	28,798	29,106

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (TSEK)

	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	12 MONTHS JAN-DEC 2020
Profit/loss for the period	2,418	-16,149	-18,295
Items that may later be transferred to profit/loss for the period			
Translations differences	15,977	-1,008	-25,591
Comprehensive income for the period	18,395	-17,157	-43,886
Attributable to shareholders in the Parent Company	18,395	-17,157	-43,886

CONSOLIDATED BALANCE SHEET - SUMMARY (TSEK)

	2021-03-31	2020-03-31	2020-12-31
ASSETS			
Intangible assets	531,255	473,419	443,181
Tangible assets	10,526	8,920	6,254
Right of use assets	13,747	19,662	14,676
Deferred tax assets	3,384	3,344	3,390
Financial non-current assets	130	169	130
Total non-current assets	559,042	505,514	467,631
Inventories	9,484	8,586	6,132
Current receivables	78,072	104,146	85,692
Cash and cash equivalents	108,008	136,011	125,671
Total current assets	195,564	248,743	217,495
TOTAL ASSETS	754,606	754,257	685,126
EQUITY AND LIABILITIES			
Equity attributable to shareholders in the Parent Company	255,257	251,602	236,863
Total equity	255,257	251,602	236,863
Provisions	90	9,485	90
Non-current liabilities	357,206	325,577	321,694
Current liabilities	142,053	167,593	126,480
Total liabilities	499,259	493,170	448,174
TOTAL EQUITY AND LIABILITIES	754,606	754,257	685,126

CONSOLIDATED CASH-FLOW STATEMENTS (TSEK)

	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	12 MONTHS JAN-DEC 2020
<i>Operating activities</i>			
Operating profit	3,070	-15,489	3,656
Adjustments for depreciation and amortisation	8,362	9,304	34,831
Interest received	240	502	309
Interest paid	-4,039	-4,260	-15,360
Adjustment for items not included in cash flow	-531	16,457	-105
Income tax paid	-2,358	-1,961	-7,185
Cash flow from operating activities before changes in working capital	4,744	4,553	16,146
<i>Change in working capital</i>			
Change in inventories	652	860	3,272
Change in receivables	17,734	16,368	43,861
Change in current liabilities	-749	3,392	-6,799
Total change in working capital	17,637	20,620	40,334
Cash flow from operating activities	22,381	25,173	56,481
<i>Investment activities</i>			
Acquisition of subsidiaries *)	-24,158	0	0
Paid contingent consideration for acquisition of subsidiaries	0	-7,510	-18,717
Acquisition of intangible assets	-4,900	-3,514	-17,784
Acquisition of tangible assets	-147	-495	-1,091
Sales of financial assets	0	-38	0
Cash flow from investment activities	-29,205	-11,557	-37,592
<i>Financing activities</i>			
Subscription warrants	0	0	1,122
Amortisation of debt	-11,305	-466	-943
Amortisation of lease debt	-2,185	-2,228	-9,270
Change in factoring debt	631	-3,637	-8,704
Cash flow from financing activities	-12,859	-6,331	-17,795
Cash flow for the period	-19,683	7,285	1,093
Cash and cash equivalents at start of period	125,671	128,289	128,289
Exchange rate difference	2,020	437	-3,710
Cash and cash equivalents at end of period	108,008	136,011	125,671

*) Relates to the acquisition of NORDLAND systems GmbH during 2021

**STATEMENT OF CHANGES IN EQUITY – SUMMARY
(TSEK)**

GROUP	CAPITAL STOCK	ADDITIONAL PAID-IN CAPITAL	TRANSLATION RESERVES	ACCUMULATED RESULTS	TOTAL EQUITY
					Attributable to shareholders in the parent company
Opening balance 2020-01-01	26,800	256,949	15,091	-30,081	268,759
Changes in equity					
2020-01-01 - 2020-12-31					
Comprehensive income for the period			-25,591	-18,295	-43,886
<i>Transactions with shareholders:</i>					
Option premiums received		1,122			1,122
Stock issue	484	10,383			10,867
Closing balance 2020-12-31	27,284	268,454	-10,500	-48,376	236,862
Changes in equity					
2021-01-01 - 2021-03-31					
Comprehensive income for the period			15,977	2,418	18,395
Closing balance 2021-03-31	27,284	268,454	5,477	-45,958	255,257

PARENT COMPANY INCOME STATEMENT - SUMMARY (TSEK)

	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	12 MONTHS JAN-DEC 2020
Net sales	26,016	31,839	117,608
Capitalized work on own account	1,751	1,379	7,405
Other income	859	2,441	4,236
Total income	28,627	35,660	129,249
<i>Operating expenses</i>			
Goods for resale	-7,887	-17,585	-62,181
Other external expenses	-9,687	-9,126	-41,401
Personnel expenses	-9,221	-9,326	-36,940
Depreciation and amortisation	-1,273	-1,492	-6,765
Operating profit	559	-1,869	-18,038
Result from participations in group companies	0	0	8,878
Interest income	5,430	7,072	14,889
Interest expenses	-4,237	-7,186	-35,399
Profit/loss after financial items	1,752	-1,983	-29,670
Tax	0	0	0
Profit/loss for the period*	1,752	-1,983	-29,670

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

PARENT COMPANY BALANCE SHEET – SUMMARY (TSEK)

	2021-03-31	2020-03-31	2020-12-31
ASSETS			
Intangible assets	19,620	15,491	18,505
Tangible assets	2,286	3,150	2,508
Participations in group companies	434,084	373,127	366,008
Deferred tax assets	1,217	1,217	1,217
Financial non-current assets	130	130	130
Total non-current assets	457,337	393,115	388,368
Inventories	294	3,305	385
Current receivables	96,307	100,485	100,033
Cash and cash equivalents	70,458	112,984	93,804
Total current assets	167,059	216,774	194,222
TOTAL ASSETS	624,396	609,889	582,590
EQUITY AND LIABILITIES			
Equity	220,372	235,440	218,621
Total equity	220,372	235,440	218,621
Provisions	90	312	90
Non-current liabilities	330,192	300,605	301,596
Current liabilities	73,742	73,532	62,283
Total liabilities	403,935	374,137	363,879
TOTAL EQUITY AND LIABILITIES	624,396	609,889	582,590

Notes

Note 1 ZetaDisplay Group

ZetaDisplay AB (publ), 556603-4434, is a Swedish public limited company registered in Malmö municipality, Skåne county. The company's head office is located in Malmö, at this address: Höjdrodergatan 21, 212 39 Malmö.

COMPANY	REG. NUMBER	SEAT	SHARES
ZetaDisplay AB (Publ)	556603-4434	Malmö	
ZetaDisplay Sverige AB	556642-5871	Malmö	100
ZetaDisplay Finland OY	1914200-9	Vantaa	100
ZetaDisplay Danmark A/S	29226342	Köpenhamn	100
ZetaDisplay Baltics OU	12435080	Tallinn	100
ZetaDisplay BV	27285283	Rosmalen	100
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

The consolidated financial statements for ZetaDisplay AB (publ) have been drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act, and RFR 1 "Supplementary Accounting Rules for Groups" from the Swedish Financial Reporting Board. The parent company's financial reports have been drawn up in accordance with the Swedish Annual Accounts Act and RFR 2 "Accounting for Legal Entities".

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

New standards and interpretations that are effective from January 1, 2021 have not had any effect on the Group's

Government grants

Government grants are reported in accordance with IAS 20 when there is reasonable assurance that the company will meet the requirements arising from the grants and that the company will receive the grant. Government grants applied for, which the company estimates fall

or parent company's financial statements for the interim period.

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

The ESMA guidelines on Alternative Performance Measures have been applied, which means that the report covers disclosure requirements for financial measures which are not defined under IFRS. For definitions see page 21-22.

within the scope of IAS 20, are reported as other income during the periods that the grant is to compensate.

During the first quarter of 2021, no companies in the Group received any government grants.

Note 3 Segment reporting

TSEK JAN - MAR	SWEDEN		NORWAY		FINLAND		NETHERLANDS	
	2021	2020	2021	2020	2021	2020	2021	2020
SaaS-revenues (recurring)	6,774	7,800	13,486	11,618	5,808	6,115	12,740	13,960
Hardware, installation and other services	14,264	22,236	8,587	14,112	8,978	12,896	11,476	13,048
Other income	860	1,166	0	0	36	0	0	0
Internal income	888	585	977	0	41	0	1,988	109
Total income	22,785	31,787	23,050	25,730	14,863	19,012	26,204	27,117
EBITDA	4,913	-3,552	8,320	5,276	989	-3,045	6,194	4,235
<i>EBITDA margin</i>	23.4%	-11.8%	37.7%	20.5%	6.7%	-16.0%	25.6%	15.7%
Depreciation and amortisation	-430	-596	-2,071	-1,923	-825	-948	-1,854	-1,675
Operating profit	4,483	-4,149	6,250	3,354	164	-3,993	4,340	2,560
Financial income								
Financial expenses								
Profit before tax	4,483	-4,149	6,250	3,354	164	-3,993	4,340	2,560

TSEK JAN - MAR	GERMANY		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2021	2020	2021	2020	2021	2020	2021	2020
SaaS-revenues (recurring)	1,333	0	0	0	0	0	40,140	39,493
Hardware, installation and other services	4,319	0	0	642	0	0	47,625	62,933
Other income	223	0	0	1,961	0	0	1,119	3,128
Internal income	0	0	2,383	2,728	-6,277	-3,423	0	0
Total income	5,875	0	2,383	5,331	-6,277	-3,423	88,884	105,554
EBITDA	139	0	-9,122	-9,100	0	0	11,432	-6,185
<i>EBITDA margin</i>	2.5%						13.0%	-6.0%
Depreciation and amortisation	-50	0	-3,497	-4,546	364	384	-8,362	-9,304
Operating profit	89	0	-12,619	-13,646	364	384	3,070	-15,489
Financial income							5,032	6,635
Financial expenses							-4,730	-7,607
Profit before tax	89	0	-12,619	-13,646	364	384	3,372	-16,461

SaaS-revenue consists in the period and quarter of revenue reported over time and hardware, installation and other services, and internal revenue consists of revenues that are recognized at point in time.

INTANGIBLE AND TANGIBLE ASSETS TSEK MAR	SWEDEN		NORWAY		FINLAND		NETHERLANDS	
	2021	2020	2021	2020	2021	2020	2021	2020
Intangible assets	0	0	17,686	12,069	6,168	8,527	71,596	5,509
Tangible assets	2,333	3,105	2,833	5,092	3,783	6,441	6,420	8,261
Total intangible and tangible assets	2,333	3,105	20,519	17,161	9,951	14,968	78,017	13,770

INTANGIBLE AND TANGIBLE ASSETS TSEK MAR	GERMANY		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2021	2020	2021	2020	2021	2020	2021	2020
Intangible assets	25	0	427,626	440,083	8,154	7,231	531,255	473,419
Tangible assets	4,865	0	4,039	5,683	0	0	24,273	28,582
Total intangible and tangible assets	4,890	0	431,665	445,766	8,154	7,231	555,528	502,001

FIXED ASSETS PER GEOGRAPHICAL AREA*

	2021-03-31	2020-03-31
Sweden	26,670	24,368
Denmark	677	741
Norway	77,868	88,573
Finland	171,335	162,722
Netherlands	202,481	225,596
Germany	76,498	0
Total fixed assets	555,528	502,001

*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)	2021-03-31	2020-03-31	2020-12-31
Financial assets measured at amortized cost (Hold to Collect)			
Trade accounts receivable	58,199	83,769	65,598
Contract assets	10,257	6,152	8,375
Other financial receivables	130	169	130
Cash and cash equivalents	108,008	136,011	125,671
Financial assets	176,594	226,101	199,774
Financial liabilities			
<i>Other financial liabilities valued at amortised cost</i>			
Liabilities to credit institutions	7,752	10,840	6,271
Debenture loan	296,654	294,955	296,229
Leasing liability	12,834	19,180	13,866
Liabilities to related parties	0	32	0
Liabilities related to acquisitions	11,051	0	0
Trade accounts payable	27,233	32,351	31,480
<i>Financial liabilities measured at fair value</i>			
Contingent considerations relating to acquisitions	28,665	29,504	0
Financial liabilities	384,188	386,862	347,846

Contingent considerations	NORDLAND systems GmbH	Total
Opening balance 2021-01-01	0	0
Payment of contingent considerations	28,449	28,449
Exchange rate changes	216	216
Closing balance 2021-12-31	28,665	28,665

	NORDLAND systems GmbH	Total
Expected payment 2022	19,523	19,523
Expected payment 2023	9,142	9,142
Total expected payment	28,665	28,665

Contingent considerations relating to acquisitions

The liabilities are contingent considerations relating to acquisitions.

Fair value measurement is carried out according to level 3, which means that fair value is determined on the basis of valuation models where material input is based on unobservable data. The liabilities are measured at fair value and are based on certain performance thresholds related to EBITDA 2021 and 2022.

Not 5 Business Combinations

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

Payments carried forward

TSEK	NORLANDS systems GmbH
Cash and cash equivalents	26,783
Cash and cash equivalents to be paid on the 4th of September 2021	10,943
Earn out 1 (2022-05-31)*	19,376
Earn out 2 (2023-05-31)*	9,073
Total payments carried forward	66,174

**) If certain defined performance thresholds are achieved during 2021 and 2022, a maximum additional consideration of 2.8 MEUR could be paid. Management considers it likely that the contingent consideration will be paid. The fair value on the acquisition date of the total contingent consideration has been estimated to amount to SEK 28.4 million.*

Acquisition costs amount to SEK 1.9 million and have been reported in the income statement as other external expenses.

Reported amounts as at the acquisition date for acquired net assets

TSEK	NORLAND systems GmbH
Non-current assets	
Intangible assets	26
Tangible assets	4,871
Current assets	
Inventories	3,783
Trade accounts receivable	8,203
Other receivables	4,310
Cash and cash equivalents	2,451
Long-term liabilities	
Other interest bearing liabilities	-15,351
Current liabilities	
Trade accounts payable	-4,261
Other liabilities	-3,640
Identified assets and liabilities, net	392
Payments carried forward	66,174
Surplus value	65,782
Allocation of surplus value:	
Goodwill	52,554
Customer relations	18,657
Deferred tax	-5,429

According to the preliminary balance for the acquisition, the difference between the net assets of NORDLAND systems GmbH and the total payments carried forward are SEK 65.8 million. This excess value has been preliminary allocated to customer relations SEK 18.7 million, deferred tax SEK 5.4 million and goodwill SEK 52.5 million. Customer relations are based on a service life of ten years. Goodwill is attributable to the expected development of future markets, revenue growth and the overall workforce in the company. No part of the goodwill is tax deductible.

Net cash flow from business combinations

TSEK	NORDLAND systems GmbH
Cash payments	26,783
Cash and cash equivalents acquired	-2,625
Net cash flow	24,158

Effect of the acquisition on consolidated profit/loss

The acquired business contributed revenues of SEK 5.9 million, EBITDA of SEK 0.1 million, operating profit of SEK 0.1 million and profit after tax of SEK 0.2 million for the period March 4 to March 31, 2021.

If the acquisition had taken place on January 1, 2021, the Group's revenue would have amounted to SEK 96.2 million, EBITDA to SEK 11.8 million, the Group's operating profit to SEK 3.3 million and profit after tax to SEK 1.6 million.

Alternative performance measurements

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

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

ALTERNATIVE PERFORMANCE MEASURES

SAAS-REVENUES (RECURRING) (TSEK)	JAN-MAR 2021	JAN-MAR 2020	ROLLING 12 MONTHS Q 2 2020-Q1 2021	JAN-DEC 2020
License income	33,887	33,276	134,100	133,489
Support and other contractual services	6,253	6,217	21,772	21,736
Total SaaS-revenues	40,140	39,493	155,872	155,225

ARR (ANNUAL RECURRING REVENUE) (TSEK)	JAN-MAR 2021	JAN-MAR 2020	ROLLING 12 MONTHS Q 2 2020-Q1 2021	JAN-DEC 2020
SaaS-revenues last month in the quarter	14,456	13,233		13,362
Multiplied with 12 months	12	12		12
ARR (Annual recurring revenue)	173,475	158,796		160,344

GROSS MARGIN (TSEK)	JAN-MAR 2021	JAN-MAR 2020	ROLLING 12 MONTHS Q 2 2020-Q1 2021	JAN-DEC 2020
Net sales	87,766	102,434	351,578	366,246
Total income	87,766	102,434	351,578	366,246
<i>Operating expenses</i>				
Goods for resale	-30,534	-48,448	-139,569	-157,483
Gross profit	57,232	53,986	212,009	208,763
Gross margin (%)	65.2	52.7	60.3	57.0

EBITDA (TSEK)	JAN-MAR 2021	JAN-MAR 2020	ROLLING 12 MONTHS Q 2 2020-Q1 2021	JAN-DEC 2020
Operating profit	3,070	-15,489	22,216	3,656
<i>Depreciation and amortisation</i>	-8,362	-9,304	-33,889	-34,831
EBITDA	11,432	-6,185	56,105	38,487
EBITDA-margin (%)	13.0	-6.0	15.9	10.5

OPERATING MARGIN (TSEK)	JAN-MAR 2021	JAN-MAR 2020	ROLLING 12 MONTHS Q 2 2020-Q1 2021	JAN-DEC 2020
Net sales	87,766	102,434	351,578	366,246
Operating profit	3,070	-15,489	22,216	3,656
Operating margin (%)	3.5	-15.1	6.3	1.0

Net debt (TSEK)	2021-03-31	2020-03-31	2020-12-31
Interest-bearing assets and cash and cash equivalents	108,008	136,011	125,671
Interest-bearing liabilities	-317,343	-325,008	-316,281
Net debt	-209,335	-188,997	-190,610

EQUITY PER SHARE (TSEK)	2021-03-31	2020-03-31	2020-12-31
Equity (TSEK)	255,257	251,602	236,863
Total ordinary shares at end of period	27,284,308	26,800,011	27,284,308
Equity per share (SEK)	9.36	9.39	8.68

EQUITY RATIO (TSEK)	2021-03-31	2020-03-31	2020-12-31
Equity	255,257	251,602	236,863
Total assets	754,606	754,257	685,125
Equity ratio (%)	33.8	33.4	34.6