

PRESS RELEASE

STRONG INCREASE IN CONTRACTED SERVICES, INVESTMENT IN ORGANIZATION AND TWO GLOBAL AGREEMENTS

April – June 2019

- Net sales increased by 7 % to SEK 97.4 (90.8) million
- Contracted services (recurring) increased by 48% to SEK 32.5 (22.0) million
- EBITDA amounted to SEK 9.6 (11.0) million
- Operating profit was SEK 3.3 (6.6) million
- Earnings per share before and after dilution amounted to SEK -0.04 (0.04) and SEK -0.04 (0.04)

January – June 2019

- Net sales increased by 22% to SEK 190.8 (155.8) million
- Contracted services (recurring) increased by 49% to SEK 64.1 (43.1) million
- EBITDA amounted to SEK 17.8 (17.9) million
- Operating profit was SEK 5.2 (9.1) million
- Earnings per share before and after dilution amounted to SEK -0.14 (-0.20) and SEK -0.14 (-0.20)

Significant events during the quarter

- ZetaDisplay has signed a global Digital Signage Framework Agreement with Ingka Group, the world's largest furniture retailer. The contract is commencing on 1 July 2019. The contract includes IKEA stores and offices operated by Ingka Group.
- Per Mandorf appointed as new President and CEO. Leif Liljebrunn will assume a new role as Vice President Merger & Acquisitions in ZetaDisplay. Per Mandorf takes up his new position on 1 September 2019.
- The annual general meeting appoints three new board members, who add increased software experience.
- ZetaDisplay has signed a five-year global Framework Agreement with the Norwegian furniture group Ekornes AS.
- ZetaDisplay AB has completed a directed share issue of 1 600 000 new ordinary shares at a subscription price of SEK 19 per ordinary share. With the issue, the company was added funds of SEK 30.4 million.
- Following the Annual General Meeting's decision to redeem all outstanding preference shares, the Board applied for delisting of the company's preference shares. The last day of trading in ZetaDisplay's preferred shares on Nasdaq First North will be August 22, 2019.

Significant events after the quarter

- ZetaDisplay received the first prize as the leading Nordic player in digital signage during the Digital Signage Summit in Munich, Germany. The award was handed over for the first time during the industry's European annual meeting.

PRESS RELEASE

Comments from CEO

The second quarter of 2019 was characterized by two new important international agreements with both Ingka Group and Ekornes. In line with our strategy we have managed to attract larger and international customers. These investments into growth have led to increased costs, which have had a negative effect on earnings. As the installed base is growing, contracted services will continue to increase.

Sales increased by 7% in the quarter and amounted to SEK 97.4 (90.8) million. Gross profit increased by SEK 6.8 million to 52.4 (45.6), an increase corresponding to 15%. The group's operating profit amounted to SEK 3.3 (6.6) million. Contracted services increased by 48% to SEK 32.5 (22.0) million.

Contracted services are rising in all our segments and adjusted for acquisitions, these increased by 35% compared to the same period last year. Also in relation to turnover, the proportion of services has increased, which explains the strengthening of the gross margin.

The agreement with Ingka Group, the world's largest furniture company, is a milestone for the group's development. The framework agreement covers deliveries to IKEA stores and offices all over the world and comprises hardware, installation, software, operations and services. The agreement commenced on 1 July this year and runs for five years.

The group is becoming increasingly international and acclaimed. At the annual industry conference in Munich during the month of July, we received a prize as the leading Digital Signage company in the Nordics and were rewarded as the second largest player in Europe. This step in our development has meant an expanded organization, both centrally and locally. The increased overhead costs relate mainly to personnel and are a consequence of our international growth ambitions.

We continue to continuously develop and upgrade our software, and this is an important success factor. Efficient and seamless communication is a prerequisite for meeting the customer's need for effective Digital Signage solutions. As part of this, we have upgraded our Content Management System (CMS) with enhanced functionality and new user interface.

In May, the board appointed Per Mandorf as the new President and CEO of ZetaDisplay. Per has a solid software background and will take office on 1 September. At the same time, I assume a new role as VP Merger & Acquisitions within the group.

At the annual general meeting at the end of May, three new board members were appointed, adding among other things additional competence in the software sector. This will support us in our professionalization and our continued transformation into a software and service company.

Outlook

ZetaDisplay is characterized by growth spirit with a focus on an expanded base of contracted services. Group-wide, we create the conditions for being commercially successful through a harmonized technical platform, shared resources and a common brand. This helps us to gain synergies and economies of scale.

It has been a fantastic journey for me as CEO. A period that was characterized by growth, acquisitions as well as increased profitability. I leave with confidence over the helm to my successor Per Mandorf.

This information is such information that ZetaDisplay AB (publ) is required to disclose under the EU market abuse regulation and the Securities Markets Act. The information was provided, by Leif Liljebrunn, for publication on 15 August 2019 at 08:45 am.

Malmö, 15 August 2019

Leif Liljebrunn

President and CEO

PRESS RELEASE**For questions, please contact:**

Leif Liljebrunn, President and CEO

Phone +46 708-45 80 52

Email leif.liljebrunn@zetadisplay.com

Ola Burmark, CFO

Phone +46 708-21 57 86

E-mail ola.burmark@zetadisplay.com

Daniel Oelker, CCO

Phone +46 708-45 80 54

E-mail daniel.oelker@zetadisplay.com

About ZetaDisplay

ZetaDisplay provides visual communication solutions to influence behavior in a physical store or office environment. The company is built on a profound understanding of human behavior in decision-making situations. The total offering includes concept development software programming, deployment as well as technical contracted services. ZetaDisplay is based in Malmö, Sweden. The company has annual net sales 400 MSEK and employs 140 employees at eight offices in six European countries. The company controls and maintains today more than 50 000 installations at customers on 50 markets. The share is listed on the NASDAQ OMX Stockholm Stock Exchange [ZETA].

More information at www.zetadisplay.com