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.

FINANCIAL INDICATORS (TSEK)

	APR-JUNE 2019	APR-JUNE 2018	JAN-JUNE 2019	JAN-JUNE 2018	ROLLING 12 MONTHS Q3 2018 - Q2 2019	JAN-DEC 2018
Net sales	97 443	90 755	190 750	155 793	439 058	404 101
Contracted services (recurring)*	32 545	21 990	64 098	43 122	122 883	101 907
Gross margin (%)*	53,8	50,2	53,1	54,5	45,8	45,7
EBITDA*	9 640	11 037	17 762	17 913	48 004	48 155
EBITDA-margin (%)*	9,9	12,2	9,3	11,5	10,9	11,9
Operating profit*	3 316	6 602	5 173	9 134	25 590	29 551
Operating margin (%)*	3,4	7,3	2,7	5,9	5,8	7,3
Profit/loss for the period	139	2 140	-993	-1 482	26 065	25 576
Equity ratio (%)*	50,2	46,0	50,2	46,0		42,9
Equity per share*	12,22	10,76	12,22	10,76		11,24
Earnings per share before dilution (SEK)	-0,04	0,04	-0,14	-0,20		0,87
Earnings per share after dilution (SEK)	-0,04	0,04	-0,14	-0,20		0,85

* Performance measures not defined under IFRS. For definitions, rationale and reconciliation, see pages 20-21.

Comments from CEO

Strong increase in contracted services, investment in organization and two global framework agreements

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.

Malmö 15 August 2019

Leif Liljebrunn
President and CEO

Financial reporting dates

Interim report Jan-Sep 2019	7 November 2019
Year-end report 2019	7 February 2020

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. We operate in an immature market category where many potential customers have not yet invested in the technology. This creates an interesting, expanding market for ZetaDisplay, which supplies a total concept covering strategy, planning, software, hardware, installation and content production, analysis, technical support and services.

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

Contracted services are increasing as an important part of the business after the initial installation and produce steady recurring 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 go 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.

Significant events during the second quarter

New contracts

ZetaDisplay has signed a global Digital Signage framework agreement with Ingka Group, the world's largest furniture retailer. The contract includes IKEA stores and offices operated by Ingka Group. The contract has a validity of five years and is commencing on 1 July 2019.

ZetaDisplay has signed a five-year global framework agreement for Digital signage solutions with the Norwegian furniture group Ekornes AS. The agreement refers to shop-in-shop solutions for Ekornes' global retail network of approximately 3,500 outlets in 43 countries. The annual roll-out for 2019 is estimated at a sales value of approximately SEK 15 million.

Other

The Board of ZetaDisplay has appointed Per Mandorf as new President and CEO. He takes over as President and CEO after Leif Liljebrunn, who assumes a new role in the group as VP Merger and Acquisitions. Per Mandorf takes up his new position on 1 September 2019.

The Board of ZetaDisplay AB, on the basis of the authorisation granted by the Board at the Annual General Meeting on 21 May 2018, has decided on a directed rights issue of 1,600,000 new ordinary shares at a subscription price of SEK 19 per ordinary share (the "new Issue"). This means that the company has added funds of SEK 30.4 million before issue related costs. The new share issue had a dilution effect of 6.1% of the share capital and 6.2% in relation to the number of votes.

Furthermore, ZetaDisplay AB has issued 521,327 ordinary shares at a subscription price of 8.20 in connection with the end of the exercise period for the employee stock options TO 2016/19 on 31 March 2019. The company has added funds of SEK 4.4 million. This had a dilution effect of 2.0%.

Following these changes, the total number of shares amounts to 26,881,376, of which 24,275,044 are ordinary shares and, unchanged, 606,332 preference shares, with a total number of votes of 26,335,677.2. The company does not hold any own shares.

By resolution of the shareholders' meeting, employee incentive plan TO 2019/2022 have been issued. A total of 329 750 warrant options have been subscribed in a global offering to the Group's employees.

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 application was approved and the last day of trading in ZetaDisplay's preferred shares on Nasdaq First North will be August 22, 2019.

Significant events after the second 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

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

Second quarter April – June 2019

Net sales

Net sales for the quarter increased by 7% to SEK 97.4 (90.8) million, compared with the corresponding quarter last year. The growth is mainly explained by acquisitions and currency. The share of contracted services increased by 48% and amounted to 32.5 (22.0) MSEK. Organic growth at fixed exchange rates was 0% and organic growth in contracted services was 35%.

Of total net sales, contracted services accounted for 33 (24)%.

Gross profit

Gross profit amounted to SEK 52.4 (45.6) million, corresponding to a gross margin of 53.8 (50.2)%. The higher gross margin is mainly explained by the increased share of contracted services. However, the margin improvement is dampened as a result of a lower margin on hardware sales.

Operating expenses

The cost of goods sold amounted to SEK-45.1 (-45.2) million and primarily consists of hardware and installations.

Other expenses were SEK -15.2 (-12.3) million and are mainly explained by the use of external resources.

Personnel costs amounted to SEK-29.7 (-24.4) million and the increase was explained by the increasing number of employees that have been added strengthening competencies centrally and through acquisitions.

Depreciation amounted to SEK-6.3 (-4.4) million. The increase is attributable to the introduction of IFRS 16

EBITDA

EBITDA decreased to SEK 9.6 (11.0) million, corresponding to an EBITDA margin of 9.9 (12.2)%.

The group's international growth ambitions have entailed increased overhead, both centrally and locally, which has had a negative effect on EBITDA in comparison with the previous year.

The introduction of IFRS 16 has a positive effect on EBITDA of SEK 1.6 million, with a comparable increase in depreciation, in comparison with the previous year.

Operating income

Operating profit amounted to SEK 3.3 (6.6) million. The previous year was affected by items affecting comparability in the form of acquisition costs of total 0,7 MSEK, relating to the acquisition of Webpro AS.

The operating margin amounted to 3.4 (7.3)%.

Financial items

Financial items amounted to MSEK-1.4 (-2.0). The change is attributable to unrealized currency losses during the same period last year.

Tax

The tax expense for the quarter was SEK-1.8 (-2.4) million. The tax expense is high in relation to earnings, mainly due to losses in the parent company. As it is not expected that the shortfall will be utilized in the near future, no deferred tax asset has been reported for this deficit.

Profit and loss for the quarter

Profit for the quarter amounted to SEK 0.1 (2.1) million. Earnings per share amounted to SEK-0.04 (0.04) before dilution and the corresponding SEK-0.04 (0.04) after dilution.

First six months January – June 2019

Net sales

Net sales for the period increased by 22% to SEK 190.8 (155.8) million, compared with the corresponding period last year. Growth is generally explained by increased sales and, in particular, increased recurring revenues in all segments. Contracted services increased by 49% to SEK 64.1(43.1) million**.** Organic growth at fixed exchange rates was 13.2% and organic growth in contracted services was 34%.

Of total net sales, contracted services accounted for 34 (28)%.

Gross profit

Gross profit amounted to SEK 101.3 (85.5) million, corresponding to a gross margin of 53.1 (54.5)%. The change in the gross margin is mainly explained by lower margins for hardware sales, which, in the period, were not fully compensated by the increased share of contracted services.

Operating expenses

The cost of goods sold amounted to SEK-89.4 (-70.8) million and is explained by the increased sales related to implementation projects consisting primarily of hardware and installations during the period.

Other expenses were to SEK -28.2 (-22.6) million and are mainly explained by the use of external resources.

Personnel costs amounted to SEK-60.0 (-49.2) million. The increase derives partly from the increasing number of employees that were added in connection with the acquisition of Webpro as well as the additions in enlarged competencies mainly on group level.

Depreciation amounted to SEK-12.6 (-8.8) million. The increase is mainly attributable to the introduction of IFRS 16.

EBITDA

EBITDA declined marginally to SEK 17.8 (17.9) million, corresponding to an EBITDA margin of 9.3 (11.5)%.

The group's international growth ambitions have entailed increased overhead both centrally and locally, which has had a negative effect on EBITDA compared with the previous year.

The introduction of IFRS 16 has a positive effect on EBITDA of SEK 3.0 million, with a comparable increase in depreciation, compared to the previous year

Operating income

Operating profit amounted to SEK 5.2 (9.1) million. The previous year was affected by items affecting comparability amounting to SEK 1.2 million in the form of additional acquisition costs relating to the acquisitions of ProntoTV AS, Seasam Oy, Qyn B. V, LiveQube AS and WebPro AS.

The operating margin amounted to 2.7 (5.9)%.

Financial items

Financial items amounted to SEK -3.5 (-6.9) million. The change is attributable to unrealized currency losses attributable to revaluation of deferred considerations in foreign currency, during the same period of the previous year.

Tax

The tax expense for the period amounted to MSEK-2.7 (-3.8). The tax expense is high in relation to earnings, mainly due to losses in the parent company. As it is not expected that the shortfall will be utilized in the near future, no deferred tax liability has been reported for this deficit.

Profit and loss for the period

Profit for the period amounted to MSEK-1.0 (-1.5). Earnings per share amounted to SEK-0.14 (-0.20) before dilution and the corresponding SEK-0.14 (-0.20) after dilution.

Cash flow

During the period, the group generated a cash flow from operating activities of SEK 6.7 (13.9) million. Cash flow from investing activities amounted to SEK -30.4 (-43.1) million, of which the payment of the additional purchase price amounted to SEK -20.9 (-37.3) million, investments in intangible fixed assets to SEK-7.4 (-4.8) million and the acquisition of tangible fixed assets amounted to SEK-2.2 (-1.3) million. Cash flow from financing activities amounted to SEK 12.7 (66.1) million.

Total cash flow during the period amounted to SEK -11.0 (36.8) million

Financial position

The equity/assets ratio at the end of the period amounted to 50% (46). The group had a total of SEK 116.5 (122.3) million in cash and cash equivalent funds and unutilized credits as of June 30, of which SEK 74.8 (93.2) million were cash and cash equivalent.

Net debt at the end of the period amounted to SEK-81.5(-52.4) million.

Segment reporting

The company reports per segment. The segments consist of Sweden (including Denmark and other markets), Norway and Finland (including the Baltics), the Netherlands as well as segment Group-wide.

Segment Sweden reports income from external customers of SEK 23.2 (15.5) million for the second quarter, corresponding to a growth of 50.6%. Growth is primarily acquired. EBITDA amounted to SEK -1.8 (-0.6) million for the quarter and the EBITDA margin was at -7.6 (-3.9)%.

Segment Norway reports income from external customers of SEK 32.3 (30.2) million for the second quarter, corresponding to a growth rate of 6.9%. The growth is organic. EBITDA amounted to SEK 8.4 (8.9) million for the quarter and the EBITDA margin to 25.9 (29.6)%.

Segment Finland reports income from external customers of SEK 27.2 (27.5) million for the second quarter, corresponding to a decrease of -1,1%. The decrease is attributable to sales in hardware, installation and other services. Acquisitions have not affected the income. EBITDA amounted to SEK 5.1 (2.8) million for the period and the EBITDA margin to 18.6 (9.9)%.

Segment Netherlands reported income from external customers of SEK 14.1 (17.3) million for the second quarter, corresponding to a decrease of -18.5%. The decrease is attributable to sales in hardware, installation and other services. Acquisitions have not affected the income. EBITDA amounted to 3.3 (4.5) million for the period and the EBITDA margin to 21.0 (25.8)%.

Group-wide costs increased by 29% from MSEK 6.1 to 7.9. The cost increase is related to increased harmonization, professionalization and internationalization of the entire group.

TSEK APR-JUN	SWEDEN		NORWAY		FINLAND		NETHERLANDS		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Contracted services (recurring)	7 192	2 445	11 630	8 734	6 230	5 144	7 493	5 667	0	0	0	0	32 545	21 990
Hardware, installation and other services	16 216	13 097	20 667	21 472	20 923	22 313	6 617	11 646	475	237	0	0	64 898	68 765
Internal income	0	33	0	0	3	341	1 829	0	2 098	1 281	-3 930	-1 655	0	0
Total income	**23 408**	**15 575**	**32 297**	**30 206**	**27 156**	**27 798**	**15 939**	**17 313**	**2 573**	**1 518**	**-3 930**	**-1 655**	**97 443**	**90 755**
EBITDA *)	**-1 768**	**-601**	**8 380**	**8 938**	**5 050**	**2 765**	**3 341**	**4 468**	**-5 363**	**-4 533**	**0**	**0**	**9 640**	**11 037**
EBITDA margin	*-7,6%*	*-3,9%*	*25,9%*	*29,6%*	*18,6%*	*9,9%*	*21,0%*	*25,8%*					*9,9%*	*12,2%*
Depreciation and amortisation	-509	-60	-1 784	-2 822	-513	-594	-791	-388	-3 111	-1 041	384	470	-6 324	-4 435
Operating profit	**-2 277**	**-661**	**6 596**	**6 116**	**4 537**	**2 171**	**2 550**	**4 080**	**-8 474**	**-5 574**	**384**	**470**	**3 316**	**6 602**
Financial income													607	481
Financial expenses													-1 959	-2 519
Profit before tax	**-2 277**	**-661**	**6 596**	**6 116**	**4 537**	**2 171**	**2 550**	**4 080**	**-8 474**	**-5 574**	**384**	**470**	**1 964**	**4 564**

*) EBITDA last year includes extraordinary costs of TSEK 707. These consist of acquisition costs from the acquisition of Webpro AS.

INTANGIBLE AND TANGIBLE ASSETS TSEK JUNE	SWEDEN		NORWAY		FINLAND		NETHERLANDS		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Intangible assets	0	0	12 270	10 711	9 434	11 909	2 679	2 341	398 442	342 668	5 748	3 324	428 573	370 953
Tangible assets	3 556	132	8 403	4 700	1 900	1 369	3 650	1 102	6 301	811	0	0	23 810	8 114
Total intangible and tangible assets	**3 556**	**132**	**20 673**	**15 411**	**11 334**	**13 278**	**6 329**	**3 443**	**404 743**	**343 479**	**5 748**	**3 324**	**452 383**	**379 067**

TSEK JAN - JUN	SWEDEN		NORWAY		FINLAND		NETHERLANDS		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Contracted services (recurring)	14 122	4 811	22 936	17 041	12 170	9 787	14 870	11 483	0	0	0	0	64 098	43 122
Hardware, installation and other services	32 465	18 514	36 614	36 170	44 778	38 087	12 131	19 384	664	516	0	0	126 652	112 671
Internal income	25	33	0	0	9	541	1 901	0	4 336	2 711	-6 271	-3 285	0	0
Total income	**46 612**	**23 358**	**59 550**	**53 211**	**56 957**	**48 415**	**28 902**	**30 867**	**5 000**	**3 227**	**-6 271**	**-3 285**	**190 750**	**155 793**
EBITDA *)	**-2 093**	**-1 595**	**14 413**	**14 463**	**10 422**	**4 837**	**5 836**	**7 874**	**-10 816**	**-7 666**	**0**	**0**	**17 762**	**17 913**
EBITDA margin	*-4,5%*	*-6,8%*	*24,2%*	*27,2%*	*18,3%*	*10,0%*	*20,2%*	*25,5%*					*9,3%*	*11,5%*
Depreciation and amortisation	-974	-126	-3 521	-4 296	-1 328	-1 168	-1 531	-807	-6 203	-3 305	968	923	-12 589	-8 779
Operating profit	**-3 067**	**-1 721**	**10 892**	**10 167**	**9 094**	**3 669**	**4 305**	**7 067**	**-17 019**	**-10 971**	**968**	**923**	**5 173**	**9 134**
Financial income													1 701	961
Financial expenses													-5 206	-7 900
Profit before tax	**-3 067**	**-1 721**	**10 892**	**10 167**	**9 094**	**3 669**	**4 305**	**7 067**	**-17 019**	**-10 971**	**968**	**923**	**1 668**	**2 195**

*) EBITDA last year includes extraordinary costs of TSEK 1 235. These consist of additional costs from the acquisition of ProntoTV AS, Seasam Oy, Qyn B.V. and LiveQube AS and of acquisition costs from the acquisition of Webpro AS.

INTANGIBLE AND TANGIBLE ASSETS TSEK JUNE	SWEDEN		NORWAY		FINLAND		NETHERLANDS		GROUP-WIDE		GROUP ELIMINATIONS		TOTAL FOR THE GROUP	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Intangible assets	0	0	12 270	10 711	9 434	11 909	2 679	2 341	398 442	342 668	5 748	3 324	428 573	370 953
Tangible assets	3 556	132	8 403	4 700	1 900	1 369	3 650	1 102	6 301	811	0	0	23 810	8 114
Total intangible and tangible assets	**3 556**	**132**	**20 673**	**15 411**	**11 334**	**13 278**	**6 329**	**3 443**	**404 743**	**343 479**	**5 748**	**3 324**	**452 383**	**379 067**

Parent company

The activities of the parent company ZetaDisplay AB comprises of operations within the segment Sweden. They include also several group-wide support functions for other segments. These include software development, sales coordination, purchasing, communications, marketing, delivery, service and support, and finance.

The parent company's net sales amounted to SEK 23.5 (18.5), for the second quarter. Operating profit was SEK-5.4 (-2.9 million) and profit after tax totaled SEK -6.5 (6.0) million.

The parent company had a total of SEK 86.9 (91.0) million in liquid funds and unutilized credits as of June 30, of which SEK 62.5 (80.4) million related to liquid funds. Investments in fixed assets during the period amounted to 6.3 (2.1), of which investments in intangible assets were SEK 4.4 (1.9) million.

Other information

Number of employees

The average number of full-time employees was 136 during the past six months period, against 121 for the equivalent period last year.

Transactions with related parties

During the period contingent consideration payments of EUR 1 million were made to LMD Beheer BV which is 1/3 owned by Hans Christiaan de Vaan (Area Manager Benelux) former owner of QYN B.V.

All transactions are deemed to be on market terms.

In addition, there are no significant transactions except ordinary salaries and remuneration to senior executives and their companies, board fees and issued options.

Share-based incentive programs

The exercise period of the employee stock options TO 2016/19 was closed on 31 March 2019. Each warrant came after translation to qualify for 1.05 ordinary shares at the subscription price of SEK 8.20. The shares were registered during the month of April. In total, 521,327 Ordinary shares were subscribed, of which 436,824 were subscribed by senior executives. This means that the company is added MSEK 4.4 with a dilution effect of 2.0%.

According to a decision at the AGM, employee incentive plan TO 2019/2022:1 have been launched to the group's employees. In total, 329,750 options were signed, of which 217,500 were subscribed by senior executives. This corresponds to a dilution effect of approximately 1.3% if all warrants were to be exercised.

The share and shareholders

Since 4 December 2017, ZetaDisplay's shares on Small Cap at Nasdaq, the main stock exchange in Stockholm, Sweden. The share is traded under the short code ZETA. The company was previously listed on First North Premier Stockholm (from 4 April 2011).

Erik Penser Bank is certified adviser and liquidity guarantor for the preference share and the subscription warrant which are listed on First North. Erik Penser Bank is also liquidity guarantor for ZetaDisplay's ordinary shares. The bank has undertaken to set purchase and sale prices for these securities on an ongoing basis.

The number of shareholders of ordinary shares in ZetaDisplay amounted to 2,314 (1,743) as of June 30, 2019. The shareholder structure per balance sheet date is shown in the table below

The company has three outstanding option programs for a total of 1,432,832 options with the right to subscribe to 1,485,486 shares in the company. One of the programs relates to long-term incentive program to senior executives and one relates to employee incentive plan TO 2019/2022. Of the total options, 503,282 options have a strike price below the current share price and 929,750 options a strike price that exceeds the current share price, corresponding to a potential dilution of approximately 2.0%.

SHAREHOLDER

SHAREHOLDER	NUMBER OF ORDINARY SHARES	NUMBER OF PREFERENCE SHARES	TOTAL SHARES	SHARE OF CAPITAL %	SHARE OF VOTES %
Valeado AB (Virala Oy Ab)	3 748 651	0	3 748 651	13,9%	14,2%
Anders Pettersson	2 713 567	58 114	2 771 681	10,3%	10,3%
Mats Johansson	2 563 468	2 628	2 566 096	9,5%	9,7%
Prioritet Capital AB	1 212 500	0	1 212 500	4,5%	4,6%
AMF Fonder	1 113 000	60 217	1 173 217	4,4%	4,2%
Anders Moberg	1 056 251	106 521	1 162 772	4,3%	4,1%
Magari Venture AS	1 100 000	0	1 100 000	4,1%	4,2%
Mats Leander	1 000 000	4 612	1 004 612	3,7%	3,8%
Martin Gullberg	802 500	0	802 500	3,0%	3,0%
Leif Liljebrunn	714 984	0	714 984	2,7%	2,7%
Nordea Fonder	616 215	0	616 215	2,3%	2,3%
Mikael Hägg	590 274	20 000	610 274	2,3%	2,2%
LMD Beheer B.V (previous owner Qyn B.V)	596 762	0	596 762	2,2%	2,3%
Six Sis AG	533 107	54 593	587 700	2,2%	2,0%
Avanza Pension	451 641	19 658	471 299	1,8%	1,7%
SEB Life International	421 503	0	421 503	1,6%	1,6%
Bernt Larsson	299 783	14 059	313 842	1,2%	1,1%
Manu Mesimäki	313 177	0	313 177	1,2%	1,2%
Other shareholders	6 427 661	265 930	6 693 591	24,9%	24,5%
TOTAL	**26 275 044**	**606 332**	**26 881 376**	**100%**	**100%**

Resolutions of the Annual General Meeting 21 May 2019

ZetaDisplay AB (publ) held its Annual General Meeting on 21 May 2019 in Malmö. The AGM adopted the following decisions, in which all decisions were in accordance with the proposal of the Board of directors or the nomination committee:

The AGM resolved that no dividend for the financial year 2018 will be paid on the company's ordinary shares. Dividends for the 2018 financial year are given on preference shares of SEK 9 per share divided into four quarterly payout periods of two (2) kronor and twenty-five (25) cents each. Reconciliation dates for the quarterly dividends, was decided to 14 June 2019, 13 September 2019, 13 December 2019 and 13 March 2020, which entail estimated payment days on 19 June 2019, 18 September 2019, 18 December 2019 and 18 March 2020.

As the AGM also decided on on the redemption of preference shares (see more below), only two (2) kronor and twenty-five (25) cents will be paid as dividends on the company's preferred shares.

The AGM granted discharge to the board members and CEO for the financial year 2018.

Mats Johansson, Anders Moberg, Anders Pettersson, Ingrid Jonasson Blank and Mats Leander were re-elected as board members and Mia Alholm, Finn Følling and Trond Gunnar Christensen were newly elected. Mats Johansson was also re-elected Chairman of the board. Deloitte AB was re-elected to the auditor. Per-Arne Pettersson continues as responsible auditor.

The AGM decided that the board remuneration should amount to SEK 300,000 to the Chairman of the boards and SEK 150,000 each to the other board members. It was also decided that remunerations shall be paid by SEK 50,000 to the Chairman of the Audit Committee and SEK 25,000 each to the other members of the audit Committee and SEK 30,000 to the Chairman of the remuneration committee and SEK 15,000 each to the other members of the remuneration committee. A decision was also made that auditor’s fees are paid according to approved account.

The AGM decided on issue of warrants. ZetaDisplay AB (publ) issues at most 575,000 warrants of the series TO2019/2022:1. Each warrant entitles the holder to subscribe one ordinary share in the company. On full new subscription with all warrants, the company's share capital will increase by SEK 575,000 divided into 575,000 shares and votes, corresponding to a dilution of approximately 2.1 % of the total number of shares and 2.2 % of the total number of votes in the company.

The AGM resolved to authorize the Board to decide on one or more occasions before the next Annual General Meeting, with or without deviation from the shareholders ' preferential rights, on new issues of ordinary shares, convertibles or warrants. Issues that are decided with preferential rights for shareholders may result that the number of shares increase by a total of no more than 25 percent of the, at the time of the notice, outstanding shares. Issues that are decided by deviation from the shareholders ' preferential rights may result that the number of shares increase by a total of no more than 10 percent of the, at the time of the notice, outstanding shares.

The AGM decided, with the support of redemption clause in the company's Articles of association § 5.4, to reduce the company's share capital by SEK 606,332 for repayment to shareholders, by cancelling all 606,332 preference shares in the company and to allocate SEK 606,332 to the Reserve fund. The reconciliation date for entitlement to receive redemption payment is 26 August 2019, which entails in the estimated payment date on 29 August 2019. The last day of trading including entitlement to redemption payment will be 22 August 2019.

The AGM decided to amend the Articles of association by inserting in § 9 (Annual General Meeting) a new first paragraph as follows: "The general meeting of Shareholders shall be held in Malmö or Stockholm according to the election of the board."

The AGM resolved to authorize the Board of directors to decide on one or more occasions during the period up to the next Annual General Meeting to acquire or transfer own shares.

In addition, the AGM also agreed on principles for the nomination committee and guidelines for remuneration to senior executives.

Significant risks and uncertainties

The group is exposed through its operations to various financial risks, including market risk (made up of foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management is based on minimizing unfavourable effects on its profits and financial position. The group's business risks and risk management, and financial risks, are described in detail in the annual report for 2018. No significant events occurred during the period which affect or change these descriptions of the group's risks and its handling of them.

Looking ahead and financial objectives

The updated financial targets represent a doubling of the service portfolio and a tripling of the operating profit from today's levels and reflect the strategy that the board has put in place for the coming years.

The most important lever in our business model is the proportion of contracted services of 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 when the share of services is increasing:

The financial objectives are:

- Contracted services exceeding MSEK 200 at the end of 2022.
- Operating income amounting to MSEK 100 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 15 August 2019

Leif Liljebrunn

President & CEO

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

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 submitted, on the authority of Leif Liljebrunn for publication on 15 August at 08:45.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - SUMMARY (TSEK)

	3 MONTHS APR-JUNE 2019	3 MONTHS APR-JUNE 2018	6 MONTHS JAN-JUNE 2019	6 MONTHS JAN-JUNE 2018	12 MONTHS JAN-DEC 2018
Net turnover	97 443	90 755	190 750	155 793	404 101
Capitalized work on own account	2 228	2 182	4 704	4 670	8 061
Total Revenue	**99 671**	**92 937**	**195 454**	**160 463**	**412 162**
Operating expenses					
Goods for resale	-45 052	-45 196	-89 446	-70 829	-219 421
Other external expenses	-15 238	-12 311	-28 225	-22 563	-46 605
Personnel expenses	-29 741	-24 393	-60 021	-49 158	-97 981
Depriciations	-6 324	-4 435	-12 589	-8 779	-18 604
Operating profit	**3 316**	**6 602**	**5 173**	**9 134**	**29 551**
Interest income	607	481	1 701	961	14 701
Interest expense	-1 959	-2 519	-5 206	-7 900	-10 708
Profit/loss after financial items	**1 964**	**4 564**	**1 668**	**2 195**	**33 544**
Tax	-1 825	-2 424	-2 661	-3 677	-7 968
Net proft/loss	**139**	**2 140**	**-993**	**-1 482**	**25 576**
Profit/loss per share before dilution, SEK	-0,04	0,04	-0,14	-0,20	0,87
Profit/loss per share after dilution, SEK	-0,04	0,04	-0,14	-0,20	0,85
Average number of common shares before dillution, SEK	27 972	21 050	26 942	20 788	23 144
Average number of common shares after dillution, SEK	28 216	21 542	27 172	21 309	23 666

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (TSEK)

	3 MONTHS APR-JUNE 2019	3 MONTHS APR-JUNE 2018	6 MONTHS JAN-JUNE 2019	6 MONTHS JAN-JUNE 2018	12 MONTHS JAN-DEC 2018
Profit/loss for the period	139	2 140	-993	-1 482	25 576
Items that may later be transferred to profit/loss for the period					
Translations differences	5 615	8 110	17 277	25 051	9 723
Comprehensive income for the period	**5 754**	**10 250**	**16 284**	**23 569**	**35 299**
Attributable to shareholders in the Parent Company	5 754	10 250	16 284	23 569	35 299

CONSOLIDATED BALANCE SHEET - SUMMARY (TSEK)

	2019-06-30	2018-06-30	2018-12-31
ASSETS			
Subscribed capital unpaid after issue costs	0	160	0
Intangible assets	428 573	370 953	411 551
Tangible assets	8 306	8 114	7 539
Right of use assets	15 504	0	0
Deferred tax assets	3 109	2 445	4 589
Financial non-current assets	130	496	274
Total non-current assets	**455 622**	**382 168**	**423 953**
Inventories	14 961	13 646	13 373
Current receivables	94 290	73 725	111 512
Cash and cash equivalents	74 783	93 178	83 389
Total current assets	**184 034**	**180 549**	**208 274**
TOTAL ASSETS	**639 656**	**562 717**	**632 227**
EQUITY AND LIABILITIES			
Equity attributable to shareholders in the Parent Company	321 020	258 663	271 458
Total equity	**321 020**	**258 663**	**271 458**
Provisions	**339**	**315**	**272**
Non-current liabilities	167 517	138 404	182 387
Current liabilities	150 780	165 335	178 110
Total liabilities	**318 297**	**303 739**	**360 497**
TOTAL EQUITY AND LIABILITIES	**639 656**	**562 717**	**632 227**

CONSOLIDATED CASH-FLOW STATEMENTS (TSEK)

	6 MONTHS JAN-JUNE 2019	6 MONTHS JAN-JUNE 2018	12 MONTHS JAN-DEC 2018
Operating activities			
Operating profit	5 173	9 134	29 551
Adjustments for depreciation and amortisation	12 589	8 779	18 604
Interest received	1 701	257	3 214
Interest paid	-2 514	-1 741	-10 326
Adjustment for items not included in cash flow	41	-1 686	-561
Income tax paid	-3 352	-495	-1 313
Cash flow from operating activities before changes in working capital	**13 638**	**14 248**	**39 169**
Change in working capital			
Change in inventories	-1 356	-2 311	-1 039
Change in receivables	19 416	-19 471	-50 492
Change in current liabilities	-24 993	21 401	38 402
Total change in working capital	**-6 933**	**-381**	**-13 129**
Cash flow from operating activities	**6 705**	**13 867**	**26 040**
Investment activities			
Acquisition of subsidiaries *)	0	0	-18 501
Paid contingent consideration for acquisition of subsidiaries	-20 876	-37 257	-47 529
Acquisition of intangible assets	-7 443	-4 755	-9 760
Acquisition of tangible assets	-2 242	-1 261	-2 697
Sales of financial assets	148	188	433
Cash flow from investment activities	**-30 413**	**-43 085**	**-78 054**
Financing activities			
Stock issue	33 834	70 645	71 772
Borrowing	0	0	30 000
Subscription warrants	808	1 237	1 336
Amortisation of debt	-12 222	-13 624	-32 554
Amortisation of finance lease debt	-2 924	0	0
Dividends paid	-2 728	-2 729	-5 457
Change in factoring costs	-4 078	10 529	10 844
Cash flow from financing activities	**12 690**	**66 058**	**75 941**
Cash flow for the year	**-11 018**	**36 840**	**23 927**
Cash and cash equivalents at start of period	**83 389**	**58 771**	**58 771**
Exchange rate difference	**2 412**	**-2 433**	**691**
Cash and cash equivalents at end of period	**74 783**	**93 178**	**83 389**

**) Relates to the acquisition of Webpro AS in September 2018.*

STATEMENT OF CHANGES IN EQUITY – SUMMARY (TSEK)

GROUP	CAPITAL STOCK	ADDITIONAL PAID-IN CAPITAL	TRANSLATION RESERVES	ACCUMULATED DEFICIT	TOTAL EQUITY
					Attributable to shareholders in the parent company
Opening balance 2018-01-01	**19 835**	**223 606**	**-4 235**	**-70 698**	**168 508**
Changes in equity					
2018-01-01 - 2018-12-31					
Comprehensive income for the period			9 723	25 576	35 299
Transactions with shareholders:					
Approved distribution of preference shares		-5 457			-5 457
Option premiums received		1 336			1 336
Stock issue	4 915	70 833			75 748
Issue expenses		-3 976			-3 976
Closing balance 2018-12-31	**24 750**	**286 342**	**5 488**	**-45 122**	**271 458**
Changes in equity					
2019-01-01 - 2019-06-30					
Comprehensive income for the period			17 277	-993	16 284
Transactions with shareholders:					
Approved distribution of preference shares		-1 364			-1 364
Option premiums received		808			808
Stock issue		32 626			34 757
Issue expenses		-923			-923
Closing balance 2019-06-30	**24 750**	**317 489**	**22 765**	**-46 115**	**321 020**

PARENT COMPANY INCOME STATEMENT - SUMMARY (TSEK)

	3 MONTHS APR-JUNE 2019	3 MONTHS APR-JUNE 2018	6 MONTHS JAN-JUNE 2019	6 MONTHS JAN-JUNE 2018	12 MONTHS JAN-DEC 2018
Net sales	23 488	18 513	45 815	28 359	134 145
Capitalized work on own account	1 350	230	2 746	1 874	2 627
Total income	**24 838**	**18 743**	**48 561**	**30 233**	**136 772**
Operating expenses					
Goods for resale	-11 961	-9 849	-22 153	-11 914	-91 497
Other external expenses	-8 911	-4 556	-16 626	-8 534	-18 311
Personnel expenses	-8 507	-6 169	-17 189	-12 921	-28 754
Depreciation and amortisation	-864	-1 036	-1 778	-2 103	-3 951
Operating profit	**-5 405**	**-2 867**	**-9 185**	**-5 239**	**-5 741**
Result from participations in group companies	0	10 755	9 962	10 755	24 074
Interest income	528	341	1 578	789	4 134
Interest expenses	-1 660	-2 218	-4 533	-7 419	-9 912
Profit/loss after financial items	**-6 537**	**6 011**	**-2 178**	**-1 114**	**12 555**
Tax	0	0	0	0	-83
Profit/loss for the period*	**-6 537**	**6 011**	**-2 178**	**-1 114**	**12 472**

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

PARENT COMPANY BALANCE SHEET – SUMMARY (TSEK)

	2019-06-30	2018-06-30	2018-12-31
ASSETS			
Intangible assets	11 541	8 904	8 579
Tangible assets	2 933	942	1 470
Participations in group companies	395 754	351 682	395 754
Deferred tax assets	1 217	1 300	1 217
Financial non-current assets	130	130	130
Total non-current assets	**411 575**	**362 958**	**407 150**
Inventories	3 272	2 658	2 991
Current receivables	47 922	29 655	55 472
Cash and cash equivalents	62 506	80 364	59 176
Total current assets	**113 700**	**112 677**	**117 639**
TOTAL ASSETS	**525 275**	**475 635**	**524 789**
EQUITY AND LIABILITIES			
Equity	274 228	229 224	243 936
Total equity	**274 228**	**229 224**	**243 936**
Provisions	**339**	**315**	**292**
Non-current liabilities	133 911	116 843	153 231
Current liabilities	116 797	129 253	127 350
Total liabilities	**250 708**	**246 096**	**280 581**
TOTAL EQUITY AND LIABILITIES	**525 275**	**475 635**	**524 809**

Notes

Note 1 ZetaDisplay group

ZetaDisplay AB (publ), 556603-4434, is a Swedish public limitied 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 Svergie 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
Qyn B.V.	27285283	Rosmalen	100
ProntoTV AS	981106431	Oslo	100
LiveQube AS	995543478	Oslo	100
Webpro AS	882172732	Trondheim	100
Webpro International AS	912298795	Trondheim	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 accounting principles and calculation methods applied are in line with those described in the annual report for 2018, except for what is mentioned below regarding IFRS 16 Leasing.

The interim report has been drawn up in compliance with IAS 34 Interim Reporting. Details required under IAS 34 are provided both in 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.

NEW STANDARDS TO BE APPLIED AS OF JANUARY 1, 2019

As of January 1, 2019, ZetaDisplay applies IFRS 16 Leasing, which replaces IAS 17 Leases. ZetaDisplay applies the modified retroactive transition method and the main impact of ZetaDisplays financial reporting derives from the accounting of rental contracts for premises.

The difference between reported future operational lease cost in accordance with IAS 17 and lease liability as of January 1, 2019 in accordance with IFRS 16 is presented below.

Reconciliation disclosure operational leases (IAS 17) and reported leasing liabilties (IFRS 16)

Commitment for operational leases as of December 31, 2018	17 803
Financial leasing liabilities as of December 31, 2018	0
Short-term leases (expensed)	-916
Leases with low value (expensed)	-377
Exchange rate effects	-68
Discounting effect	-625
Reported leasing liability in opening balance January 1, 2019	**15 817**

The effects of opening balances for 2019 and the effects in balances and earnings impact for the first six months are presented in the table below.

Consolidated balance sheet - summary

	Effect January - June 2019			OB/CB Analysis		
Tillgångar	2019-06-30 AFTER IFRS 16	2019-06-30 IFRS EFFECT	2019-06-30 BEFORE IFRS 16	Reported balance January 1, 2019	Conversion to IFRS 16	Recalculated balance January 1, 2019
Right of use assets	15 504	-15 504	0	0	16 831	16 831
Deferred tax asset	3 109	-70	3 039	0	0	0
Prepaid expenses	37 768	1 126	38 894	28 903	-1 014	27 889
Total impact assets		**-14 448**			**15 817**	
Equity						
Retained earnings	-45 122	0	-45 122	-45 122	0	-45 122
Net profit/loss	-993	251	-742	0	0	0
Total impact equity		**251**			**0**	
Long term liabilities						
Leasing liabilities	7 902	-7 902	0	0	10 186	10 186
Total impact long term liability		**-7 902**			**10 186**	
Kortfristiga skulder						
Leasingskulder	6 797	-6 797	0	0	5 631	5 631
Summa effekt kortfristiga skulder		**-6 797**			**5 631**	
Summa effekt eget kapital och skulder		**-14 448**			**15 817**	

The new standard requires that all leasing contracts, except for short-term contract and contracts of low value, are reported in the balance sheet as a right of use asset and a leasing liability.

In the income statement, the operational lease payments are replaced by the cost of depreciation of the right of use assets and interest expenses attributable to the leasing liability.

Consolidated statement of comprehensive income - summary

	3 MONTHS APR-JUN 2019 AFTER IFRS 16	3 MONTHS APR-JUN 2019 IFRS 16 EFFECT	3 MONTHS APR-JUN 2019 BEFORE IFRS 16	6 MONTHS JAN-JUN 2019 AFTER IFRS 16	6 MONTHS JAN-JUN 2019 IFRS 16 EFFECT	6 MONTHS JAN-JUN 2019 BEFORE IFRS 16
Operating income	99 671	0	99 671	195 454	0	195 454
Operating costs	-90 031	-1 626	-91 657	-177 692	-3 045	-180 737
Depreciations	-6 324	1 676	-4 648	-12 589	3 208	-9 381
Operating profit	**3 316**	**50**	**3 366**	**5 173**	**163**	**5 336**
Financial items	-1 352	78	-1 274	-3 505	158	-3 347
Profit/loss afer financial items	**1 964**	**128**	**2 092**	**1 668**	**321**	**1 989**
Tax	-1 825	-28	-1 853	-2 661	-70	-2 731
Net profi/loss	**139**	**100**	**239**	**-993**	**251**	**-742**
Profit/loss for the period is attributable to:						
Shareholders in the Parent Company	139	100	239	-993	251	-742

For further description of transition effects and transition rules when applying IFRS 16, see Note 2 in the Group's Annual Report 2018.

Full description of the accounting principles will be given in the annual report for 2019. Otherwise, the same accounting principles and calculation methods have been applied as in the latest published annual report.

No other new standards approved by EU or interpretation statements from IFRS Interpretations Committee are deemed to have significant impact on the Group's financial position.

Note 3 Financial assets and liabilities

	2019-06-30	2018-06-30	2018-12-31
Financial ssets measured at amortized cost (Hold to Collect)			
Trade accounts receivable	54 149	59 740	79 957
Contract assets	19 301	5 575	16 771
Other financial receivables	130	0	274
Cash and cash equivalents	74 783	93 178	83 389
Financial assets	**148 363**	**158 493**	**180 392**
Financial liabilities			
Other financial liabilities valued at amortised cost			
Liabilities to credit institutions	141 291	145 620	156 696
Financial leasing liability	14 699	0	0
Liabilities to related parties	301	297	461
Trade accounts payable	29 978	29 619	37 176
Financial liabilities measured at fair value			
Contingent considerations relating to acquisitions	47 009	55 681	65 111
Financial liabiltities	**233 278**	**231 217**	**259 444**

Contingent considerations	Qyn	LiveQube	Webpro	Totalt
Opening balance 2019-01-01	30 826	3 329	30 956	**65 111**
Exchange rate changes	608	211	1 955	**2 774**
Payment of contingent considerations	-20 876	0	0	**-20 876**
Closing balance 2019-06-30	**10 558**	**3 540**	**32 911**	**47 009**

	Qyn	LiveQube	Webpro	Totalt
Expected payment 2019	0	0	0	**0**
Expected payment 2020	10 558	3 540	32 911	**47 009**
Total expected payment	**10 558**	**3 540**	**32 911**	**47 009**

The liabilities are contingent considerations relating to acquisitions.

No changes have occurred in the interval between the acquisition and payment dates, and the company judges it very likely that the remaining contingent considerations will be paid in 2019 and 2020. The liabilities are measured at fair value and based on the growth in profits in the company in 2019 and 2020. No unrealised gains or losses have been reported in the period in relation to these liabilities in 2019 apart from foreign exchange effects.

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
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 amortisation 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.
Contracted services (recurring)	Contractual 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.
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.
Equity ration	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

CONTRACTED SERVICES (RECURRING)

(TSEK)	APR-JUNE 2019	APR-JUNE 2018	JAN-JUNE 2019	JAN-JUNE 2019	ROLLING 12 MONTHS Q3 2018 - Q2 2019	JAN-DEC 2018
License income	27 001	16 422	50 387	31 378	98 974	79 965
Support and other contractual services	5 544	5 568	13 711	11 744	23 909	21 942
Total recurring income	**32 545**	**21 990**	**64 098**	**43 122**	**122 883**	**101 907**

GROSS MARGIN

(TSEK)	APR-JUNE 2019	APR-JUNE 2018	JAN-JUNE 2019	JAN-JUNE 2019	ROLLING 12 MONTHS Q3 2018 - Q2 2019	JAN-DEC 2018
Net sales	97 443	90 755	190 750	155 793	439 058	404 101
Total income	**97 443**	**90 755**	**190 750**	**155 793**	**439 058**	**404 101**
Operating expenses						
Goods for resale	-45 052	-45 196	-89 446	-70 829	-238 038	-219 421
Gross profit	**52 391**	**45 559**	**101 304**	**84 964**	**201 020**	**184 680**
Gross margin (%)	**53,8**	**50,2**	**53,1**	**54,5**	**45,8**	**45,7**

EBITDA

(TSEK)	APR-JUNE 2019	APR-JUNE 2018	JAN-JUNE 2019	JAN-JUNE 2019	ROLLING 12 MONTHS 3 2018 - Q2 201	JAN-DEC 2018
Operating profit	3 316	6 602	5 173	9 134	25 590	29 551
Depreciation and amortisation	6 324	4 435	12 589	8 779	22 414	18 604
EBITDA	**9 640**	**11 037**	**17 762**	**17 913**	**48 004**	**48 155**
EBITDA-margin (%)	**9,9**	**12,2**	**9,3**	**11,5**	**10,9**	**11,9**

OPERATING MARGIN

(TSEK)	APR-JUNE 2019	APR-JUNE 2018	JAN-JUNE 2019	JAN-JUNE 2019	ROLLING 12 MONTHS 3 2018 - Q2 201	JAN-DEC 2018
Net sales	97 443	90 755	190 750	155 793	439 058	404 101
Operating profit	3 316	6 602	5 173	9 134	25 590	29 551
Operating margin (%)	3,4	7,3	2,7	5,9	5,8	7,3

EQUITY PER SHARE

	2019-06-30	2018-06-30	2018-12-31
Equity (TSEK)	321 020	258 663	271 458
Total ordinary shares at end of period	26 275 044	24 035 312	24 143 717
Equity per share (SEK)	12,22	10,76	11,24

EQUITY RATIO

	2019-06-30	2018-06-30	2018-12-31
Equity	321 020	258 663	271 458
Totalt assets	639 656	562 717	632 227
Equity ratio (%)	50,2	46,0	42,9

About ZetaDisplay

ZetaDisplay is a full-service supplier of communication solutions designed to influence behaviour in a physical shop or office environment. The company's business is based on a deep understanding of human behaviour in decision-making situations. We deliver our insights with the support of a smart technical platform which generates engaging digital display solutions. Our total offering encompasses strategy, planning, software, hardware, installation and content production, analysis, technical support and services.

ZetaDisplay has its registered office in Malmö. The company generates revenues of MSEK 400 and employs 140 staff at eight offices in six European countries. In total, the company handles 50,000 installations on 50 markets. The share is listed on Nasdaq Stockholm [ZETA].

More information at www.zetadisplay.com