



ZetaDisplay: Enters into an agreement to purchase the Dutch company QYN BV

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This is a translation of a previous press release communicated on October 24th at 22:55.

Summary

ZetaDisplay AB ("ZetaDisplay" or the "Company") has entered into an agreement to acquire all of the shares in the Dutch company QYN BV ("QYN") for a purchase price of SEK 83.3 million, to be paid in cash, plus payment for net cash of approximately SEK 4.4 million and a possible supplementary purchase price, not to exceed SEK 53.2 million. In order to finance the acquisition, ZetaDisplay's board intends, in a decision taken on 25 October 2017 (as announced in a separate press release) to decide on a private placement of ordinary shares corresponding to approx. SEK 80 million, pursuant to authorisation granted by the annual general meeting on 22 May 2017.

QYN is the largest and leading provider of Digital Signage in Holland and operates throughout the Benelux region.

- In 2016, QYN recorded sales of SEK 55.0 million with an EBITDA of SEK 10.4 million.
- Had QYN been consolidated as per 30 June 2017, the new group, including ProntoTV, Seasam Oy and LiveQube AS, would, during the most recent rolling 12 months (LTM) have had sales of approximately SEK 283 million with an operating EBITDA of SEK million, based on an exchange rate of SEK (9.68) per euro.
- Approximately 37 per cent of QYN's sales in 2016 comprised recurring revenues and, according to ZetaDisplay, QYN is considered to demonstrate strong growth and profitability in the coming years.
- The acquisition of QYN will take place through ZetaDisplay acquiring all shares in QYN in exchange for a cash payment of SEK 83.3 million plus payment for net cash of approximately SEK 4.4 million. Provided certain defined result-related thresholds are achieved for each of the years 2017-2019, a supplemental purchase price not exceeding SEK 53.2 million will be paid. ZetaDisplay is entitled to pay up to SEK 9.7 million of the purchase price in the form of ordinary shares in ZetaDisplay.
- It is intended that the acquisition be financed through a private placement of ordinary shares corresponding to approximately SEK 80 million, to a limited group of Swedish and Nordic institutional investors. It is intended that the issue will be decided upon by the board of the Company on 25 October 2017 and will be published separately.
- Closing of the acquisition is expected to take place during the month of November and the acquisition is to be seen as part of ZetaDisplay's growth strategy for taking an active part in the ongoing consolidation of the Digital Signage industry in Europe.

Background to the acquisition of QYN

ZetaDisplay's ambition is to continue to carry out acquisitions in accordance with an adopted growth strategy and to actively take part in the ongoing consolidation of the Digital Signage industry in Europe. Through the acquisition, the Company is further strengthening its position on the local market in Holland and the Benelux region, as well as on the European market. The acquisition will facilitate a broader offering and may allow for commercial scalability within the service offering.

QYN is Holland's largest and leading supplier of Digital Signage with long experience in the industry and some thirty employees. The customer base includes, among others, ING Bank, SNS bank, PricewaterhouseCoopers (PwC), KPN, Intersport, Randstad, Total, Amsterdam RAI, Luxaflex, etc. Together with ZetaDisplay's current presence in Holland and the Benelux region, the amalgamated operations will be in an even more leading position with a very strong customer base.

"The acquisition of QYN is in line with ZetaDisplay's strategy of, with good profitability, taking part in the ongoing consolidation in the industry. Based on our European platform, we will continue the expansion

and exploit economies of scale in order to achieve gradually higher earnings capacity and increased profitability. QYN is expected to demonstrate strong growth and contribute with continued high profitability to the group going forward," says Leif Liljebrunn, CEO of ZetaDisplay.

In 2016, QYN had sales of approximately SEK 55.0 million with an EBITDA of SEK 10.4 million, operating earnings of SEK 4.8 million and a balance sheet total of SEK 30.1 million.

"Over a long period of time, QYN has built up a strong position on the market in Holland and the Benelux region with an attractive offering to a broad customer base. It is in QYN's interests and those of its customers to consolidate two companies with unique offerings in order to develop into an even stronger full-service provider with an international presence. Together with ZetaDisplay, this will become a reality and we are able to offer complete solutions at the cutting edge of technology to existing and new customers," says Hans-Christiaan de Vaan, one of the founders of QYN.

The ZetaDisplay group including QYN

Had QYN been consolidated as of 30 June 2017, the new group, including ProntoTV, Seasam Oy and LiveQube AS, would have had sales of approximately SEK 283 million and an operating EBITDA of SEK 50 million during the most recent rolling 12 months (LTM), based on an exchange rate of SEK (9.68) per euro.

Rolling 12 months (LTM) as of 30 June 2017

Sales	SEK 283 million
Operating EBITDA *	SEK 50 million
Operating EBITDA margin *	17.6%
Operating earnings *	SEK 40 million
Operating margin *	14.1%
Gross margin in %	56%

The purpose of the above information is to present the hypothetical impact which the acquisition and the financing would have had on the ZetaDisplay group's consolidated income statement, rolling 12 months (LTM) as of 30 June 2017.

*) Excluding costs related to the ongoing listing process on Nasdaq Stockholm's main market (SEK 5.3 million) as well as acquisition costs related to the acquisitions of ProntoTV, Seasam Oy and LiveQube AS (SEK 5.4 million), in total SEK 10.7 million.

Implementation of the acquisition of QYN

The acquisition of QYN is taking place through ZetaDisplay acquiring all shares in QYN in exchange for a cash payment amounting to SEK 83.3 million, plus payment for net cash of approximately SEK 4.4 million. Provided certain defined thresholds with respect to earnings are met for each of the years 2017-2019, a supplemental purchase price may be paid not exceeding SEK 53.2 million. Closing and vesting of the shares in QYN is expected to take place during November 2017. Closing is conditional on ZetaDisplay receiving full financing for the acquisition.

Financing of the acquisition of QYN

The board of ZetaDisplay intends, on 25 October 2017 (in accordance with a separate press release) to decide upon a private placement of ordinary shares corresponding to approximately SEK 80 million, pursuant to authorisation granted by the annual general meeting on 22 May 2017.

ZetaDisplay is entitled to pay up to SEK 9.7 million of the purchase price in the form of ordinary shares in ZetaDisplay, which will be issued to the seller. The purchase price for such payment in shares will be calculated as the volume-weighted average price on Nasdaq First North Premier during a period of 30 days prior to the date of the vesting of the shares in QYN, with a discount of 9.6 per cent.

Adviser

ABG Sundal Collier is financial adviser to ZetaDisplay. Fredersen Advokatbyrå and Heussen are acting as legal advisers to ZetaDisplay in connection

with the acquisition.

In the event of any questions, please contact:

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About ZetaDisplay

ZetaDisplay is a leading supplier of Digital Signage to major retail chains and the service industry on the European market. Its headquarters are located in Sweden with sales offices in Denmark, Norway, Finland, Estonia and the Netherlands. Since April 2011, the company's shares have been traded on NASDAQ First North Premier under the ticker name ZETA. The Certified Adviser is Erik Penser Bankaktiebolag. More information is available at <http://www.zetadisplay.com>.

About Digital Signage and multichannel communications

ZetaDisplay defines Digital Signage as systems for advertising, profiling and store communications which convey sound, images and films at shops and in public environments. Solutions based on digital screens are a large part of the market, but the trend is towards utilizing ever more digital channels in order to communicate offers and other information to customers. This involves solutions which are integrated with social media and websites, as well as applications for smart mobile telephones and tablets which create interactivity with the customer. The development is also towards integrating solutions with the cashier systems of the store chains for automatic price updates and automatic replacement of messages on the digital screens.