

Alpha Acquisition AB announces a recommended cash offer to the shareholders in ZetaDisplay AB

Hanover Active Equity Fund II S.C.A. SICAV-RAIF ("the Hanover Fund")^[1], through Alpha Acquisition AB^[2] ("Alpha Acquisition" or the "Offeror"), in accordance with Nasdaq Stockholm's takeover rules and the Swedish Act on Public Takeovers on the Stock Market (Sw. lag (2006: 451) om offentliga uppköpserbudanden på aktiemarknaden) (the "Takeover Rules"), hereby announces a recommended cash offer to the shareholders in ZetaDisplay AB (publ) ("ZetaDisplay" or the "Company") to acquire all shares in ZetaDisplay at a price per share of SEK 27 (the "Offer"). ZetaDisplay's ordinary shares are listed on Nasdaq Stockholm, Small Cap, under the ticker symbol "ZETA". As of the date of the announcement of the Offer, ZetaDisplay has no outstanding preference shares.

The Offer in brief

- All shareholders in ZetaDisplay are offered SEK 27 in cash per share in the Company less the shares held by Alpha Acquisition or the Hanover Fund (the "**Offer Price**"). The total value of the Offer based on all shares in ZetaDisplay, less the shares held by the Hanover Fund,^[3] amounts to SEK 710,137,584.^[4]
- The Offer is fully financed through equity from the Hanover Fund.
- The Offer represents a premium of:
 - 68 per cent for the shares in ZetaDisplay in relation to the closing price for ZetaDisplay's ordinary shares on Nasdaq Stockholm on 30 March 2021, which was the last day of trading prior to ZetaDisplay's announcement of a review of strategic alternatives for ZetaDisplay;
 - 27 per cent for the shares in ZetaDisplay in relation to the closing price for ZetaDisplay's ordinary shares on Nasdaq Stockholm on 24 June 2021, which was the last day of trading prior to the announcement of the Offer; and
 - 47 per cent for the shares in ZetaDisplay in relation to the volume weighted average price for ZetaDisplay's ordinary shares on Nasdaq Stockholm during a period of 180 trading days prior to the announcement of the Offer.
- As of the date of the announcement of the Offer, the Hanover Fund holds a total of 982,916 ordinary shares in ZetaDisplay, corresponding to approximately 3.6 per cent of the shares and votes in ZetaDisplay.
- Neither Alpha Acquisition nor any of its affiliated parties have acquired shares in ZetaDisplay for a price exceeding the price in the Offer during the six months prior to the announcement of the Offer, nor hold any other financial instruments resulting in a financial exposure comparable to owning shares in ZetaDisplay.

- The bid committee, consisting of the board members Ingrid Jonasson Blank, Mats Leander, Finn Følling and Trond Gunnar Christensen (the "**Bid Committee**") appointed to represent the Company in connection with the Offer has unanimously recommended the shareholders of the Company to accept the Offer, based on, *inter alia*, a fairness opinion from Ernst & Young AB ("**EY**") according to which the Offer is fair to the shareholders of ZetaDisplay from a financial point of view.
- Shareholders in ZetaDisplay, including shareholders Nidoco AB, Ningamma AB, Abrax As Holding AB, Mats Johansson, Anders Moberg and Wealins S.A (the "**Shareholders**"), representing approximately 39.7 per cent of the shares and votes in the Company, have unconditionally and irrevocably undertaken to accept the Offer, irrespective of whether or not a higher competing offer is made. In addition, Alpha Acquisition has an agreement with each of the aforementioned Shareholders to buy the aforementioned shares in the Company for the Offer Price if Alpha Acquisition announces the Offer and such shares are put to Alpha Acquisition.
- The total number of shares held by the Hanover Fund, together with shares covered by irrevocable undertakings, correspond in total to approximately 43.3 per cent of the shares and votes in ZetaDisplay.
- The acceptance period of the Offer is expected to commence on 16 July 2021 and end on 3 September 2021.
- The Offer does not include share warrants held by subsidiaries of ZetaDisplay or by participants in ZetaDisplay's incentive programs. Alpha Acquisition will offer the participants in the programs a fair treatment in connection with the Offer.
- Following the end of the acceptance period, Alpha Acquisition intends to request that the Board of Directors of ZetaDisplay convenes an extraordinary general meeting to resolve on changes to the Board of Directors of ZetaDisplay. In the event that Alpha Acquisition obtains more than 90 per cent of the outstanding shares in ZetaDisplay, Alpha Acquisition intends to initiate a compulsory acquisition procedure (Sw. *tvångsinlösen*) with respect to the remaining shares in ZetaDisplay. In connection therewith, Alpha Acquisition intends to promote the delisting of the ZetaDisplay shares from Nasdaq Stockholm.
- The Offer is unconditional.

Matthew Peacock, Partner at Hanover, commented on behalf of the Offeror:

"We are delighted to be announcing this recommended cash offer for ZetaDisplay. We believe that Hanover is the ideal partner for ZetaDisplay, providing access to expertise and substantial equity funding which we believe will be crucial as the digital signage industry heads into a period of significant change and consolidation. We are excited to work together with the ZetaDisplay management to deliver the next phase of the growth story."

Background to and reasons for the Offer

ZetaDisplay is a full-service supplier of communication solutions designed to influence behaviour in a physical shop, public space or office environment. ZetaDisplay acts based on a deep understanding of human behaviour in decision-making situations, and delivering insights with the aid of a smart technical platform which generates engaging Digital Signage solutions.

Hanover's investment team has followed the ZetaDisplay story since 2018 and support the Company's strategy to be at the forefront of the industry's technological roadmap, further strengthen and develop its product offering, and expand its international footprint through organic and inorganic initiatives. Hanover believes in ZetaDisplay's potential to become the undisputed market leader in European Digital Signage. To achieve this, Hanover expects the Company will require significant capital to ensure the Company leads the sector consolidation currently underway. It is Hanover's belief that the scale of investment required to successfully execute this strategy means the Company would be best served under private ownership backed by a strong financial sponsor with significant funds available to invest, though Hanover is also prepared to run the business as a majority-controlled public company.

Hanover is impressed with, and places great value on, ZetaDisplay's organisation and management team, and expects the Offer to support growth and create long-term positive effects for employees, customers and other stakeholders impacted by the operations of ZetaDisplay. No decisions have been made that are expected to cause the Offer to have an impact on ZetaDisplay's organisation, management team or employees, including their terms of employment or on the locations of ZetaDisplay's operations.

The Offer

Alpha Acquisition offers the shareholders in ZetaDisplay SEK 27 in cash per share in the Company. No commission will be charged in connection with the Offer.

The total number of shares in ZetaDisplay is 27,284,308, all of which are ordinary shares (as of the date of the announcement of the Offer, the Company has no outstanding preference shares). The Offer comprises all shares in ZetaDisplay. The total value of the Offer based on all shares in ZetaDisplay, less the shares held by Alpha Acquisition or the Hanover Fund, amounts to SEK 710,137,584.^[5]

Premium

The Offer represents a premium of 68 per cent for the shares in ZetaDisplay in relation to the closing price for ZetaDisplay's ordinary shares on Nasdaq Stockholm on 30 March 2021, which was the last day of trading prior to ZetaDisplay's announcement of a review of strategic alternatives for ZetaDisplay, 27 per cent for the shares in relation to the closing price for ZetaDisplay's ordinary shares on Nasdaq Stockholm on 24 June 2021, which was the last day of trading prior to the announcement of the Offer and 47 per cent for the shares in relation to the volume weighted average price for ZetaDisplay's ordinary shares on Nasdaq Stockholm during a period of 180 trading days prior to the announcement of the Offer.

Undertakings to accept the Offer

Alpha Acquisition has received unconditional irrevocable undertakings to accept the Offer, irrespective of whether or not a higher competing offer is made, from the following shareholders in ZetaDisplay:

- Nidoco AB, whose total ownership amounts to 3,748,651 ordinary shares, corresponding to approximately 13.7 per cent of the shares and votes in the Company.
- Ningamma AB, whose total ownership amounts to 3,306,641 ordinary shares, corresponding to approximately 12.1 per cent of the total number of shares and votes in the Company.
- Mats Johansson, whose total ownership amounts to 2,059,775 ordinary shares, corresponding to approximately 7.5 per cent of the total number of shares and votes in the Company.
- Wealins S.A, whose total ownership amounts to 1,092,147 ordinary shares, corresponding to approximately 4.0 per cent of the total number of shares and votes in the Company.
- Abrax As Holding AB, whose total ownership amounts to 517,693 ordinary shares, corresponding to approximately 1.9 per cent of the total number of shares and votes in the Company.
- Anders Moberg, whose total ownership amounts to 107,853 ordinary shares, corresponding to approximately 0.4 per cent of the total number of shares and votes in the Company.

The Offeror has thus secured, through unconditional irrevocable undertakings by shareholders to accept the Offer, irrespective of whether or not a higher competing offer is made, acceptances from shareholders representing in total 10,832,760 ordinary shares, corresponding to approximately 39.7 per cent of the total number of shares and votes in the Company. In addition, Alpha Acquisition has an agreement with each of the abovementioned Shareholders to buy the abovementioned shares in the Company for the Offer Price if Alpha Acquisition announces the Offer and such shares are put to Alpha Acquisition.

The irrevocable undertakings further include a right of a profit split entailing that the abovementioned Shareholders, respectively, have a right to receive a profit split amount from Alpha Acquisition, should Alpha Acquisition within 18 months from the settlement date in the Offer sell the shares in ZetaDisplay to a third party (e.g. not including any internal restructurings such as transfers to other entities ultimately controlled by the Hanover Fund or managed by Hanover). Any such profit split shall be equal to 75% of the difference between 110 per cent of the price in the Offer (adjusted for any dividends or value transfers if any) and the higher sale price to a third party. Alpha Acquisition will ensure that all shareholders in ZetaDisplay who sell their shares to Alpha Acquisition in the Offer are treated in accordance with the Takeover Rules.

Fairness opinion

ZetaDisplay has obtained a fairness opinion from the independent financial advisor EY stating that the Offer is fair from a financial point of view to the shareholders of ZetaDisplay.

Recommendation from the Bid Committee of ZetaDisplay

The bid committee, consisting of the board members Ingrid Jonasson Blank, Mats Leander, Finn Følling and Trond Gunnar Christensen (the "**Bid Committee**"), appointed to represent the Company in connection with the Offer, has unanimously recommended the shareholders of the Company to accept the Offer. The recommendation will be published in a separate press release from the ZetaDisplay Board of Directors today.

Alpha Acquisition's and its closely related person's shareholding in ZetaDisplay

Alpha Acquisition's closely related person the Hanover Fund, as of the date of the announcement of the Offer, owns 982,916 ordinary shares, corresponding to approximately 3,6 per cent of the shares and votes in the Company.

During the acceptance period of the Offer, the Offeror may acquire, or enter into arrangements to acquire, shares in ZetaDisplay. All such purchases or arrangements will be in accordance with the Takeover Rules and Swedish law and be disclosed in accordance with applicable rules.

Description of Alpha Acquisition and the financing of the Offer

Alpha Acquisition is a newly formed company controlled by the Hanover Fund. Alpha Acquisition, with corporate registration number 559231-3802, is domiciled in Sweden, with its registered seat in Stockholm. Alpha Acquisition was founded on 5 December 2019 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 12 December 2019. Alpha Acquisition has never conducted and, at present, does not conduct any business, and its sole purpose is to own shares in ZetaDisplay, to execute the Offer and to complete the Offer and the potential subsequent de-listing of the ordinary shares in ZetaDisplay from Nasdaq Stockholm.

The Offer is not subject to any financing conditions. The Offer is fully financed through equity from the Hanover Fund.

Due diligence

In connection with the preparations for the Offer, Hanover has, on behalf of Alpha Acquisition, conducted a limited due diligence review of confirmatory nature regarding certain commercial, financial, legal and other information in relation to ZetaDisplay, and in connection therewith met with the Company's management team. ZetaDisplay has confirmed that no information that could reasonably be expected to affect the price of the Company's shares, and that has not been published as of the date of the announcement of the Offer, has been disclosed to Hanover in connection with the due diligence review.

Share warrants granted by ZetaDisplay to participants in ZetaDisplay's incentive programs

The Offer does not include share warrants held by subsidiaries of ZetaDisplay or by participants in ZetaDisplay's incentive programs. Alpha Acquisition will offer the participants in the programs a fair treatment in connection with the Offer.

Preliminary timetable

- Publication of offer document: on or about 15 July 2021
- Acceptance period: on or about 16 July 2021 – 3 September 2021
- Settlement date: on or about 10 September 2021

The Offeror reserves the right to extend the acceptance period as well as the right to defer the date for settlement. However, any extension of the acceptance period for the Offer will not delay settlement in respect of the shareholders that have already accepted the Offer during the course of the acceptance period.

Conditions for the completion of the Offer

Completion of the Offer is not subject to any conditions.

Changes to the ZetaDisplay Board, compulsory acquisition and de-listing

Following the end of the acceptance period, Alpha Acquisition intends to request that the Board of Directors of ZetaDisplay convenes an extraordinary general meeting to resolve on changes to the Board of Directors of ZetaDisplay.

In the event that Alpha Acquisition obtains more than 90 per cent of the outstanding shares in ZetaDisplay, Alpha Acquisition intends to initiate a compulsory acquisition procedure under the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) with respect to the remaining shares in ZetaDisplay. In connection therewith, Alpha Acquisition intends to promote the de-listing of the ZetaDisplay shares from Nasdaq Stockholm.

Important information about LEI and NID at acceptance

According to MiFID II and starting from 3 January 2018, all investors must have a global identification code in order to conduct a securities transaction. These regulations require legal entities to apply for registration of a LEI code (Legal Entity Identifier code) and natural persons need to find their National ID or NID number (National Client Identifier number) in order to accept the Offer. Please note that it is the shareholder's legal status that determines whether a LEI code or NID number is required, and that the issuing agent may be prevented from performing the transaction on behalf of the person in question if a LEI code or NID number (as applicable) is not provided.

Legal persons who need to obtain a LEI code may contact one of the suppliers available on the market. Through the following link, approved institutions for the global LEI system can be found: www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations.

As for natural persons who only have Swedish citizenship, the NID number consists of the designation "SE" followed by the person's social security number. If the person in question has a citizenship other than Swedish, or multiple citizenships, the NID number may be any other type of number.

Apply for registration of a LEI code (legal persons) or find out the NID number (natural persons) well in advance, as this information is required in the application form in connection with acceptance of the Offer.

Applicable law and disputes

The Offer, and the agreements entered into between Alpha Acquisition's and ZetaDisplay's shareholders, as a result of the Offer, shall be governed by and construed in accordance with the laws of Sweden. The courts of Sweden shall have exclusive jurisdiction over any dispute arising out of or in connection with the Offer and the Stockholm District Court (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

For the Offer, the Takeover Rules and the Swedish Securities Council's rulings regarding the interpretation and application of the Takeover Rules and, where applicable, the Swedish Securities Council's interpretation and application of the formerly applicable Rules on Public Offers for the Acquisition of Shares issued by the Swedish Industry and Commerce Stock Exchange Committee (Sw. *Näringslivets Börskommitté*) apply. Furthermore, Alpha Acquisition has, in accordance with the Swedish Act on Public Takeovers on the Stock Market (Sw. *lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), on 24 June 2021 contractually undertaken, in writing, towards Nasdaq Stockholm AB ("**Nasdaq**") to comply with said rules and statements and to submit to any sanctions that can be imposed by Nasdaq in the event of a breach of the Takeover Rules. Today, Alpha Acquisition informed the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) about the Offer and the abovementioned undertaking towards Nasdaq.

Advisors

White & Case is legal advisor to Alpha Acquisition in connection with the Offer.

Stockholm, 28 June 2021

Alpha Acquisition AB

The Board of Directors

The information in this press release has been published by Alpha Acquisition AB in accordance with the Takeover Rules. The press release was submitted for publication on 28 June 2021 at 08:00 (CET).

For additional information:

For additional information about the Offer, please see: <https://www.hanoverinvestors.com/microsite-disclaimer-ensw>.

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Hanover in brief

Founded in 2002, Hanover is a private equity investor operating primarily on public markets. Hanover typically seeks to acquire public companies where growth would be better supported in a private, unlisted environment.

Hanover believes in working closely with management to catalyse change, and actively engages with portfolio companies at board level. Hanover Operating Management does also provide specialist support to management teams.

Hanover currently manages funds with over GBP 300 million in capital, with a focus on UK and Nordic listed small and mid-cap companies across a breadth of industries and stages of growth.

More information about Hanover: www.hanoverinvestors.com.

ZetaDisplay in brief

ZetaDisplay is a full-service supplier of communication solutions designed to influence behavior in a physical shop, public space or office environment. ZetaDisplay acts based on a deep understanding of human behavior in decision-making situations and deliver its insights with the aid of a smart technical platform which generates engaging Digital Signage solutions. The company is headquartered in Malmö, Sweden and is listed on Nasdaq Stockholm, Small Cap, (**ZETA**).

More information about ZetaDisplay: www.zetadisplay.com

Important information

The Offer is not being made to persons whose participation in the Offer requires that any additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish law. This press release and any documentation relating to the Offer are not being distributed and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country – any such action will not be permitted or sanctioned by Alpha Acquisition. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

The Offer is not being made, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, New Zealand, South Africa, Switzerland or the United States of America by use of mail or any other means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the Internet) of interstate or foreign commerce, or of any facility of national security exchange, of Australia, Canada, Hong Kong, Japan, New Zealand, South Africa, Switzerland or the United States of America, and the Offer cannot be accepted by any such use, means, instrumentality or facility of, or from within, Australia, Canada, Hong Kong, Japan, New Zealand, South Africa, Switzerland or the United States of America. Accordingly, this press release and any documentation relating to the Offer are not being and should not be mailed or otherwise distributed, forwarded or sent into Australia, Canada, Hong Kong, Japan, New Zealand, South Africa, Switzerland or the United States of America. Alpha Acquisition will not deliver any consideration from the Offer into Australia, Canada, Hong Kong, Japan, New Zealand, South Africa, Switzerland or the United States of America.

Statements in this press release relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and the other benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "intends", "expects", "believes", or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Alpha Acquisition and ZetaDisplay.

[1] An investment fund managed by Hanover Investors Malta Limited ("**Hanover**").

[2] A company indirectly controlled by Hanover.

[3] As of the date of the announcement of the Offer, the Hanover Fund holds 982,916 ordinary shares in ZetaDisplay.

[4] If ZetaDisplay pays dividend or makes any other value transfer to its shareholders for which the record date falls prior to settlement of the Offer, the Offer Price will be reduced accordingly.

[5] If ZetaDisplay pays a dividend or makes any other value transfer to its shareholders for which the record date falls prior to settlement of the Offer, the Offer Price will be reduced accordingly.

Press Release
28 June 2021 08:00:00 CEST

Attachments

[Alpha Acquisition AB announces a recommended cash offer to the shareholders in ZetaDisplay AB](#)