

ZignSec completes the acquisition of 70 percent of BASIS ID Group, which was announced through a press release on 31 August 2020

ZignSec AB (publ) ("ZignSec" or "the Company"), has today completed the acquisition of 70 percent of the shares in the Singaporean companies Data Depot Engineering Pte Ltd. and Data Depot Asia Pte Ltd. as well as the Estonian company DataDepot OÜ ("BASIS ID Group"), which was announced through a press release on 31 August 2020 (the "Transaction"). The purchase price amounted to USD 1.2 million, equivalent to SEK 10,392,000 (according to the exchange rate as of 28 August 2020).

Completion of the Transaction

The Transaction was paid partly with 296,913 shares in ZignSec (calculated below) equivalent to a value of USD 600,000 USD (SEK 5,196,000) (the "**Consideration Shares**"), and partly with a cash payment of USD 600,000 (SEK 5,196,000).

The board of directors of ZignSec has, pursuant to the authorization granted by the annual general meeting on 22 May 2020, decided to issue the Consideration Shares at a price of SEK 17.50, which equals the volume weighted average price on Nasdaq First North Growth Market for the twenty consecutive trading days preceding and including 28 August 2020. By issuing the Consideration Shares, the number of shares and votes increase by 296,913. The share capital increases by approximately SEK 11,766.69.

Following completion of the Transaction, the sellers of BASIS ID Group will hold approximately 1.33 percent of the outstanding shares and votes in ZignSec. 25 percent of the Consideration Shares will be subject to a 3-month lock-up and 75 percent subject to a 1-year lock-up from the date of completion of the Transaction.

As previously announced, the Transaction also includes a call option for ZignSec to acquire the remaining 30 percent of the shares in BASIS ID Group (the "**Call Option**"). The Call Options exercise price equals the highest of USD 1 million and 1x of the net sales of the company during a period consisting of the last 12 months. The exercise period runs from closing of the Transaction to 31 December 2023.

Advisers

Eversheds Sutherland (Stockholm, Tallinn and Singapore) is acting as legal adviser to ZignSec in connection with the Transaction.

For further information, please contact:

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About ZignSec AB

ZignSec is a RegTech company that develops and operates a technical platform that has different types of ID verification methods in one place. The methods are used by companies to quickly and safely identify online customers in real time. The company's customers operate in various industries where identification is important, with the greatest concentration in financial services and iGaming.

Nasdaq First North (ZIGN)

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Attachments

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