

# ZignSec carries out a directed issue of shares and warrants of approximately SEK 8.6 million and thereby secures financing for 2024

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**ZignSec AB (publ) ("ZignSec" or the "Company") has, in accordance with the intention announced by the Company through a press release earlier today, on 27 November 2023, resolved on a directed issue of a total of 15,718,000 new shares and 15,718,000 warrants series TO1 (the "Directed Issue"). The issue resolution regarding shares was made on the basis of the authorisation from the annual general meeting 2023. The issue resolution regarding warrants was made by the board of directors subject to the subsequent approval of the general meeting. The subscription price in the directed issue of shares has been set at SEK 0.55 per share, through an accelerated bookbuilding procedure carried out by Vator Securities AB. Notice of the Extraordinary General Meeting will be published in a separate press release.**

## **The Directed Issue**

The board of directors of ZignSec has resolved on a directed issue of shares and warrants series TO1 in order to finance growth outside Europe by expanding the Company's market presence in Asia Pacific and South America. The Directed Issue consists of 15,718,000 new shares and 15,718,000 warrants series TO1. The Directed Issue has been subscribed for by a number of Swedish professional investors, including the current shareholders Alexander Albedj who participates with SEK 2.8 million, JEQ Capital AB ([www.jeqcapital.se](http://www.jeqcapital.se)) that participates with SEK 1.5 million, and Sandante Invest AB that participates with SEK 1 million, as well as the new investors JJV Investment Group that participates with SEK 1 million and Jinderman & Partners that participates with SEK 0.7 million ([www.jinderman.se](http://www.jinderman.se)).

The subscription price in the Directed Issue amounts to SEK 0.55 per share and has been determined through an accelerated bookbuilding procedure carried out by Vator Securities AB. The subscription price corresponds to a discount of approximately 22 percent in relation to the volume weighted average price (VWAP) of the Company's share on Nasdaq First North Growth Market during the last ten trading days up to and including 27 November 2023. In relation to the last closing price of the Company's share on Nasdaq First North Growth Market, the subscription price corresponds to a discount of approximately 0 percent. In order to facilitate the completion of

the share part of the Directed Issue, the new shares have initially been subscribed for by Vator Securities AB as issuing agent at an amount corresponding to the quota value of the shares, for transfer to the final investors at the price of SEK 0.55 per share, which is ultimately allocated to the Company. The warrants are issued free of charge.

The decision to issue shares has been made on the basis of an authorisation from the annual general meeting 2023 in the Company. The issue decision regarding warrants has been decided by the board of directors subject to the subsequent approval of the general meeting.

Warrants of series TO 1 give the right to subscribe for a total of maximum 15,718,000 new shares. Each warrant shall entitle the holder to subscribe for one new share during the period 12 May 2025 up to and including 23 May 2025 against cash payment of an amount corresponding to the lowest of (i) SEK 1.00 and (ii) the lowest subscription price applied in any new share issues carried out by the Company during the term of the warrants, but not less than the quota value of the share. In the event that all warrants of series TO 1 are utilised for subscription, the Company will receive approximately SEK 15.7 million. The warrants are subject to customary recalculation conditions.

*'I am very pleased that ZignSec has managed to raise 8,6 MSEK through a directed issue of shares and warrants. This capital injection broadens our shareholder base and secures funding for the whole of 2024 and supports our growth plans. It has been an intense 2023 for Zignsec and we are now fully funded for 2024 where our focus is on creating shareholder value and growth. Our segment is growing rapidly and we are well positioned to grow in many markets.*

*We appreciate the commitment of our shareholders, both existing and new, and look forward to achieving new milestones together. We have an exciting year ahead of us." - Glenn Mac Donald, CEO of ZignSec AB (publ)*

## Considerations

Prior to the decision on the Directed Issue, the board of directors has carefully considered alternative financing solutions, including the conditions for carrying out a rights issue. However, the board of directors has found, on an overall assessment and after careful consideration, that an issue with deviation from the shareholders' preferential rights is the most favourable for the Company and its shareholders. A rights issue would, according to the board of directors' assessment, be significantly more costly for the Company and take significantly longer to implement. Furthermore, a rights issue would, in the board's assessment, have to be carried out at a lower issue price and entail an increased exposure to potential market volatility compared to a directed issue. In this regard, the Board of Directors has also taken into account previously completed rights issues and their outcomes. In view of the above, the Board of Directors has made the assessment that the Directed Issue with deviation from the shareholders' preferential rights is the most favourable alternative for ZignSec to finance the planned growth outside Europe.

As the subscription price in the Directed Issue has been determined through an accelerated bookbuilding procedure, the Board of Directors assesses that the subscription price is market-based and reflects current market conditions.

## Extraordinary General Meeting

The resolution to issue warrants is subject to approval by the Extraordinary General Meeting and requires an increase in the limits of the share capital and the number of shares in accordance with the Company's Articles of Association. Notice of the Extraordinary General Meeting will be published in a separate press release.

## Number of shares, share capital and dilution

Through the Directed Share Issue, the number of shares will initially increase by 15,718,000 from 73,661,981 to 89,379,981 shares. The share capital increases by approximately SEK 622,905.72 from SEK 2,919,230.778 to approximately SEK 3,542,136.50. The dilution for existing shareholders amounts to approximately 17.59 per cent. Upon full exercise of warrants series TO 1, the number of shares will increase by a further 15,718,000 resulting in a further dilution for existing shareholders of approximately 15 per cent.

## Lock-up commitments

Prior to the completion of the Directed Share Issue, some of the Company's board of directors and senior executives with holdings of financial instruments in the Company have entered into lock-up undertakings which, among other things, means that they have, with certain customary exceptions, undertaken not to sell financial instruments in the Company for a period up to 90 days after the announcement of the Directed Share Issue.

## Counsellors

Vator Securities AB is sole global coordinator and bookrunner and Eversheds Sutherland Advokatbyrå AB is legal advisor to ZignSec in connection with the Directed Issue. Vator Securites AB acts as issuing agent.

## For more information, please contact

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## About ZignSec

ZignSec is a technology group in the rapidly growing RegTech industry. The company provides a SaaS platform with real-time digital customer knowledge and ID verification solutions with global reach. The solutions are used by companies who in turn can optimise their processes to "onboard" both business customers and consumers while ensuring compliance with ever-changing local and global regulatory requirements for Know Your Customer (KYC) and Anti Money Laundering (AML).

Nasdaq First North Ticker Symbol: ZIGN

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THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER") OR (II) PERSONS OF HIGH NET WORTH REFERRED TO IN ARTICLE 49(2)(A) TO (D) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS NOTICE RELATES IS AVAILABLE IN THE UNITED KINGDOM ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. PERSONS WHO ARE NOT RELEVANT PERSONS SHOULD NOT TAKE ANY ACTION BASED ON THIS ANNOUNCEMENT AND SHOULD NOT ACT OR RELY ON IT.

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### **INFORMATION TO DISTRIBUTORS**

IN ORDER TO FULFIL THE PRODUCT GOVERNANCE REQUIREMENTS CONTAINED IN: (A) DIRECTIVE 2014/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON MARKETS IN FINANCIAL INSTRUMENTS, AS CONSOLIDATED, ("MIFID II"); (B) ARTICLES 9 AND 10 OF COMMISSION DELEGATED DIRECTIVE (EU) 2017/593, WHICH COMPLEMENTS MIFID II; AND (C) NATIONAL IMPLEMENTING MEASURES (TOGETHER, THE "MIFID II PRODUCT GOVERNANCE REQUIREMENTS") AND TO DISCLAIM ANY EXTRA-CONTRACTUAL, INTRA-CONTRACTUAL OR OTHER LIABILITY TO WHICH ANY "MANUFACTURER" (WITHIN THE MEANING OF THE MIFID II PRODUCT GOVERNANCE REQUIREMENTS) MAY OTHERWISE BE SUBJECT, THE OFFERED SHARES HAVE BEEN SUBJECT TO A PRODUCT APPROVAL PROCESS, WHICH HAS DETERMINED THAT THESE SECURITIES ARE: (I) SUITABLE FOR A TARGET MARKET CONSISTING OF RETAIL INVESTORS AND INVESTORS WHO FULFIL THE CRITERIA FOR PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES, AS DEFINED IN MIFID II; AND (II) SUITABLE FOR DISTRIBUTION THROUGH ALL DISTRIBUTION CHANNELS PERMITTED UNDER MIFID II (THE "TARGET MARKET ASSESSMENT"). NOTWITHSTANDING THE TARGET MARKET ASSESSMENT, DISTRIBUTORS SHOULD NOTE THAT: THE PRICE OF THE COMPANY'S SHARES OR WARRANTS MAY FALL AND INVESTORS MAY LOSE ALL OR PART OF THEIR INVESTMENT; THAT THE

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*This information is information that ZignSec is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-11-27 23:45 CET.*

## **Attachments**

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[ZignSec carries out a directed issue of shares and warrants of approximately SEK 8.6 million and thereby secures financing for 2024](#)