

Precise acquires EastCoast Solutions accelerating SaaS business area Digital Identity

Precise Biometrics AB (publ) (“Precise” or the “Company”) announced today the acquisition of the leading Swedish visitor management system provider EastCoast Solutions. The acquisition accelerates Precise’s SaaS (Software-as-a-Service) business area Digital Identity and increases recurring revenue streams. Precise’s offering within Digital Identity will be complemented by EastCoast Visit, EastCoast Solutions’ leading visitor management system that is used by over 600 clients world-wide, significantly strengthening Precise’s position within the field of physical access and stimulating additional growth opportunities through cross-selling activities. The purchase price amounts to SEK 80 million on a cash and debt free basis and will be paid through a combination of cash and 6,982,473 newly issued shares in Precise. EastCoast Solutions had revenues of approximately SEK 16.8 million, with 76 percent being recurring revenues, and with an EBITDA-margin of 17.4 percent, during the last twelve months (LTM) as of 30 September 2021.

Following the acquisition, Precise will increase its recurring SaaS-revenues and extensive technology know-how in the field of physical access. Additionally, Precise will gain access to a wide and solid client base where Precise intends to make use of the opportunity for additional sales and increased revenue by adding products based on biometrics to the current offering. EastCoast Solutions holds the position as the largest visitor management system provider in Sweden with a strong track record of profitable growth. The company’s product EastCoast Visit is a modern, secure, and convenient visitor management system for enterprises in all sizes. EastCoast Solutions’ client portfolio includes over 600 companies across various sectors, including some of the world’s largest corporations such as EY, Bosch and SSAB.

Precise’s CEO Stefan K. Persson commented: “Precise has been a technology frontrunner and innovator for decades. During recent years, we have expanded our offering significantly, introducing new biometrical applications to penetrate new end-markets in need of convenient identification and increased security.”

He continued: “We are very happy to acquire EastCoast Solutions, a profitable and growing SaaS-company with an exceptional track-record. Precise’s and EastCoast Solutions’ offerings will combined be very attractive and powerful, and we see significant cross-selling opportunities in offering YOUNiQ to EastCoast Solutions’ customers and EastCoast Visit to Precise’s customers.”

Precise’s Chairman of the Board, Torgny Hellström, commented: “The acquisition of EastCoast Solutions provides us with a solid foundation to continue building a leading SaaS company with innovative global biometric offerings. Precise will continue to identify acquisitions to add proven technology and domain expertise in new verticals to increase market share and its geographical footprint, as well as to boost SaaS-sales.”

On completion of the acquisition, EastCoast Solutions will become a wholly owned subsidiary of Precise. EastCoast Solutions' employees will remain in the company and the founders of EastCoast Solutions, Richard Skalsky and Martin Sjöberg, will continue to be involved in the operations as employees of the Precise group and support Precise in the integration of the businesses.

EastCoast Solutions' CEO Richard Skalsky commented: "We are very much looking forward to become part of Precise and to gain access to their well-established technology platform and know-how in biometrics and Digital Identity, which will enable us to continue growing in the field of physical access. Together, we will work intensively to bring new and innovative solutions to fuel growth while enabling secure and convenient identification where you are the key."

The acquisition, purchase price, timeline and conditions:

Precise Biometrics AB (publ) acquires 100 percent of the shares in EastCoast Solutions AB and Besökssystem Sverige AB from EastCoast International AB which is wholly owned by Richard Skalsky and Martin Sjöberg.

The agreed purchase price of SEK 80 million to be paid to EastCoast International AB represents a multiple of approximately 4.6x revenues and 25x EBITDA on EastCoast Solutions' 2020 financial results, and will be payable in three installments:

- SEK 25 million on closing of the acquisition, of which SEK 18 million shall be paid in cash and SEK 7 million shall be paid with 6,982,473 newly issued shares in Precise (the "**Set-off Issue**");
- SEK 25 million shall be paid in cash at the date falling one (1) year from closing of the acquisition; and
- SEK 30 million shall be paid in cash at the date falling two (2) years from closing of the acquisition.

To finance a part of the acquisition, Precise intends to raise additional equity through a directed share issue in the form of an accelerated book building procedure, to be announced separately (the "**Directed Issue**").

Closing of the acquisition is expected to take place on or around 30 November 2021. The completion of the acquisition is not subject to any conditions precedent.

On closing, SEK 7 million of the purchase price will be paid through the Set-off Issue of 6,982,473 new shares from Precise to EastCoast International. The Set-off Issue will be resolved upon by the Board of Directors of Precise by authorization from the Annual General Meeting 2021. The subscription price for the newly issued shares corresponds to the volume weighted average market price per share during the twenty (20) business days before (and excluding) the date of this announcement, which amounts to SEK 1.00251 per share. The number of shares to be issued to the seller thus amounts to SEK 7 million divided by the subscription price, i.e. 6,982,473 shares.

Through the Set-off Issue to EastCoast International, the number of shares and votes in Precise will increase by 6,982,473 shares to 367,213,940 shares, and the share capital will increase by SEK 209,474.19 to SEK 11,016,418.2. Following the Set-off issue, the newly issued shares will correspond to approximately 2 percent of the total number of shares and votes in Precise. The shares issued to the seller will be subject to customary lock-up terms during 12 months following completion of the acquisition.

Advisors

Precise has appointed Mannheimer Swartling as legal advisor in connection with the acquisition. Vator Securities is acting as Financial Adviser in connection with the Directed Issue.

Conference call and webcast

In connection with the acquisition of EastCoast Solutions, Precise invites investors, analysts and media to a conference call and webcast on 30 November 2021 at 10.00 CET.

The presentation will be held by CEO Stefan K. Persson in English and will conclude with a Q&A session. Questions can be asked on the telephone conference or in written form through the webcast. No pre-registration is needed.

Webcast link

<https://tv.streamfabriken.com/pressconference-2021-3>

To participate via telephone, please dial-in on the numbers below

SE: +46 856642651

UK: +44 3333000804

US: +1 6319131422

Participant Pin-code:

85446117#

After the presentation, a recording of the webcast will be available on the webcast link.

About EastCoast Solutions

EastCoast Solutions is the main actor in the Nordic region and one of few businesses that focus mainly on visitor management. The company was founded in 1998 and since then we have put all our focus on replacing guestbooks with modern visitor management systems. We have developed a stable product which is used by companies all over the world. For more information, please visit

<https://www.eastcoast.se/en>.

Contacts

Stefan K Persson, CEO

Telephone: +46 707 92 08 31

E-mail: stefan.k.persson@precisebiometrics.com

About Us

Precise Biometrics AB (publ) ("Precise") is a global supplier of identification software. The company offers products in various areas of application that enable users – using their own biometrics – to identify themselves in a convenient and secure way. Precise has two business areas; Digital Identity and Algo, and operates out of its offices in Lund, Sweden, Potsdam NY, USA and Shanghai, China. The Precise share is listed at Nasdaq Stockholm (PREC). For more information, please visit www.precisebiometrics.com

This information is information that Precise Biometrics 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 2021-11-29 17:31 CET.

Attachments

[Precise acquires EastCoast Solutions accelerating SaaS business area Digital Identity](#)