

ZignSec announces outcome of rights issue

The Board of Directors of ZignSec AB (publ) (the "Company" or "ZignSec") announces the outcome of the rights issue of shares with preferential rights for the existing shareholders, announced on 12 June 2023 (the "Rights Issue"). The Rights Issue was 61 percent subscribed for with and without the support of subscription rights. In total, 9 165 414 shares were subscribed for with the support of subscription rights, representing approximately 34 percent of the Rights Issue, and 7 090 020 shares were subscribed for without the support of subscription rights, representing approximately 27 percent of the Rights Issue. Thereby, guarantee commitments of SEK 3.7 million, corresponding to 14 percent of the Right Issue, will be utilized. ZignSec will thereby receive a total of approximately SEK 19.6 million before issue costs.

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Outcome of the Rights Issue

The subscription period for the Rights Issue ended on 6 July 2023 and the outcome shows that the Rights Issue was subscribed to approximately 61 percent with and without subscription rights. In total, 9 165 414 shares were subscribed for with the support of subscription rights, corresponding to approximately 34 percent of the Rights Issue, and 7 090 020 shares were subscribed for without the support of subscription rights, corresponding to approximately 27 percent of the Rights Issue. The Rights Issue will raise approximately SEK 19.6 million before issue costs, which are expected to amount up to approximately SEK 3 million. Thereby, guarantee commitments of SEK 3.7, corresponding to 14 percent of the Rights Issue, will be utilized. The proceeds of the issue will be used primarily to secure working capital for at least 12 months ahead for product development, streamline the sales organization and reorganization, and to pay Wyzer's earn-out in accordance with the acquisition agreement entered into in 2020.

Notification of the allocation of shares subscribed for without subscription rights will be sent to those who have been allocated shares in the form of a settlement note. Shareholders registered with a trustee will receive notification of allocation in accordance with the procedures of the respective trustee. Allotment of shares subscribed for without the support of subscription rights has been carried out in accordance with the principles set out in the Information memorandum.

CEO Glenn Mac Donald comments:

"This outcome reflects the market's recognition of ZignSec as a trusted partner in the digital identity verification space, poised for extraordinary expansion in a rapidly digitizing world. The funds raised through this share issue will fuel our ambitious growth plans, bolster our Product and Sales efforts,

strengthen our technology infrastructure, and amplify our R&D and marketing capabilities. The board and I would like to extend our heartfelt gratitude to our investors for their trust and support. Together, we will be an important player in the market, revolutionizing how businesses verify digital identities and combat fraud risks."

Number of shares, share capital and dilution

After the Rights Issue has been registered with the Swedish Companies Registration Office, the total number of shares in the Company will increase by 20 102 037 and amount to 73 661 981. The share capital will increase by SEK 796 645 and amount to SEK 2 919 231. Shareholders who have chosen not to participate in the Rights Issue will experience a dilution effect amounting to 27 percent.

Trading in BTA

Trading in paid subscribed Shares ("BTA") on Nasdaq First North Growth Market will continue until the Swedish Companies Registration Office has registered the Rights Issue and BTA is converted to shares, which is expected to occur around week 29, 2023.

Trading in new shares

The new shares will be admitted for trading in connection with the conversion of BTA to shares taking place, which is expected to occur around week 29, 2023.

Advisor

Vator Securities AB is acting as financial advisor and Eversheds Sutherland Advokatbyrå AB is acting as legal advisor in connection with the Rights Issue. Vator Securities is also acting as Issuer Agent in connection with the Rights Issue.

For more information, please contact: Glenn Mac Donald, CEO
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About ZignSec ZignSec is a technology group in the fast-growing RegTech industry. The company provides SaaS platform with digital real-time solutions for customer due diligence and ID verification with global reach. The solutions are used by companies that in turn can optimize their processes for "onboarding" both corporate customers and consumers and at the same time ensure 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

Certified Adviser: Eminova Fondkommission AB, Tel: +46 8 684 211 00

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Press Release
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Attachments

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