



PRESS RELEASE
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Eyeonid Group AB secures external financing of up to SEK 100 million and issues free warrants to its shareholders

Eyeonid Group AB ("Eyeonid Group") has signed an agreement relating to an investment of up to SEK 100 million. The capital will be used for expanding our sales & marketing activities in line with the strategy of reaching out to a global market with Eyeonid Group's products. The transaction is carried out through a private placement of convertible notes with warrants attached in several tranches spread over 36 months (each, a "Tranche"). Eyeonid Group will receive SEK 20 million through the first Tranche. Existing shareholders will receive free warrants to protect them against dilution.

- "After long and intensive, although very friendly and productive, negotiations, it feels extremely good to have achieved this financing agreement that gives us great flexibility. During 2017, we laid the strategic groundwork and made a number of key recruitments for a forthcoming expansion towards entering the global market in 2018. Recently, we have also begun to see such results, despite the holiday season, in the form of agreements with a global telecom provider as well as with a partner who further enables us to enter into the African continent. As I have commented on earlier, we notice that the market is maturing and as such it has become much more susceptible to our products and services. With this financial backing, we can now accelerate even faster to take a position in the market. This will be done primarily through enhanced and expanded activities on the sales and marketing side. The goal is also to expand our reseller network so that we can position ourselves more quickly in local markets while strengthening the internal delivery organization. Furthermore, I do not wish to exclude the possibility of any future acquisitions of companies that either strengthen our product portfolio or provide a position on the market." says Daniel Söderberg, Eyeonid Group's CEO.

"It is important to comment on the fact that this financing structure is highly controlled by the company itself since we are the ones calling for a so-called Tranche – and not the other way around. The flexibility of the agreement still allows us to utilize other financing solutions such as, for example, direct-, preferential- and/or public issues of shares, just as before, and this is a major benefit of the agreement itself. We have also agreed on good terms for our existing shareholders, who receive significantly more free warrants/stock options to share compared to what the Investor receives, which in turn reduces the dilutive effect of this agreement." says Henrik Sundewall, Chairman of the board of Eyeonid Group

The Tranches are subscribed by European Select Growth Opportunities Fund (the "Investor"), a fund focusing on technology and healthcare smallcap companies presenting a strong growth potential.

The financing relates to an issuance agreement entered into by Eyeonid Group and the Investor signed on the evening of Tuesday, 30th of January 2018 (the "Agreement"). The placement of the first Tranche of SEK 20 million is the first transaction launched under the Agreement, comprising up to 5 Tranches of SEK 20 million each.

In connection with the Agreement, Eyeonid Group will issue free warrants to the Investor (the "Warrants") corresponding to an amount equivalent to 50%, if fully exercised, of each Tranche. Eyeonid Group will also issue free warrants to existing shareholders, to protect them against equity dilution (the "Shareholders Warrants"). The Shareholders Warrants will be issued to Eyeonid Group's subsidiary Eyeonid Intressenter AB and thereafter transferred to Eyeonid Group's shareholders. For the first Tranche, one (1) Shareholders Warrant will be allocated for every forty-seven (47) shares held on a date to be set approximately one week after the completed registration of the Warrants and



Shareholders Warrants at the Companies Registration Office (*Swe: Bolagsverket*) (“CRO”). The Shareholder Warrants will have the same characteristics as the Investor’s Warrants. The final date of record to be used will be publicly announced by Eyeonid Group.

Transaction highlights:

- The first Tranche is a private placement of SEK 20 million launched through the issuance of convertible notes (the “Notes”) with equity warrants (the “Warrants”) attached to the Investor.
- Upon the full exercise of the Warrants and the Shareholders' Warrants of the first Tranche Eyeonid Group will receive an additional capital of approximately SEK 27.5 million.
- The maximum additional potential financing under Notes of up to SEK 80 million (plus up to a SEK 110 million upon exercise of all the Warrants and Shareholders Warrants) will be raised through further Tranches of Notes with Warrants attached over the next 36 months at the sole discretion of Eyeonid Group.
- As a technical measure in order to meet the Investor’s demand for immediate access to its future shares upon conversion of Notes and use of Warrants, certain shareholders will, during the agreement period, lend shares to the agent engaged by Eyeonid Group for this transaction.
- On the evening of Tuesday 30th of January 2018 Eyeonid Group’s board of directors approved the transaction with the Investor as well as the issuance of the Notes, Warrants and the Shareholders Warrants under the first Tranche as it is within the limitations of the authorization from the shareholder's meeting held on June 15, 2017.

Main characteristics of the Notes, the Warrants and the Shareholders’ Warrants:

- The Notes have a principal amount of SEK 100,000 each. They bear no interest and have a maturity of 12 months from the date of the registration of their issuance with the CRO. During their term, the Investor may request to convert any or all of the Notes at a variable conversion price representing a 7.5 % discount to the lowest daily volume weighted average price over the 15 trading days preceding the conversion date.
- Upon such conversion request, Eyeonid Group has the option to remit, at its discretion, cash, shares in Eyeonid Group or a combination of both. This characteristic will enable Eyeonid Group to manage the potential dilution resulting from the Notes.
- The Warrants have a maturity of three (3) years from the date of the registration of their issuance with the CRO and will immediately be detached from the Notes. The exercise period of the Warrants may in some specific cases as stated in the terms and conditions of the Warrants be reduced to one (1) year, unless the applicable remaining exercise period is shorter than one (1) year.
- Each Warrant gives its owner the right to subscribe for one (1) new share (subject to standard adjustments in accordance with the terms and conditions of the Warrants) in Eyeonid Group at a fixed strike price equal to 115 % of the volume weighted average price over the 15 trading days preceding the date of a request from Eyeonid Group to issue a new Tranche.
- In the specific case of the first Tranche, the strike price will be SEK 16.30. Under this first Tranche, there are 613,496 Warrants issued to the Investor and 1,076,435 Shareholders Warrants.
- The Shareholders Warrants will have the same characteristics as the Warrants and will together be admitted to trading on NGM Nordic MTF. Utilization periods for the exercise of Warrants for subscription of new shares will be announced separately.

Issuance of the subsequent Tranches:

- Each subsequent Tranche will amount to SEK 20 million (such amount may be increased or decreased upon mutual consent of the Investor and Eyeonid Group).
- Eyeonid Group can request the Investor to subscribe a new Tranche subject to the fulfillment of the following conditions on the date of the request and the date of funding of the requested Tranche:
 - no material adverse change has occurred;
 - no event of default is in existence;
 - no impossibility for the conversion of the Notes has occurred during the 90 preceding calendar days;
 - no suspension of trading of the shares has occurred over the 90 preceding calendar days;
 - Eyeonid Group has a sufficient number of shares authorized for issuance by the board of directors upon conversion of the Notes into shares and upon exercise of the Warrants;
 - the volume weighted average price of the shares over the five (5) preceding trading days shall be at least equal to SEK 10;
 - the average daily value traded of the shares on each of the ten (10) preceding trading days shall be at least equal to SEK 1,500,000; and
 - the Investor does not hold more than SEK 5 million of aggregate principal amount of Notes from previous Tranches.

The full terms and conditions of the Notes, the Warrants and the Shareholders' Warrants will be published on Eyeonid Group's website.

Example based on one Tranche:

- Issuance of Tranche:
 - Tranche amount: SEK 20,000,000
 - Strike price of Warrants: SEK 14.18 (volume weighted average price during preceding 15 trading days) * 115% \approx SEK 16.30
 - Number of Warrants for the Investor: $20,000,000 * 50\% / \text{SEK } 16.30 = 613,496$
 - Number of additional Shareholders Warrants: 1,076,435
- Conversion of Notes:
 - Market Price (for illustration purpose): SEK 15
 - Conversion Price: $\text{SEK } 15 * 92.5\% \approx \text{SEK } 13.88$
 - Number of shares: $\text{SEK } 20,000,000 / \text{SEK } 13.88 = 1,440,922$ shares
 - Dilution of shareholders at full conversion: $\sim 2,77\%$
- Full exercise of warrants:
 - Investment from Investor's Warrants at exercise: $\text{SEK } 16.30$ (strike price of Warrants) * 613,496 (number of Warrants granted to Investor) = SEK 9,999,985
 - Investment from Shareholders Warrants at exercise: $\text{SEK } 16.30$ (strike price of Warrants) * 1,076,435 (number of Shareholders Warrants) \approx SEK 17,545,890
 - Total number of shares from warrants: 1,689,931
 - Total additional investment from warrants: approximately SEK 27,545,875
 - Dilution of shareholders per current number of shares at full exercise of all warrants: $\sim 3,23\%$



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Eyeonid was founded in 2014 and has since its inception developed a technical complex and advanced platform for proactive ID protection services. The company's service monitors and alerts customers when sensitive, private and corporate digital information, such as login credentials, credit card numbers and social security numbers, are found at unauthorized sites on the internet, whereupon the customer can act and protect himself.

This information is information that Eyeonid Group AB (publ) is obliged to disclose under the EU Market Abuse Regulation. The information was provided, through the contact of the above contact person, for publication on the 31st of January 2018.