

Press Message:

Imsys enters into joint-venture agreement with US Company

Imsys AB has agreed to cooperate with Jonetix Corporation of USA, in a joint venture under the name Cyb-Tra-Safe AB (CTS).

The collaboration with Jonetix broadens Imsys' product offering in the markets for IoT and AI. Access to leading-edge technology for authentication, encryption and data security strengthens Imsys' competitiveness.

The solutions comply with next-generation requirements for data security.

The agreement and terms of the transaction

The agreement between Jonetix and Imsys establishes CTS as a joint-venture company with the intention that the parties, when the transaction is completed, will hold 50 percent each. Jonetix and Imsys mutually license their patent portfolios to CTS. Through the agreement, Imsys will immediately receive 25 percent of the shares in CTS.

The remaining 25 percent in CTS is controlled by Hastemo Förvaltning AB, a company owned by Stefan Mårtensson. Hastemo Förvaltning AB is active in capital investments.

Hastemo Förvaltning AB has issued an option (the Option) giving Imsys the right to acquire 25 percent additional shares in CTS from Hastemo Förvaltning AB. According to the terms of the option, the purchase price amounts to 1.25 million newly issued shares in Imsys, and shall be paid through a directed new share issue. The total purchase price, calculated on closing share price as of Monday 28 March at SEK 6.70, amounts to SEK 8.375 million and results in a dilution of approximately 7.48 percent of the share capital and total voting rights. The term of the option closes on June 1, 2022

The option provides Imsys Directors opportunity to carry out an external valuation of CTS.

Latest 1 June 2022, Imsys' Board of Directors will decide to exercise or waive the option right. If the Board decides to exercise the option right, the purchase price shall be paid through a directed issue of new shares to Hastemo Förvaltning AB following a decision by the Board, which is based on authorization from the Annual General Meeting held in October 2021.

If the external valuation arrives on a valuation opinion, less than the option, Directors will renegotiate the purchase price. The Board's final decision will in due course be submitted for approval by an Extraordinary General Meeting.

In the joint-venture agreement, Imsys is responsibility for ongoing financing of the operations of CTS during 18 months effective March 1, 2022 and to contribute operating financing up to USD 200,000, which at USD/SEK exchange rate of 9.50 corresponds to SEK 1.9 million.

Imsys' CEO, Magnus Stuart, who has served as a Director of CTS since 2019, is in this matter a related party and thus does not participate in the Directors decision.

Background

Imsys and Jonetix have maintained close contacts since the beginning of the 2000s in the business of design of microprocessors. Jonetix has periodically served as Imsys' technology advisor.

The collaboration with Jonetix broadens Imsys' product offering in markets for IoT and AI. Access to leading-edge technology for authentication, encryption and data security strengthens Imsys' competitiveness. Markets for IoT and AI applications require solutions to fully protect applications against intrusions as well as against theft of information and illegal copying of IP.

Through the collaboration, Imsys will gain access to leading international expertise that opens up new opportunities in the US semiconductor market.

Jonetix decision to collaborate with Imsys is an important recognition of Imsys technology.

Information on Jonetix Corporation

Jonetix is a high-tech software company, headquartered in Silicon Valley and specialized in development of next-generation data security technologies. The company's patent portfolio offers technology solutions providing protection against various types of intrusion into digital networks. The technology is based on microprocessors with encrypted computer programs and security functions integrated in silicon circuits.

Behind Jonetix are two authorities in microprocessor design and data security - Nick Tredennick, PhD and Paul Wu, PhD. Nick Tredennick is a famous designer of microprocessors, and major contributions to Motorola as well as to the semiconductor industry in US. Nick Tredennick is also an authority in patent rights within semiconductors and is regularly consulted by leading US-tech corporations, notably Microsoft Corporation. Paul Wu is a recognized inventor in service of the semiconductor industry and recognized holder of patents and patent applications in data security, encryption and authentication.

Jonetix has since 2010 developed a patent portfolio which in 2019 received an estimated value of 30-35 million dollars. Past two years have added patents to the portfolio.

Through the agreement, Jonetix envisage opportunities to launch its technologies in Sweden and Northern Europe, markets that are considered world leaders in digitization, on-line and telecommunications with equally high demands on authentication and secure digital services.

Information about CTS

Jonetix began collaborating with Imsys in the field of authentication in 2019. Due to pandemic travel restrictions in 2020 and 2021, the parties' formal agreements were delayed. A final license agreement and joint-venture agreement have been negotiated during March 2022.

Since the company's formation and until today, CTS has been financed by Hastemo Förvaltning AB. Jonetix Corporation holds 50% in CTS and board directors are Nick Tredennick, Paul Wu, Stefan Mårtensson and Magnus Stuart. During 2019-2021, CTS had accumulated sales of SEK 2.1M, received capital injections of SEK 0.48M and on 31 December 2021 had cash and cash equivalents amounting to SEK 0.1M.

Companies comments:

- Jonetix collaboration with Imsys is based on our extensive knowledge in microprocessors. We are in a position to offer to customers in AI and IoT world class solutions in data security. In addition we have access to Jonetix upcoming solutions in microprocessors with integrated security solutions, says Magnus Stuart, CEO of Imsys.
- I have followed Imsys for many years and know their products and technology well. Together with our authentication solutions, our joint venture is a perfect match, says Nick Tredennick, Chairman of the Board of Jonetix Corporation

This information is information that Imsys AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication on 29 March 2022 at 15:00 CET. The original Swedish press release was published 11.30 CET.

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Magnus Stuart
CEO

For more information, please contact:

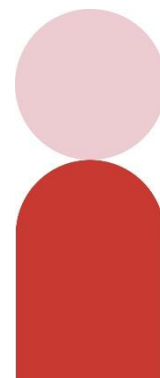
Magnus Stuart, CEO magnus.stuart@imsystech.com +46 706 211 350

Imsys in short summary

Imsys AB (publ) is a Swedish based high tech microprocessor company with focus on AI, founded in 1981. The company is a lead designer and developer of high performance, low energy consumption, flexible microprocessor solutions for AI and IoT applications. Imsys ALICE technology offers advantages in EDGE, AI applications for automotive, security, computer centres, 5G mobile communication, blockchain and image recognition.

The company's shares are listed in Stockholm, Sweden on NGM SME markets.

Mangold Fondkommission AB is appointed as Imsys mentor. Contact telephone +46 8 5277 5020



Adresser

Bolaget

Imsys AB (publ)
Johanneslundsvägen 3
194 61 Upplands Väsby

Mentor

Mangold Fondkommission AB
114 34 Stockholm
+46 8 5277 5020

Pressmeddelande

Imsys AB (publ)