

ASX release

28 February 2024

Way2VAT completes A\$4.25 million Placement and launches A\$1.0 million Share Purchase Plan

Highlights

- Way2VAT has received firm commitments to raise A\$4.25 million via a placement at an issue price of A\$0.022 per share, with strong support from Australian and international institutional investors. Demand for the placement significantly exceeded the size of the offer.
- The placement includes, subject to shareholder approval, two free attaching options for every three shares issued under the placement, with each option having an exercise price of A\$0.033 and expiring on 28 February 2026.
- Opportunity for existing eligible shareholders to participate via a share purchase plan of up to A\$1 million at the same price as the placement (A\$0.022 per share), subject to shareholder approval.
- Proceeds from the placement and share purchase plan will be used for working capital purposes and to accelerate recent company initiatives undertaken to expedite the pathway to profitability.

Way2VAT Ltd (ASX:W2V) (**Way2VAT** or the **Company**) is pleased to announce that it has received firm commitments from new and existing institutional, professional and sophisticated investors to raise approximately A\$4.25 million (before costs), to be completed via the issue of approximately 193.2 million fully paid ordinary shares in the Company (**Placement Shares**) at an issue price of A\$0.022 per Placement Share (**Placement**).

The Placement will take place in two tranches as follows:

- Tranche 1 – the Company will issue approximately 95.3 million Placement Shares at an issue price of A\$0.022 per Placement Share, raising a total of approximately A\$2.1 million (before costs) (**Tranche 1 Placement**); and
- Tranche 2 – subject to shareholder approval, the Company proposes to issue an additional approximately 97.9 million Placement Shares at an issue price of A\$0.022 per Placement Share, raising a total of approximately A\$2.2 million (before costs) (**Tranche 2 Placement**).

The Placement also includes the offer, to be made pursuant to a prospectus, of two free attaching options, exercisable at A\$0.033 and expiring on 28 February 2026, for every three Placement Shares issued (**Placement Options**). The issue of Placement Options is subject to shareholder approval to be sought at a shareholder meeting expected to be held on or around Monday, 8 April 2024 (**General Meeting**). The Company proposes to seek quotation of the Placement Options, subject to satisfying the quotation requirements of ASX.

The Company will also, subject to shareholder approval, undertake a share purchase plan to existing shareholders with registered addresses in Australia, New Zealand, Israel, Hong Kong, Thailand and Singapore to raise up to an additional \$1 million (before costs) (**SPP**), providing an opportunity for existing eligible shareholders to further invest on the same terms as the Placement.

The proceeds from the Placement and the SPP will primarily be used for working capital purposes and to accelerate recent company initiatives undertaken to expedite the pathway to profitability. In addition, the funds will be used to fund any potential further growth opportunities.

Way2VAT CEO Amos Simantov commented: *"We are extremely pleased with the response to the capital raising and sincerely appreciate the support from existing and new shareholders. We were also pleased to see demand for the placement significantly exceed the size of the offer. This transaction ensures we are well capitalised to capture the extremely vast opportunity for global VAT/GST reclaims and services"*.

Bell Potter Securities Limited are acting as lead manager and bookrunner to the capital raising.

PLACEMENT DETAILS

The issue price of A\$0.022 per Placement Share represents a 18.5% discount to the last closing price of the Company's shares of A\$0.027 on 23 February 2024, a 18.4% discount to the 30-day volume weighted average price (**VWAP**) of the Company's shares.

The Placement Shares under the Tranche 1 Placement will be issued utilising the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. Settlement of the Tranche 1 Placement is expected to occur on Tuesday, 5 March 2024, with the Placement Shares to be allotted on Wednesday, 6 March 2024.

Completion of the Tranche 2 Placement and the issue of the Placement Options for Tranche 1 and Tranche 2 is subject to the Company obtaining shareholder approval to be sought at the General Meeting. Pending shareholder approval, allotment of the Placement Shares and Placement Options under the Tranche 1 and Tranche 2 Placement is expected to occur on Monday, 15 April 2024.

The Placement Shares (and shares issued on exercise of the Placement Options) under the Placement will, upon their issue, rank equally with the existing fully paid ordinary shares in Way2VAT.

SHARE PURCHASE PLAN DETAILS

The Company is also pleased to announce its intention to offer a SPP to existing eligible shareholders, being shareholders of the Company with a registered address in Australia, New Zealand, Israel, Hong Kong, Thailand or Singapore recorded on the Company's share register as at 7:00pm (Sydney time) on Tuesday, 27 February 2024 (**Record Date**) (**Eligible Shareholders**) to raise up to A\$1 million (before costs).

Pursuant to the SPP, Eligible Shareholders in the Company will have the opportunity, irrespective of the size of their shareholding, to apply (without incurring brokerage fees) pursuant to a prospectus for up to A\$30,000 worth of new Shares (**SPP Shares**), at an issue price of \$0.022 per SPP Share, and two free attaching options for every three SPP Shares issued under the SPP, on the same terms as the Placement Options (**SPP Options**). The Company proposes to seek quotation of the SPP Options subject to satisfying the quotation requirements of ASX. The SPP is not underwritten.



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The issue of SPP Shares and SPP Options will be subject to shareholder approval proposed to be sought at the General Meeting. The Company intends to seek a waiver from ASX Listing Rule 7.3.9 to include a voting exclusion statement in relation to the resolution at the General Meeting to approve these issues. The SPP Shares (and shares issued on exercise of the SPP Options) will rank equally with the existing fully paid ordinary shares in Way2VAT on issue.

The terms and conditions of the SPP will be detailed in a prospectus, which is expected to be dispatched to Eligible Shareholders and released to the ASX on or around Friday, 15 March 2024. Eligible Shareholders should consider the prospectus in full before deciding whether to apply for SPP Shares and SPP Options under the SPP pursuant to the prospectus. The Placement Options are also proposed be offered under the prospectus.

An Appendix 3B for the proposed issue of Shares and Options under the Placement and SPP will be lodged with ASX following this announcement. Market standard rates were paid to brokers who assisted with the Placement.

CONVERTIBLE NOTES

On 31 January 2024, the Company announced that it had received firm commitments to raise A\$1.1 million (before costs) via the issue of convertible notes (**Convertible Notes**) to certain key shareholders, including cornerstone investor Thorney Investment Group. In accordance with the terms of the Convertible Notes, the Convertible Notes will convert into Shares following the announcement of a transaction, or series of transactions, resulting in the Company receiving aggregate gross proceeds of at least A\$2 million via the issue of shares (being the Placement). Refer to the Company's ASX announcement dated 31 January 2024 for further details.

Accordingly, subject to the Company obtaining the requisite shareholder approval at the General Meeting, the Convertible Notes will convert into approximately 63.3 million Shares at a conversion price of A\$0.0176 per Share. Further details in respect to the conversion of the Convertible Notes will be detailed in the notice of meeting to be released to the ASX on or around Friday, 15 March 2024.

KEY TIMELINE OF EVENTS

The indicative timetable for the Placement and SPP is as follows:

Event	Indicative Date
Record Date	7:00pm (Sydney time) on Tuesday, 27 February 2024
Announcement of Placement and SPP	Wednesday, 28 February 2024
Settlement of Tranche 1 Placement Shares	Tuesday, 5 March 2024
Issue of Tranche 1 Placement Shares	Wednesday, 6 March 2024
Lodgement of Prospectus for SPP and Placement Options	Friday, 15 March 2024



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SPP Opening Date	Friday, 15 March 2024
General Meeting to approve issue of Tranche 2 Placement Shares, Placement Options, SPP Shares and SPP Options	Monday, 8 April 2024
SPP Closing Date	Monday, 8 April 2024
Announcement of the results of the SPP	Wednesday, 10 April 2024
Settlement of Tranche 2 Placement Shares	Friday, 12 April 2024
Issue of Tranche 2 Placement Shares, Placement Options, SPP Shares and SPP Options and Convertible Note Shares (to the extent approved at the General Meeting)	Monday, 15 April 2024

Note: This timetable is indicative only and is subject to change at the Company's discretion. The commencement of trading and quotation of Placement Shares, Placement Options, SPP Shares and SPP Options is subject to confirmation from the ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, the Company reserves the right to amend this timetable at any time, without notice.

This announcement is intended to lift the trading halt over the shares in the Company and is authorised for release by the board of Way2VAT Ltd.

ENDS

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About Way2VAT

Way2VAT is a global fintech leader in automated VAT/GST claim and return solutions in over 40 countries and in over 20 languages, serving hundreds of enterprise businesses worldwide. Way2VAT owns and operates a patented artificial intelligence technology that powers the world's first fully automated, end-to-end VAT reclaim platform.

Established in 2016, Way2VAT is headquartered in Tel Aviv with offices in the United Kingdom, Spain and Romania and has over 60 employees.

It is used by more than 345 global enterprise companies.

www.way2vat.com