

ASX release

31 January 2024

Way2VAT undertakes A\$1.1 million convertible notes raising

HIGHLIGHTS

- The Company has received firm commitments to raise A\$1.1 million (before costs) via the issue of Convertible Notes to certain key shareholders, including cornerstone investor Thorney Investment Group.
- Conversion of the Convertible Notes will be subject to the Company obtaining shareholder approval.
- Proceeds raised will be used to increase the Company's focus on sales and marketing, facilitate inorganic growth, launch of an AI-powered compliance product in Q1 FY24, and for working capital purposes.

Global leader in automated VAT claim and return solutions, Way2VAT Ltd (**ASX:W2V**) (**Company** or **W2V**), has received firm commitments to raise A\$1.1 million (before costs) via the issue of Convertible Notes (**Notes**) to certain key shareholders of the Company, including cornerstone investor Thorney Investment Group. Each Note will have a face value of A\$50,000.

The conversion of the Notes into fully paid ordinary shares in the Company (**New Shares**) will be subject to the Company obtaining shareholder approval. New Shares issued following conversion of the Notes will rank equally with the Company's existing fully paid ordinary shares on issue. Refer to the Appendix for the terms and conditions of the Notes.

Each investor has entered into convertible note subscription agreements and completion and issue of sixteen Notes (being an aggregate of A\$800,000) is anticipated to occur on or around 1 February 2024, with the remaining six Notes (being an aggregate amount of A\$300,000) being issued on or around 29 February 2024.

Way2VAT CEO and Founder, Amos Simantov, said, *"We welcome the continued support of a number of our largest shareholders. This is a strong endorsement of Way2VAT's growth plans. This funding enables the Company to continue to scale our business in line with our growth plans."*

"Way2VAT continues to reduce its net operating cash burn to support the Company's pathway to profitability."

Thorney Investment Group Chairman, Alex Waislitz, said, *"We have been impressed by Way2Vat's unique and innovative technology and ability to win new multi-national clients. We are pleased to further support the Company with this investment to facilitate the business in its next growth phase, including the launch of a new AI-powered compliance product."*



WAY2VAT Global VAT Refunds

Funds raised from the Notes will be used to:

- increase the Company's focus on sales and marketing;
- facilitate inorganic growth via the potential acquisition of assets or businesses complementary to the Company's business;
- launch of an AI powered compliance product in Q1 FY24; and
- fund general working capital.

This announcement was authorised for release to the ASX by the Board of Way2VAT

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 70 employees.

It is used by approximately 340 global enterprise companies.

www.way2vat.com

About Thorney Group Investment

Thorney Investment Group (TIG) is the private investment group of Alex Waislitz. The TIG private group of companies invests in various sectors including unlisted and listed Australian equities and overseas equities, as well as digital currency and real estate. TIG is also the investment manager of ASX-listed investment companies, Thorney Opportunities Ltd (TOP) and Thorney Technologies Ltd (TEK), pursuant to a long-term investment management agreement and is responsible for carrying out the individual investment mandates of the companies.

ASX: W2V

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Appendix – Key Note Terms and Conditions

Face Value:	A\$50,000 per Note.
Security:	The Notes are unsecured.
Transferability:	The Notes are not transferable.
Maturity Date:	1 February 2026 unless otherwise agreed by the parties in writing (Maturity Date)
Coupon:	8.0% per annum on the outstanding principal of the Notes (Outstanding Principal).
Conversion:	<p>Subject to the Company obtaining the requisite shareholder approvals (including shareholder approval pursuant to ASX Listing Rule 7.1), conversion of the Notes into Shares may occur in the following circumstances:</p> <ul style="list-style-type: none"> (a) on the Maturity Date, the Outstanding Principal together with any accrued interest will automatically convert in their entirety into fully paid ordinary shares in the Company (Shares) (Maturity Date Conversion); (b) following the announcement of a transaction or a series of transactions resulting in the Company receiving aggregate gross proceeds of at least A\$2,000,000 via the issue of Shares (Financing Conversion); and (c) each Noteholder may, at their sole discretion and prior to the Maturity Date, elect to convert the Outstanding Principal together with any accrued interest into Shares by issuing the Company a conversion notice in writing (Voluntary Conversion), <p>(each a Conversion Event).</p> <p>In respect to a Conversion Event pursuant to paragraphs (b) or (c) above, the Company will, on or before the date that is 30 business days from either announcement of the financing or receipt of a conversion notice (as applicable) (End Date), convene a general meeting of shareholders to obtain the requisite shareholder approvals (General Meeting).</p>
Conversion Amount:	On conversion of the Notes, the conversion amount will be the total of the Outstanding Principal in respect to each Note at the date of conversion, together with any accrued interest (Conversion Amount).
Conversion Price:	<p>The conversion price for the Notes will be as follows:</p> <ul style="list-style-type: none"> (a) Maturity Date Conversion – the price per Share based on a 20% discount to the average of the preceding 12 month VWAP immediately prior to the conversion date; (b) Financing Conversion – the lowest price per Share sold by the Company pursuant to the Financing, less 20% discount; and (c) Voluntary Conversion – the price per Share based on the lower of: <ul style="list-style-type: none"> i. a 20% discount to the average of the preceding 30 daily VWAP immediately prior to the date of the conversion notice; or ii. the lowest fixed price per Share sold by the Company under a capital raising completed by the Company (including any capital raising undertaken by way of convertible notes) following the issue of the Notes and prior to the date of the conversion notice, <p>(each a Conversion Price).</p>
Shares Issued on Conversion:	Subject to the Company obtaining shareholder approval, following the occurrence of a Conversion Event, the Company must issue such number of Shares as determined by dividing the Conversion Amount by the applicable Conversion Price. The Shares issued on conversion will rank equally with existing Shares on issue at the time of the conversion.
Redemption rights:	<p>The Company must redeem the Notes in the following circumstances:</p> <ul style="list-style-type: none"> (a) if the Company fails to either:

	<ul style="list-style-type: none"> i. convene the General Meeting prior to, or on, the End Date; or ii. obtain the requisite shareholder approval at the General Meeting, <p>the Notes will be redeemed for the 120% of the Redemption Amount within three (3) months from the End Date (unless otherwise agreed between the parties);</p> <ul style="list-style-type: none"> (b) if the Company fails to obtain the requisite shareholder approval at the General Meeting prior to the Maturity Date, the Notes will be redeemed for the Redemption Amount on the Maturity Date; or (c) on the occurrence of an event of default (as defined herein), the Notes will be redeemed for the Redemption Amount.
Redemption Amount:	The redemption amount will be the total of the Outstanding Principal at the date of redemption, together with any accrued interest (Redemption Amount).
Participation Rights:	The Noteholder is not entitled to notice of, or to vote or attend at, a meeting of the Company's shareholders, receive any dividends declared by the Company or participate in any new issues of securities offered to the Company's Shareholders during the term of the Notes, unless and until the Notes are converted and the Noteholder holds Shares.
Bonus Issue:	The Notes will carry the right to participate in any bonus issue of securities in Company as if they had converted into Shares.
Reconstruction	If Company reorganizes its capital in any way while the Notes are on issue, the number of Shares or the Conversion Price or both will be reorganized in accordance with ASX Listing Rules so that the Noteholder will not receive a benefit that the holders of Shares do not receive and vice versa.
Events of Default:	<p>The Notes will contain customary events of default (Events of Default), including but not limited to:</p> <ol style="list-style-type: none"> 1. the Company makes default in duly performing or observing any of the undertakings or agreements on its part contained in the Note conditions and such default, if capable of remedy, is not remedied for a period of 30 days after notice from the Noteholder requiring such default to be remedied; 2. any representations or warranties contained in the Note conditions are found to have been false or misleading in any material respect when made; 3. a petition is lodged and is not withdrawn or struck out within 60 business days of lodgement or is not contested on a bona fide basis or an order is made or a resolution is passed for the winding up of the Company or any subsidiary or related body corporate of the Company or placing the Company or any subsidiary or related body corporate of the Company under voluntary administration, or any meeting is convened for the purposes of considering the said resolutions; 4. a receiver or receiver and manager or administrator of the undertaking or property of the Company or any subsidiary or related body corporate of the Company or any part of the Company is appointed; or 5. the main business undertaking of the Company or any subsidiary or related body corporate of the Company is sold.