

NOT FOR DISTRIBUTION TO US NEWSWIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

20 April 2023

Dear Optionholder,

NON-RENOUNCEABLE ENTITLEMENTS OFFER – NOTIFICATION TO OPTIONHOLDERS

I am writing to you in relation to your option holding in Way2VAT Limited (ARBN 637 709 114) (**Way2VAT** or **Company**) (ASX:W2V).

On 17 April 2023, Way2VAT Limited (ARBN 637 709 114) (**Way2VAT**) announced that it was conducting a A\$1.194 million placement to sophisticated investors subject to shareholder approval (**Placement**) and a fully underwritten non-renounceable entitlement offer (**Entitlement Offer**) of approximately A\$2.35 million in new ordinary shares in Way2VAT (**New Shares**) on a one (1) for one (1) basis to eligible shareholders, at an offer price of A\$0.01 per New Share (**Offer Price**) (together, the **Capital Raising**).

The Entitlement Offer is made to shareholders registered at the record date of 7.00pm (Sydney time) Friday, 21 April 2023 (**Record Date**).

Only shareholders with a registered address in Australia, Israel, New Zealand and Singapore will be eligible to participate in the Offer (**Eligible Shareholders**).

The Entitlement Offer is being made pursuant to an offer document lodged with ASX Limited (**ASX**) on Thursday, 20 April 2023 (**Offer Document**) which is available on the Company's website at www.way2vat.com and on the ASX website at www.asx.com.au.

Optionholders

If you wish to participate in the Entitlement Offer with respect to your options, you must exercise your options before the Record Date.

There is no obligation for you to exercise your options. This letter is intended to inform you of your rights in relation to your options and the Entitlement Offer. If you do not wish to participate in the Entitlement Offer you do not need to take any action.

Purpose of the Entitlement Offer

Successful completion of the Entitlement Offer will raise approximately \$2.35 million (before the costs of the Entitlement Offer).

The proceeds raised pursuant to the Capital Raising will to be used to:

- fund the acceleration of sales execution and revenue growth in the Company's key product suites of VAT reclaim for travel expenses and accounts payable for enterprise and small-to-medium enterprise clients;
- fund the Company's Smart Spend Debit Mastercard initiatives to roll out this product to new and existing customers in the UK and European market;



- support investment in further development and maintenance of the Company's "in market" proprietary AI technologies; and
- fund general working capital.

Yours sincerely

Amos Simantov
Chief Executive Officer and Managing Director
Way2VAT Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 as amended (**U.S. Securities Act**) or under the securities laws of any state or other jurisdiction of the United States. The New Shares may not be issued to, purchased or traded by, or taken up or exercised by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The New Shares to be offered and sold in the Entitlement Offer will only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) of the Securities Act) in reliance on Regulation S under the U.S. Securities Act.

DISCLAIMER

This letter is issued by Way2VAT. This letter is not a prospectus or offering document under Australian law or under any other law. This letter is to inform you about the Retail Entitlement Offer only.