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20 April 2023

Dear Shareholder,

NON-RENOUNCEABLE ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

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**).

Net proceeds from the Capital Raising will 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.

The Entitlement Offer is being made by way of an offer document in accordance with section 708AA of the Corporations Act 2001 (Cth) (the **Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, meaning that no prospectus needs to be prepared. The issue of New Shares pursuant to the Placement is subject to shareholder approval. New Shares issued pursuant to the Placement will not carry any entitlement to participate in the Entitlement Offer.

BW Equities Pty Ltd ACN 146 642 462 will act as lead manager and underwriter to the Entitlement Offer (**Lead Manager**).

An offer booklet in relation to the Entitlement Offer was lodged with the ASX on or about Thursday, 20 April 2023 and mailed to Eligible Shareholders (as defined below) on or around Thursday, 27 April 2023.

This is a letter to inform you that you are not an Eligible Shareholder for the purposes of the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

Eligibility Criteria

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those persons who:

- (a) were registered as a holder of fully paid ordinary shares in Way2VAT as at 7.00pm (Sydney time) Friday, 21 April 2023 (**Record Date**);
- (b) have a registered address on Way2VAT's share register that is in Australia, Israel, New Zealand and Singapore or are a shareholder that Way2VAT has otherwise determined is eligible to participate;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States with respect to their shares in Way2VAT (to the extent such person holds Way2VAT shares for the account or benefit of such person in the United States); and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Way2VAT has determined, pursuant to section 9A of the Corporations Act and ASX Listing Rule 7.7.1(a), that it would be unreasonable to make offers to shareholders in all countries outside Australia, Israel, New Zealand and Singapore in connection with the Entitlement Offer (**Ineligible Shareholders**). This is due to the legal and regulatory requirements in countries other than Australia, Israel, New Zealand and Singapore and the potential costs to Way2VAT of complying with these requirements, compared with the relatively small number of shareholders in those countries, the relatively small number of existing Way2VAT ordinary shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled to subscribe for.

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by Way2VAT with reference to a number of matters. The Lead Manager and each of its affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Shareholder as stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, Way2VAT wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer or be able to subscribe for New Shares under the Entitlement Offer.

Notwithstanding the above, Way2VAT may agree to extend the Entitlement Offer to certain sophisticated investors in foreign jurisdictions who did not participate in the Entitlement Offer subject to compliance with applicable laws.

As the Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible.

If you have any questions in relation to any of the above matters, please contact the Way2VAT Shareholder Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

On behalf of Way2VAT, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support.

Yours sincerely,

Amos Simantov
Chief Executive Officer and Managing Director
Way2VAT Limited

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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 Entitlement Offer only.