



ASX release

13 January 2025

Way2VAT undertakes A\$1.3 million convertible notes raising

HIGHLIGHTS

- **The Company has received firm commitments to raise A\$1.3 million (before costs) via the issue of Convertible Notes to certain sophisticated investors and key shareholders.**
- **Conversion of the Convertible Notes will be subject to the Company obtaining shareholder approval.**
- **Proceeds raised will be used primarily 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\$1.3 million (before costs) via the issue of Convertible Notes (**Notes**) to certain sophisticated investors and key shareholders of the Company including three top 10 shareholders (being De Silva Investments (Aust.) Pty Ltd ATF De Silva Property Trust, Yarrac Pty Ltd ATF The Colebatch Property Trust and Cassa Trading Pty Ltd). 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 11 Notes (being an aggregate of A\$550,000) is anticipated to occur on or around January 13th, with the remaining:

- 5 Notes (being an aggregate amount of A\$250,000) being issued on or around 3 March 2025; and
- 10 Notes (being an aggregate amount of A\$500,000) being issued on or around 1 April 2025.

Way2VAT CEO and Founder, Amos Simantov, said, *"We are very appreciative of the support shown by these investors, some of whom have been supporting the company for a number of years. These funds will assist Way2VAT to continue the growth of our client base and revenue generation. These funds in combination with the cost cutting measures previously announced will assist us to continue our push towards an operating surplus as soon as possible."*

Funds raised from the Notes will be used primarily to fund general working capital and also to service the company's financing facility.

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

ENDS

ASX: W2V

www.way2vat.com



WAY2VAT
Global VAT Refunds

For more information, please contact:

Amos Simantov

E: amos@way2vat.com

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 375 global enterprise companies.

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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 transferable with the consent of the Company.
Maturity Date:	24 months from the date of issue (Maturity Date)
Coupon:	10.0% 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\$2,500,000 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), (each a Conversion Event). <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 30% discount to the average of the preceding 30 day VWAP immediately prior to the conversion date; (b) Financing Conversion – the lowest price per Share sold by the Company pursuant to the Financing, less 30% discount; and (c) Voluntary Conversion – the price per Share based on the lower of: <ul style="list-style-type: none"> i. a 30% discount to the average of the preceding 30 day VWAP immediately prior to the date of the conversion notice but subject to a maximum conversion price of 1.5 cents per share; 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. Refer to the worked examples below for further details. 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> <p>(a) if the Company fails to either:</p> <ol 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 four (4) months from the End Date (unless otherwise agreed between the parties);</p> <p>(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</p> <p>(c) on the occurrence of an event of default (as defined herein), the Notes will be redeemed for the Redemption Amount.</p>
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.

Conversion Scenario Examples

Voluntary Conversion Scenario

If a conversion notice is provided to the Company, the conversion price will be the lower of:

1. a 30% discount to the average of the preceding 30 day VWAP immediately prior to the date of the conversion notice but subject to a maximum conversion price of 1.5 cents per share; or
2. 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

Assuming that no capital raising has been undertaken by the Company and the 30 day VWAP immediately prior to the date of the conversion notice is \$0.01. The conversion price will be \$0.007.

Based on an outstanding principal amount of \$1.3 million, the Company will convene a general meeting of shareholders to approve the issue of a maximum of 185,714,286 Shares.

Financing Conversion Scenario

If a Financing occurs at an issue price of \$0.01, the conversion price of the convertible notes will be \$0.007.

Based on an outstanding principal amount of \$1.3 million, the Company will convene a general meeting of shareholders to approve the issue of a maximum of 185,714,286 Shares.

Maturity Event Conversion

If a Voluntary Conversion or Financing Conversion does not occur, the Company will seek shareholder approval for the conversion of the Notes at a price per Share based on a 30% discount to the average of the preceding 30 day VWAP immediately prior to the maturity date.

Assuming an outstanding principal amount of \$1.3 million, detailed below are some worked examples of the total number of conversion shares that may be issued by the Company at maturity if shareholders approve the conversion:

Conversion Price	Conversion Shares	% total issued share capital
\$0.007	185,714,286	17%
\$0.0063	206,349,206	18%
\$0.005	260,000,000	22%