

Westpay AB has resolved on directed issues of shares amounting to approximately SEK 8.5 million, subject to approval by an extraordinary general meeting

The board of directors of Westpay AB (the "Company" or "Westpay") has resolved on directed issues of a total of 12,142,859 shares at a price of SEK 0.70 per share to a selected group of investors, consisting of existing Westpay shareholders. Through the directed issues, Westpay may receive approximately SEK 8.5 million before issue costs. The directed issues are subject to subsequent approval from an extraordinary general meeting.

The board of directors of Westpay has resolved on directed issues of new shares against cash payment, conditional upon approval from an extraordinary general meeting in the Company. Through the directed issues, Westpay may receive approximately SEK 8.5 million before issue costs. A total of 12,142,859 shares will be issued to selected investors, consisting of certain existing shareholders of Westpay. The shareholders participating in the directed issue consist of Quarterback Capital AB, Nimaraz Ltd, Carl Hjelmvik, and TAMT AB. As part of the directed issues, the board of directors has also resolved on a so-called LEO issue of 2,857,143 shares to Mistroms Ltd, a company controlled by the board member Jörgen Nordlund, conditional upon approval from an extraordinary general meeting in the Company.

All participants in the directed issues have entered into subscription undertakings in regards to their subscribing of shares in the directed issues. The subscription undertakings do not entitle any compensation for the subscribers. The subscription undertakings are not secured by bank guarantee, blocking funds, pledging or similar arrangements.

Recently, Westpay has secured large and strategically important contracts with several new partners, including Axfood and Menigo. The directed issues will provide Westpay with additional resources to support its positive development and strengthen the financial position, enabling the Company to seize new opportunities and drive sustainable growth. The purpose of the directed issue is to secure the Company's working capital needs in this business context.

- Westpay has a strong offering, and we have successfully managed to differentiate ourselves as innovative, secure, and future-proof. Our technical platform is designed to meet today's and tomorrow's needs, as attested by our existing and new customers. Meeting their needs and providing these services more quickly requires resources. This targeted new issue provides us with financial flexibility and the opportunity for continued growth, says Sten Karlsson, CEO at Westpay.

Through the directed issues, the Company's share capital will increase by SEK 2,428,571.80 from SEK 9,002,675.80 to SEK 11,431,247.60 through issue of 12,142,858 new shares, entailing that the total number of outstanding shares will increase from 45,013,379 shares to 57,156,238 shares. The directed issues will entail a dilution of approximately 21 percent for existing shareholders based on the total number of outstanding shares and votes in the Company following the directed issues.

The subscription price in the directed issues is SEK 0.70, which corresponds to a discount of

approximately 25.6 percent, compared to the average volume weighted price on Nasdaq First North Growth Market during the last 10 trading days before the issue resolution. The subscription price in the directed issue has been determined based on arms-length negotiations with the investors.

The reasons for the deviation from the shareholders' preferential rights are as follows. After careful consideration, the Company has decided to carry out a directed issue of shares without preferential rights for existing shareholders. This decision is based on the board of directors' assessment that a rights issue would entail significant risks for the Company and potentially also for the shareholders. After comparing the rights issue with a directed issue without preferential rights, the board of directors has drawn the following conclusions regarding a rights issue: (i) the Company has recently secured significant customer contracts and urgently needs capital to continue its growth and a rights issue would take longer to complete, which could lead to the Company not being able to fulfill its commitments to customers if a share issue is not completed quickly, (ii) a rights issue would extend the execution time and increase exposure to market risk compared to a directed issue of shares, (iii) the capital requirement is relatively limited and that the costs of a rights issue would be significantly higher in relation to the capital raised, (iv) a rights issue would require significant guarantees from one or more parties, which would be time-consuming given the current volatility in the market as well as entail significant costs and/or additional dilution, depending on the type of compensation provided for such guarantees, and (v) a rights issue would most likely have to be carried out at a lower subscription price due to the discounts that have recently been offered on the market. Such a low issue price could create distrust among both existing and new customers regarding the Company's ability and the value of services provided by the Company. Based on the above, the board of directors believe that the directed issue without preferential rights will quickly strengthen the Company's financial position at a low cost and thus enable continued growth and success, which benefits all shareholders. In light of this, the board of directors has determined that a directed issue of shares without preferential rights is the most advantageous alternative for the Company and best for all shareholders. The board of directors has had negotiations with several potential investors. The reason for including the selected group of shareholders is that they agreed on, for the Company, the best financial terms, compared to other contacted investors. The board of directors considers that the reasons for deviating from the shareholders' preferential rights, as mentioned above, outweigh the main rule that cash issues shall be offered with preferential rights for the shareholders.

As the LEO issue falls under the provisions in Chapter 16 of the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)), a valid resolution requires that it is approved by at least nine-tenths of the votes cast as well as of all shares represented at a general meeting of the Company. A notice of the extraordinary general meeting will be announced through a separate press release and will also contain a proposal to resolve on an extended authorization for the board of directors to issue new shares.

Advokatfirman Lindahl KB has acted as legal advisor to Westpay.

For additional information, please contact:

Sten Karlsson, CEO Westpay AB

Mobile: +46 70-555 6065

Email: sten.karlsson@westpay.se

Redeye AB is the company's Certified Adviser.

This information is information that Westpay AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-07-11 08:50 CEST.

About Westpay

Westpay is a full-service Fintech- and Payment Solution Provider that offers solutions that simplify payments and amplifies the overall customer experience. If you represent a restaurant, hotel, store, in-store, or e-commerce, and looking for a payment solution that adds value, we can help you all the way. The company is represented globally, headquartered in Stockholm, Sweden and is listed on Nasdaq First North Growth Market.

Learn more at: westpay.se

Attachments

[Westpay AB has resolved on directed issues of shares amounting to approximately SEK 8.5 million, subject to approval by an extraordinary general meeting](#)