

Westpay: Announcement of directed issue of shares

The board of directors of Westpay AB (the "Company" or "Westpay") has resolved, subject to the approval of the general meeting, to carry out a directed share issue of approximately 5,319,148 shares at a subscription price of SEK 1.41 per share with payment by way of set-off to the holders of the Company's convertibles in the convertible programs 2021/2023 and 2022/2024 (the "Convertible Holders"). The Convertible Holders has undertaken to subscribe for the shares and the subscription price of SEK 1.41 per share corresponded to 30-day volume-weighted average price per share in Westpay at the date the Convertible Holder for the convertible program 2022/2024 undertook to subscribe for these shares. The subscription price corresponds to a discount of 8.7 percent compared to the closing price of the shares on February 15, 2023. The proceeds from the directed issue amounts to approximately SEK 7.5 million. The board of directors will within short convene an extraordinary general meeting to approve the directed issue.

Background

The Company's board of directors has identified a need to strengthen the Company's balance sheet and in connection therewith carefully considered various options to effectively achieve this. After detailed discussions with the Convertible Holders, the Company and the Convertible Holders have agreed to carry out the directed issue whereby the Convertible Holders offset all their outstanding convertibles in the Company as payment for newly issued shares. It is the board's assessment that a significant reduction in the Company's indebtedness is positive for the Company and its ability to secure its continued financing in the short and long term. A significant reduction in the Company's indebtedness also means a reduction in the Company's costs, which is positive for the Company's financial situation. Against this background, the board of directors considers that the directed issue is objectively the best option for the Company and its shareholders.

Reasons for the deviations from the shareholders' preferential rights and the subscription price

The reasons for the deviation from the shareholders' preferential rights are to be able to strengthen the Company's balance sheet in a time- and cost-effective manner. The board also makes the assessment that the implementation of a rights issue in today's market would entail a high risk of failing to meet the Company's need for an immediately strengthened balance sheet. In this regard, the board of directors has also considered the high volatility of Westpay's share, the number of recently completed rights issues on Nasdaq First North Growth Market with low rate of subscription and that the additional cost of a rights issue, such as advisory fees and underwriting compensation, would be disproportionately large to the limited size of the short-term necessary strengthening of the balance sheet. The board of directors further assesses that the implementation of a directed issue without a major discount in today's market is positive for the Company, the share price and thus indirectly also all of the Company's existing owners.

The subscription price in the directed issue has been determined by the board of directors of the Company following arm's-length negotiations with the Convertible Holders based on the current share price of Westpay's shares. The board of directors' assessment is that the subscription price in the directed issue is at market value.

Increase in shares and share capital

As a result of the directed issue, the total number of shares in Westpay will increase from 39,694,231 shares to 45,013,379. The Company's share capital increases from SEK 7,938,846.20 to SEK 9,002,675.80. The directed issue entails a dilution of approximately 11.82 percent in relation to the total number of shares and votes in the Company.

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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 2023-02-16 16:33 CET.

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

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