

Westpay AB announces directed share issue and Extraordinary General Meeting following a shareholder proposal for an additional directed share issue

The board of directors of Westpay AB (the “Company” or “Westpay”) has resolved on a directed issue of shares based on the authorization granted by the annual general meeting on March 25, 2025 (the “Share Issue”). The Share Issue amounts to no more than 8,639,532 shares at a price of SEK 0.86 per share, to a selected group of shareholders consisting of the existing shareholders Dahlgren Capital, Diligenza Group Limited, Mare Invest, Torbernt Hjelmvik, David Flynn, Martin Tisell and Staffan Ljung. Through the Share Issue, Westpay may receive up to approximately SEK 7,429,997 in total before transaction costs. In addition, a shareholder of Westpay has proposed that an extraordinary general meeting resolves on an additional directed share issue of no more than 2,720,928 shares, at a price of SEK 0.86 per share (the “Proposed Share Issue”). The Proposed Share Issue will generate up to approximately SEK 2,339,998 in total proceeds before transaction costs and is directed to Sten Karlsson, Pernilla Ullsten, Per-Anders Wärn, Jörgen Nordlund, and Lennart Detlefsen, all of whom are subject to the so-called LEO provisions in Chapter 16 of the Swedish Companies Act. The extraordinary general meeting is expected to be held on June 10, 2025 (the “Meeting”), and the notice to the Meeting will be published in the official Swedish gazette and on the Company’s website in the near future.

The Share Issue amounts to no more than 8,639,532 shares and is based on the authorization granted by the annual general meeting held on March 25, 2025, while the Proposed Share Issue amounts to no more than 2,720,928 shares and is subject to the Meeting resolving in accordance with the shareholder’s proposal. The subscription price in both the Share Issue and the Proposed Share Issue (together, the “Share Issues”) is SEK 0.86, which corresponds to the volume-weighted average price for the Company’s share on Nasdaq First North Growth Market during the ten most recent trading days immediately preceding today’s date (May 22, 2025) and is therefore deemed to reflect the market value of the Westpay share. The subscription price of the Share Issues corresponds to a discount of approximately 1.15 percent compared to the closing price for the Company’s share on Nasdaq First North Growth Market of 0.87 SEK on May 21, 2025.

Through the Share Issue, Westpay may receive up to approximately SEK 7,429,997 in total before transaction costs, while the Proposed Share Issue will generate up to approximately SEK 2,339,998 in total proceeds before transaction costs, if resolved upon by the Meeting. Together, the Share Issues will amount to no more than 11,360,460 shares in total, and up to approximately SEK 9,769,995 in total proceeds, subject to the outcome of the Meeting.

The investors participating in the Share Issue consist of the existing shareholders Dahlgren Capital, Diligenza Group Limited, Mare Invest, Torbernt Hjelmvik, David Flynn, Martin Tisell and Staffan Ljung. The Proposed Share issue is, in turn, directed to Sten Karlsson, Pernilla Ullsten, Per-Anders Wärn, Jörgen Nordlund and Lennart Detlefsen. As the Proposed Share Issue is subject to the so-called LEO provisions in Chapter 16 of the Swedish Companies Act (*Sw. aktiebolagslagen (2005:551)*), a resolution in accordance with the Proposed Share Issue must be supported by at least nine-tenths of

the votes cast as well as of all shares represented the Meeting in order to be valid. The Meeting is expected to be held on June 10, 2025, and a notice of the Meeting will be published in the official Swedish gazette (*Sw. Post- och Inrikes Tidningar*) and announced through a separate press release in the near future, which will contain further information about the Proposed Share Issue.

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 assessment that a rights issue would entail significant risks for the Company and potentially also for the shareholders. After comparing a rights issue with a directed issue of shares without preferential rights, the following conclusions have been drawn regarding a rights issue: (i) a rights issue would extend the execution time and increase exposure to market risk compared to a directed issue of shares, (ii) the capital requirement is relatively limited and the costs of a rights issue would be significantly higher in relation to the capital raised, (iii) 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 (iv) 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 subscription price could create distrust among both existing and new customers regarding the Company's ability and the value of services provided by the Company.

Furthermore, with the support of an external professional adviser, the Company has surveyed the market during the spring to identify potential external investors for a directed share issue. However, interest from external parties proved to be non-existent, reflecting the generally weakened investment climate under the current market conditions. Consequently, an externally directed share issue is not considered feasible at this time.

The Company's strong position for continued growth in 2025, supported by an improved financial foundation and expanding market presence, necessitates timely capital raising to seize strategic opportunities and strengthen the Company's financial position. Considering this, it has been determined that a directed issue of shares without preferential rights aimed towards a limited number of current shareholders who have demonstrated a long-term commitment to the Company and possess the ability to promptly inject capital, offers the most advantageous alternative for the Company and is best for all shareholders. In this process, the principles of sound business practice, proportionality, and equal treatment have also been taken into account, ensuring that the issuance is carried out in a manner consistent with good market practice.

Sten Karlsson, the CEO of Westpay, states the following regarding the Share Issues:

"This capital raise is a proactive step taken from a position of strength. During the past year, Westpay has demonstrated clear progress – both operationally and financially. With the strengthened capital base, we are now better equipped to accelerate our momentum and execute on the opportunities ahead. The directed share issues enable us to act swiftly and cost-efficiently, while continuing to build long-term value for all our stakeholders."

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

Through the Share Issue, and provided that the Meeting resolves in accordance with the Proposed Share issue, the number of shares in the Company will increase by no more than 11,360,460 shares, from 90,254,300 shares to no more than 101,614,760 shares, and the Company's share capital will increase by no more than SEK 340,813.80, from SEK 2,707,629 to no more than SEK 3,048,442.80. The Share Issues will entail a dilution of no more than approximately 11.18 percent for existing shareholders based on the total number of outstanding shares and votes in the Company following the Share Issues.

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 2025-05-22 10:00 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 announces directed share issue and Extraordinary General Meeting following a shareholder proposal for an additional directed share issue](#)