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Webis Holdings PLC

15 September 2023

**Webis Holdings plc**  
("Webis" or "the Company")

### **Webis agrees new Convertible Loan for expansion of business**

Webis Holdings plc, the global gaming group, today announces that it has agreed to issue £1,150,000 of convertible loan notes ("**Convertible Notes**") to Galloway Limited ("**Galloway**"), in respect of £750,000 of new funding made available to the Company by Galloway and in satisfaction of amounts due to Galloway pursuant to a prior loan made to the Company in 2017 which is due for repayment.

The new funding of £750,000 will enable the Company to invest further in its business-to-consumer sector ("**B2C**"), recognising the growth potential of this sector. Specifically, the Company intends to invest in a programme of further software developments of its main website [www.watchandwager.com](http://www.watchandwager.com) and marketing the mobile product. As previously reported, the Company has been very encouraged by the operation of our platform in considering the limited investment made to date. The platform has performed well, and we can see the opportunity to further grow our market share in the USA. As we improve the user experience, we will further invest in key marketing techniques, especially player recruitment and retention with special focus on online marketing techniques. We will keep shareholders fully up to date with developments.

#### **Terms of the Convertible Notes**

- The Convertible Notes comprise of £750,000 in respect of new funds advanced to the Company and an existing debt of £400,000 (after conversion of US\$ 500,000 due and outstanding by the Company to Galloway from US\$ to £ at the prevailing rate published by Bloomberg of £0.80:\$1 as at 13 September 2023).
- The Convertible Notes shall be convertible into ordinary shares of £0.01 each in the capital of the Company in the following circumstances:
  - on completion of an equity fundraising of at least £750,000, at the price applicable to that equity fundraising;
  - on completion of a change of control of the Company, at the price applicable to that change of control;
  - at the election of Galloway, at the higher of (i) £0.0156 (being the 20 day volume weighted average price of the Company's shares on the business day immediately prior to the date of this announcement) ("**Default Price**"), and (ii) the 20 day volume weighted average price of the Company's shares on the business day immediately prior to the date of conversion of the Convertible Notes into Company shares; and
  - if not converted earlier, on the date falling 5 years after the date of issue of the Convertible Notes, at the Default Price.
- The Convertible Notes shall only be repaid in cash in a default event or otherwise at the election of the Company.
- The Convertible Notes shall accrue interest at the rate of 11% per annum, such interest to be repaid on repayment or conversion of the Convertible Notes in cash or Company shares, at the election of the Company.
- For such time as funds remain outstanding under the Convertible Notes, Galloway shall have the right to appoint an additional director to the Board of Directors of the Company. Alongside a potential future

Galloway nominee, the Company continues to actively look for a suitable independent non-executive director to join the Board.

### **Related Party Transaction**

Denham Eke, the Non-Executive Chairman of Webis, is a director of Galloway Limited and a director of Burnbrae Group Limited of which Galloway Limited is a wholly owned subsidiary. Katie Errock, a Non-Executive Director is the Company Secretary of Burnbrae Group Limited, which is an indirect 63.1 per cent. shareholder in Webis. Accordingly, Galloway is a Related Party of the Company and therefore the issue of the Convertible Notes is a Related Party Transaction under the AIM Rules; as such, the independent Directors (being Ed Comins and Richard Roberts – Denham Eke and Katie Errock having recused themselves), having consulted with the Company's Nominated Adviser, consider the terms of the Convertible Notes are fair and reasonable in so far as Webis's shareholders are concerned.

### **Ed Comins, Managing Director of Webis, stated:**

*"Webis is very pleased to receive further backing from our principal shareholder. Their expression of support is important for the Company and compares favourably with other potential forms of funding considered. Webis stands in an excellent position in the USA gambling market and particularly with our array of content and licensed presence in the USA, particularly California. These are key assets that are not readily available to new entrants into the market, and we look forward to continued discussion regarding any potential partnerships, mergers, opportunities, and acquisitions to continue to build our strength."*

### **For further information:**

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