

menupay



Invitation to subscribe for units in MenuPay AB

Executive summary

IMPORTANT INFORMATION

The information in this brochure represents only a simplified description of the offer to subscribe to units in MenuPay AB. The brochure does not contain all the information required for an investment decision, and does not constitute a prospectus in accordance with the Prospectus Directive (2003/71/EC). For full details and terms and conditions please refer to the investment memorandum drawn up by the Board of Directors of MenuPay AB. This can be downloaded at www.menupay.com. The brochure, memorandum, application forms or other documents related to the offer may not be distributed in any country in which the distribution or the offer pursuant to the memorandum requires action as above or contravenes the regulations in such country. Every investment decision must be based on an assessment of the content of the memorandum as a whole. To the extent that the information in this brochure differs from the information in the memorandum, the information set out in the memorandum shall apply. Neither MenuPay AB nor the issuing agent Eminova Fondkommission AB provide any guaranties, expressed or implied, regarding the information contained in this brochure.

Invitation to subscribe for units in MenuPay AB

The Extra General Meeting in MenuPay resolved on May 16, 2019, to carry out a new issue of shares of series B and warrants with preferential right for existing shareholders.

Offered securities

The offer refers to purchase of units, where one unit consists of one share of series B and one warrant. The subscription price is SEK 1,40 per unit.

Three warrants entitle the holder to subscribe for one new B-share with a 30 percent discount against the weighted average market price immediately preceding the subscription period, which will fall between August 17 and September 14, 2020.

Subscription period

Units must be subscribed for during the period from May 27 to June 10, 2019.

Right to participate/ subscription rights

The Company's shareholders have preferential rights to subscribe for units in proportion to the number of shares they held on the record date. The record date for the right to participate in the Issue is May 23, 2019. For each existing share, regardless of series, held on the record date shareholders will receive six (6) subscription rights. Five (5) subscription rights entitles the holder to subscribe for one (1) unit. To the extent units are not subscribed for with preferential rights, these shall be allocated to shareholders and other investors who have notified interest in subscribing for units pursuant to what is stated in the section "Terms and conditions". Such allocation shall primarily be made to those who also subscribed for units on the basis of subscription rights.

Dilution

Share capital in the Company may increase through the rights issue by not more than SEK 2 054 902.00, from SEK 1 712 418.375 to not more than SEK 3 767 320.375, and the number of shares in the Company may increase by not more than 16 439 216 shares, from 13 699 347 shares to

30 138 563 shares. Shareholders who choose not to subscribe for units in the rights issue will sustain a dilutive effect of 54,5 percent of the total capital in the Company (provided that the rights issue is fully subscribed). Shareholders have the option to sell their subscription rights to obtain compensation for the dilution.

Should all warrants included in the offering be exercised, another 5 479 739 shares will be issued, representing another 15,4 percent of all outstanding shares.

Issue costs

The Company's issue-related costs are expected to amount to approximately MSEK 2,1. The costs are attributable to the preparation of the Memorandum, administration and marketing expenses.

Pre-subscription commitments

Pre-subscription commitments totaling SEK 15 580 000 have been provided, corresponding to approximately 68 percent of the rights issue. The committed amounts are in some cases agreed in DKK, thus the presented amounts in SEK may deviate due to fluctuation in the exchange rate.



Background and reasons

The MenuPay platform is well-established, increasingly popular and ready to accelerate internationally. Almost 500 companies, with more than 600.000 employees, including a majority of Denmark's top 25 companies have joined MenuPay. More than 60.000 have downloaded the app and more than 10.000 users were active last quarter. Their use of the MenuPay platform has grown by more than 100 percent over the most recent twelve months to more than 200 transactions per day at more than 450 participating restaurants. As a result, the monthly transaction fee income has grown to SEK 175,000, which is more than three times more than the same period in the past year.

This rights issue is carried out partly to provide funds for further expansion of the core business in Denmark to cover the net cost relating to the accelerated marketing and growth in Denmark towards break-even. Funds will also be used for technical improvements, since MenuPay has become a technology platform company. The

increasing complexity and need for addition of new revenue generating features, as well as localization and seamless integration to third party environments has meant that the entire app and platform is being upgraded and thereby also fitted for internationalization.

The board has identified the potential for expansion into the other Nordic countries and beyond. An office in Sweden was recently opened and the first restaurant and company agreements have been made in Sweden. Beyond, and potentially with time including Sweden or even Denmark, it is anticipated that the local service will be offered by license- or franchise takers to leverage their existing local knowledge and access to existing restaurant networks, which is seen as a key to scalability of MenuPay. A portion of the funds raised in this issue will hence be allocated to the introduction of the MenuPay concept on new markets.

Remaining proceeds will be used for increased working capital and the strengthening of the balance sheet, as well as for costs related to the transaction.

The board of directors assesses that the existing working capital in the Company is not sufficient to meet MenuPays' working capital and capital expenditure needs for 12 months as of the date of the Memorandum. The proceeds from the current issue amounts to approximately MSEK 23 (if fully subscribed) and is pre-subscribed to approximately 68 percent. The Company's issue-related costs are expected to amount to approximately MSEK 2,1.

Use of proceeds, at full subscription (MSEK)

Marketing activities for continued expansion in Denmark	7,1
Upgrading and development of the technical platform	2,1
Marketing activities for introduction on new markets	8,6
Increase of operating capital	3,1
Costs related to the issue	2,1
Total	23,0

Summary of the offering

Subscription rights

For each existing share, regardless of series, held on the record date May 23, 2019, shareholders will receive 6 subscription rights for subscription of units. 5 subscription rights entitles the holder to subscribe for one (1) unit. One unit consists of one share of series B and one warrant. To the extent units are not subscribed for with subscription rights, these shall be allocated to shareholders and other investors who have notified interest in subscribing.

Timetable and other information

Price per unit	SEK 1.40 (corresponds to appr. MSEK 19.2 issue pre-money valuation ex debt)
Last day of trading including the right to receive subscription rights	May 21, 2019
Record date for participation in the Issue	May 23, 2019
Subscription period	May 27 – June 10, 2019
Trading in subscription rights	May 27 – June 8, 2019
Trading in BTU	From May 27 until the issue has been registered at the Swedish Companies Registration Office (Bolagsverket)
ISIN-code for the B share	SE0009383615
Market place for the share	Spotlight Stock Market
Ticker symbol	MENU B
ISIN-code for the subscription rights	SE0012675130
ISIN-code for the BTU	SE0012675148

Comments by the CEO

Since I joined MenuPay (originally MenuCard), we have developed our business model, technology platform and most importantly, we have grown more than 10-fold on any parameter. Admittedly, as in many infrastructure cases, it has taken longer and it has cost more than we expected in the outset. Never the less, I am proud of the team and of the business that we have built, now with break-even within sight. The really good news is that the next 10-fold growth will be easier and most likely also much faster. Let me explain

If you are a user, you will probably already know that we have built a growing critical mass of satisfied companies, restaurants and regular users. Our app-based technology "just works" and continues to develop. As a recent example, MobilePay (not to be mixed with MenuPay), the leading Danish mobile payment solution with 3,8 million users, has now become a standard feature in the App, which means that there is no longer a requirement to install a payment card to start using MenuPay.

On this basis of strength, three major avenues of acceleration have opened up to us:

• **Further acceleration of the current service:** more users, restaurants, partners and transactions, introduction of loyalty bonus and improved terms. We will continue to push the positive circle and drive the growth of users through marketing, attractive offers and by leveraging the increasingly strong support from our company partners. In addition, we have tested and are now ready to launch a bonus model whereby a part of the discount is added to the members account, for use at future restaurant visits. This increases user loyalty and stimulates a more frequent flow of guests to MenuPay restaurants. Last but not least we are increasing the average commission from the entry level of 3,5% towards 7% with events and Menutickets/Diningdays delivering closer to 10% which is still very competitive relative to what restaurants pay to other partners. These activities are ongoing and will be accelerated in H2-2019.

• **Additional revenue streams:** Our users (business as well as private) are very interested in special offers

and MenuPay is well positioned to tap into the large market for menu tickets/deals that are sold by other operators. Another example is the large event market ranging from corporate dinners, events, festivals, etc. We have also successfully added café- and bakery chains, quality wine, gourmet chocolate, etc. More initiatives are underway to secure further acceleration in this category. This type of collaboration is of great importance to MenuPay's relevance and our users' inclination to use the system frequently.

• **International acceleration:** By renovating and further improving our technology platform, we are ready to replicate and localize the success formula to more metros, outside Denmark. We have started this journey by entering the Swedish market this quarter, yet we intend to accelerate this development through license/franchise partnerships with local operators. The first negotiations are underway. Furthermore, as another very important milestone, we recently changed our name, from MenuCard to MenuPay, which is now a registered trademark, supported by international domain names. The new name reflects what the company does and is the branding platform we need to spread our wings internationally.

Each of the avenues above can lead to more than a doubling of our current business. This means, that a further 10-fold growth of the business is well within reach in the quarters and years to come, subject to funding from the current round.

The other important fact is that MenuPay is addressing a large, growing market. The Danish quality restaurant market is more than 20 billion DKK per year (total eat-out

market of 45bnDKK in 2018) and is growing by more than 5% per year, caused by the trend in larger Metros that people are looking for convenience, takeaway and dining out. This is an international trend and Copenhagen represents just 1,5% of the wider European market.

Last, but not least, MenuPay is addressing a number of major pains and opportunities. **Restaurant** owners are not digital frontrunners, yet they are under increasing competitive pressure and unable to effectively attract and manage agreements with attractive companies and their guests. **Companies** on the other side struggle to handle restaurant agreements and administration is a pain. Finally, **Guests** haven't - until now with MenyPay - had the benefit of digital inspiration, payment and savings from 100s of quality restaurants and other vendors.

To us, the tables turned during 2018 in many ways. With strong growth we were able to attract two new cornerstone investors, Kraks Fond and the Pitzner Group. Both investors will prematurely convert their convertible loans to shares as a cost-free underwriting to this rights issue. In addition, the two investors have pre-committed to subscribe to another 1,4 MSEK each. With their support we have been able to push on to where we are today and, on that background, we have decided to make the current public offering (rights issue) which allows everybody to join at par with our institutional investors.

I know that we are on to something big and you are invited!

Kim Lykke Sommer
CEO, MenuPay AB