

6 November 2008 – First North notification no. 21

First North Notification: Financing of Wannakey A/S

Wannakey A/S

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Financing of the company

As mentioned in the Company's notification of 29 August 2008, the Company was busy conducting a process with a view to ensuring the development of RedAntenna Version 3.1 Beta.

The Company has now concluded this process with a loan agreement with the Company's shareholders, A&H Vangsted Holding ApS.

The Company expects to be able to borrow up to DKK 3.6 M from A&H Vangsted Holding ApS, which is expected to be sufficient to ensure the development of RedAntenna Version 3.1 Beta as well as the ordinary operation until the end of March 2009.

With the exception of non-compliance, the loan from A&H Vangsted Holding ApS must be repaid at the latest 31 December 2011. However, the lender has the right to demand that an issue be conducted with a view to repayment of the balance in favour of A&H Vangsted Holding ApS.

Possible issue

In connection with the formalisation of the loan agreement with V&H Vangsted Holding ApS, it is agreed that A&H Vangsted Holding ApS is entitled to demand that Wannakey A/S conducts an issue with a view to repayment of the balance in favour of A&H Vangsted Holding ApS.

This issue is termed "Issue 1" in the following.

Issue 1 must, if so, be conducted with a pre-emption right for existing shareholders and at a price of DKK 2 per share. To the extent the existing shareholders may not subscribe to all the offered shares, A&H Vangsted Holding ApS is obligated to subscribe to the remaining shares upon conversion of the debt.

About A&H Vangsted Holding ApS

A&H Vangsted Holding Aps is owned by the member of the board, Arne Vangsted.

A&H Vangsted Holding ApS owns 7.4% of the shares in the Company.

In addition, A&H Vangsted Holding ApS owns 48% of DANFORT A/S, which owns 91.9% of the shares in the Company.

Further financing

The Company continues to work on acquiring further capital in the order of DKK 10 M to cover marketing and operation of RedAntenna Ver. 3.x in 2009 and 2010.

In the follow, a possible issue in connection with this is termed as "Issue 2".

Consequences for the Company

The consequences for the Company and shareholders of the agreement entered into with A&H Vangsted Holding ApS can be summarised as follows:

- With the agreement, the Company expects to have its operation financed until the end of March 2009.
- The Company's shareholders will – provided the lender demands that Issue 1 be conducted – have a pre-emptive right and they can, in so doing, avoid dilution of their shareholding if they subscribe to shares at DKK 2 per share.
- The subscription price of DKK 2 per share in connection with Issue 1 is determined in consideration of the following factors:
 - The stock market price as at today's date.
 - The financial crisis has meant that it is more difficult than previously to acquire new funds.
 - If the subscription price was set too high in Issue 1, according to management's evaluation, there was a risk that the agreement could risk preventing Issue 2.
 - If the shareholders evaluate that a subscription price of DKK 2 per share is too low, they will be able to protect themselves against dilution as a result of the pre-emptive right by subscribing to shares in Issue 1.
 - Management is working on Issue 2 being conducted at a higher subscription price than DKK 2 per share. This is evaluated as not being made impossible by the agreement with A&H Vangsted Holding Aps since Issue 1 has a pre-emptive right for existing shareholders and an external investor in Issue 2 cannot therefore use Issue 1 to subscribe to shares.

Further information:

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RedAntenna – welcome to Marketspace

Through the millennia, producers, sellers and buyers have met on a marketplace in order to exchange goods in a simple and uncomplicated way. Wannakey has now developed the concept www.RedAntenna.com into a modern, digital market space with endless opportunities for distribution, marketing and sale of digital products – without borders, without obstacles and without risk.

We believe that innovative, digital products from developers all over the world should be available to everyone. But also that everyone who adds value to the products in the market space must have their fair share of the joint work in developing, distributing and selling the products. The simple and fair principle is the corner stone of the innovative and intelligent RedAntenna. Based on the idea that “you should do what you are best at – and let others do the rest” creates RedAntenna’s spontaneous synergy, advantages and return for developers, providers and users of digital products.

All transactions are protected by patented technology, which automatically ensures licensing rights, precise allocation of earnings and at the same time, contains a simple and secure platform for the exchange, distribution, marketing and sale of digital products.

For further information regarding www.RedAntenna.com and Wannakey A/S, please refer to the company’s websites for

- Investor Relations and Wannakey A/S: <http://www.wannakey.com/p39.asp>
- RedAntenna: www.redantenna.com