

ASX release

29 April 2025

Growth continues as Q1 revenue increases 54% vs Q1 2024

Q1 FY25 Quarterly Activities Report and Appendix 4C

Q1 FY25 highlights (all figures A\$ unless otherwise stated and unaudited)

- Quarterly revenue of \$1.05 million, up 54% on prior corresponding period (pcp) (Q1 FY24: \$680k).
- Cash receipts of \$842k, up 11% on last quarter (\$758k in Q4 FY24).
- Accounts Receivable increased to approximately \$4.6 million, from \$4.5 million at 31 December 2024.
- Enterprise client numbers increased to 409 clients

Global fintech leader in automated VAT claim and return solutions, Way2VAT Ltd (**ASX: W2V, Way2VAT** or the **Company**), provides an update on its activities for the quarter ended 31 March 2025 (Q1 FY25), alongside the Company's Appendix 4C.

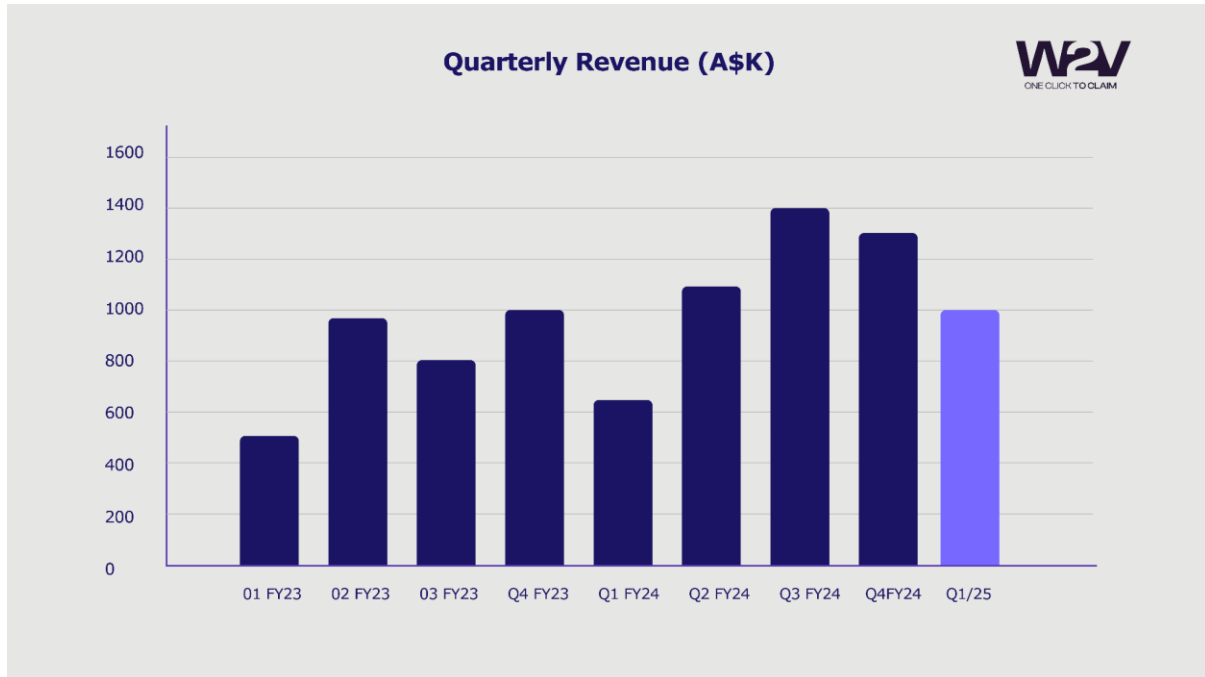
Commenting on the Company's achievements in Q1 FY25, Way2VAT Founder & CEO, Amos Simantov, said:

"Way2VAT experienced growth in quarterly revenue of 54% on a pcp basis to \$1.05 million. This healthy increase comes in seasonally the weakest quarter for revenue, as Q1 is the only quarter of the year where there are no tax deadlines for submitting international VAT reclaims. The revenue growth has come through onboarding of new clients previously announced, processing historical VAT claims for these clients, as well as an increase in volumes with existing clients on their local VAT submissions".

"We continue to welcome new clients to the Way2VAT platform, one such client, a multinational real estate services company mentioned in our previous quarterly activity report has informed Way2VAT that we have won their business with the contract to be signed imminently. We will soon start work on evaluating their VAT invoices for processing in the coming months".

Financial highlights

Way2Vat's annual revenues continue to grow at an annual rate of between 40% to 60% with FY24 revenues up 43% and now FY25 Q1 revenue of \$1.05 million increasing 54% over Q1 FY25 (up from \$680k in the pcp).



Operational highlights

Growing new and existing enterprise client base

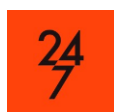
At the end of Q1 FY25, Way2VAT had 409 enterprise clients, up from 395 in Q4 FY24.

Key clients added since the last quarterly report include:

A multinational real estate services company. This contract will cover approximately 130 entities in the group, predominantly in Europe, and the scope of work will cover both VAT reclaim and our APAI compliance product. This contract has been awarded to Way2VAT and will be signed imminently.



Kaizen Gaming is an international Game Tech company that provides online sports betting and gaming services through two brands: Betano and Stoiximan. With US\$1.6B in revenue, it operates in 15 different countries throughout LATM and Europe.



TwentyFourSeven is a production company servicing Spain, Portugal, Poland, Lithuania, Chile, Dominican Rep & Miami for international brands.



Grupo Restalia is a leading global company developing franchised Spanish restaurant concepts. Its main brand, 100 Montaditos, is today one of the benchmarks in the organized restaurant sector in Spain, with more than 250 restaurants and a presence in six additional countries, including the US, Mexico, Colombia, Portugal, and Andorra.



Frit Ravich is a company specializing in the manufacture of chips, snacks, and nuts. It is a snack-food distributor with over 1,000 employees, exports to 27 countries, and €302 million in net sales in 2023. Way2VAT will service this client for local VAT reclaim in Spain

These clients will generate revenue over time, but at the time of signing, they are not expected to be individually material to Way2VAT's revenue in 2025. The Company will monitor progress as we receive the expense data from these clients regarding revenue materiality thresholds.

Financials

It was pleasing to see Way2VAT's quarterly revenue increase to \$1.05m in the first quarter of FY25 despite the seasonality that is experienced in this quarter. Way2VAT's client activity peaks at the end of Q2, Q3, and Q4, where they face International VAT tax reclaim deadlines in certain tax jurisdictions. These deadlines are 30 June for reclaiming UK VAT, 30 September for most European VAT reclaims, and 31 December for VAT reclaims in Asia and the Middle East.

Work completed for clients on local VAT as opposed to international VAT reclaim is generally completed on a more regular basis at month end or quarter end, depending on local regulations.

Cash receipts from certain tax jurisdictions and clients improved once again in Q1 FY25 versus Q4 FY24 however further improvement is required given the large outstanding accounts receivable balance. \$1.05m in quarterly revenue means that revenue is still running ahead of cash collections, leading to the Accounts Receivables balance increasing from \$4.5m to approximately \$4.6 million.

The Company's cost reduction program has been completed and is on track for an annualised approximate 20% cost reduction. Approximately \$150,000 of one off costs were incurred in January relating to this cost reduction program. Total Q2 costs will reflect the reduced real run rate going forward.

As shown in the accompanying Appendix 4C, the Company repaid \$810,000 of its outstanding short-term loans at maturity dates during the quarter ended 31 March 2025.

Subsequent to the end of the quarter, the Company entered into an arrangement with its existing lender, Bank Hapoalim, for a credit line of \$720,000. This credit line is in addition to the existing

financing facilities in place and has been advanced to the Company based on purchase orders received from existing clients for work to be completed by Way2VAT. The credit line can be drawn down by the Company when the Company invoice clients for work completed relative to a purchase order. Under the terms of this arrangement, the Company will be entitled to draw down an amount of up to 50% of each invoice under the credit line to a cumulative amount of \$720,000. This credit line will assist the Company in its cash flow management between the Company completing the work and receiving the associated revenue. The credit line is available until 31 October 2025 (by which time the work relating to the purchase orders should be completed) and attracts an interest rate of the Israeli Prime Rate + 4.5% (10.5%), similar to the Company's existing bank loans.

In addition to the credit line, Bank Hapoalim has also granted a further short-term bank loan to the Company for an amount of approximately \$430,000. The loan is to be repaid by 23 July 2025 and attracts an interest rate of the Israeli Prime Rate + 4.5%

During the quarter, \$129,000 in payments were made to related parties and their associates, including wages for the CEO (including superannuation equivalent), Chairman, and Non-Executive Director.

Outlook

Way2VAT Founder & CEO Amos Simantov, said:

"We are approaching a very busy time of the year for Way2VAT as we work towards an important VAT reclaim deadline of 30 June, with many more clients than this time last year. We have a strong pipeline of work to complete for both new and existing clients in the lead up to this deadline and subsequent deadlines at the end of the 3rd and 4th quarters of 2025."

"As we receive expense data into our platform for processing from newly onboarded clients in particular, we are becoming increasingly confident that this will lead to higher volumes of reclaims to process and higher revenues in coming quarters."

Appendix 4C

Please find attached the Company's Appendix 4C.

This announcement was authorised for release to the ASX by the Board of Way2VAT

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For more information, please contact:

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About Way2VAT

Way2VAT is a global fintech leader in automated VAT/GST claim and return solutions in over 40 countries and in over 20 languages, serving hundreds of enterprise businesses worldwide. Way2VAT owns and operates a patented artificial intelligence technology that powers the world's first fully automated, end-to-end VAT reclaim platform.

Established in 2016, Way2VAT is headquartered in Tel Aviv with offices in the United Kingdom, Spain, and Romania. It has over 70 employees, and more than 409 global enterprise companies use its platform daily.

www.way2vat.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

WAY 2 VAT LTD

ARBN

637 709 114

Quarter ended ("current quarter")

31 March, 2025

| Consolidated statement of cash flows | | Current quarter A\$'000 | Year to date (3 months) A\$'000 |
|--------------------------------------|--|----------------------------|---------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts collected from clients | 842 | 842 |
| 1.2 | Payments for: | | |
| | research and development | (93) | (93) |
| | advertising and marketing | (89) | (89) |
| | leased assets | (120) | (120) |
| | staff costs* | (1,401) | (1,401) |
| | Professional services, administration and corporate costs* | (563) | (563) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest received | - | - |
| 1.5 | Interest and other costs of finance paid | (33) | (33) |
| 1.6 | Income taxes (paid) / received | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Net client receipts from tax authorities (repaid) / not yet repaid | 25 | 25 |
| 1.9 | Other | 6 | 6 |
| 1.10 | Net cash used in operating activities | (1,426) | (1,426) |

* The Company's cost reduction program has been completed and is on track for an annualised approximate 20% cost reduction. Approximately \$150,000 of one off costs were incurred in January relating to this cost reduction program. Total Q2 costs will reflect the reduced real run rate going forward.

| Consolidated statement of cash flows | | Current quarter A\$'000 | Year to date (3 months) A\$'000 |
|--------------------------------------|--|----------------------------|---------------------------------------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | entities | - | - |
| | businesses | - | - |
| | property, plant and equipment | (1) | (1) |
| | investments | - | - |
| | intellectual property | - | - |
| | other non-current assets | - | - |
| 2.2 | Proceeds from disposal of: | | |
| | entities | - | - |
| | businesses | - | - |
| | property, plant and equipment | - | - |
| | investments | - | - |
| | intellectual property | - | - |
| | other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received | - | - |
| 2.5 | Other | - | - |
| 2.6 | Net cash used in investing activities | (1) | (1) |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issuance of ordinary shares (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from convertible debt securities | 2,529 | 2,529 |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issuance of ordinary shares and/or convertible debt securities | - | - |
| 3.5 | Proceeds from loans | 156 | 156 |
| 3.6 | Repayment of loans | (810) | (810) |
| 3.7 | Transaction costs related to loans | (87) | (87) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other | - | - |
| 3.10 | Net cash provided by financing activities | 1,788 | 1,788 |

| Consolidated statement of cash flows | Current quarter | Year to date |
|--------------------------------------|-----------------|-----------------------|
| | A\$'000 | (3 months) A\$'000 |

| | | | |
|------------|--|------------|------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 117 | 117 |
| 4.2 | Net cash used in operating activities (item 1.10 above) | (1,426) | (1,426) |
| 4.3 | Net cash used in investing activities (item 2.6 above) | (1) | (1) |
| 4.4 | Net cash provided by financing activities (item 3.10 above) | 1,788 | 1,788 |
| 4.5 | Effect of exchange rate changes on cash and cash equivalents | (4) | (4) |
| 4.6 | Cash and cash equivalents at end of period | 474 | 474 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter A\$'000 | Previous quarter A\$'000 |
|------------|---|----------------------------|-----------------------------|
| 5.1 | Bank balances | 474 | 474 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 474 | 474 |

| 6. | Payments to related parties of the entity and their associates | Current quarter A\$'000 |
|-----|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | (129) |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

| | | | |
|-----|---|--|---|
| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end A\$'000 | Amount drawn at quarter end A\$'000 |
| 7.1 | Loan facilities | 1,364 | 1,364 |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | Total financing facilities | 1,364 | 1,364 |
| 7.5 | Unused financing facilities available at quarter end | | - |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | <u>Total facility and drawn amounts at quarter end (31 March 2025) with Israeli Bank Hapoalim contains the following:</u> \$1,151 thousand secured loan based on a percentage of the company's receivables from tax authorities, payable on 30 August 2025 with interest set at Israeli Prime Rate + 4.5% (10.50%) and such interest is paid on a monthly basis. \$213 thousand secured (remaining) loan based on a percentage of the company's receivables from tax authorities, payable via 17 evenly monthly instalments commencing 30 April 2024 through 31 August 2025, with interest set at Israeli Prime Rate + 5.8% (11.80%). | | |

| | | |
|-----|--|----------------|
| 8. | Estimated cash available for future operating activities | A\$'000 |
| 8.1 | Net cash used in operating activities (item 1.10) including refund collected for clients. | (1,426) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 474 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 474 |
| 8.5 | Estimated quarters of funding available (item 8.4 divided by item 8.1) | 0.33 |
| | <i>Note: if the entity has reported positive net operating cash flows in item 1.10, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> | |
| 8.6 | If item 8.5 is less than 2 quarters, please provide answers to the following questions | |
| | 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| | Answer: The company anticipates a continued reduction in operating cash burn over the coming quarters, driven by increased revenues from higher client activity and recent client wins, as detailed in the accompanying Quarterly Activity Report. Additionally, significant cost savings are expected as a result of the company's cost base restructuring, which commenced in December 2024. | |

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Yes:

- (A) Subsequent to the end of the quarter, the company entered into an arrangement with its existing lender, Bank Hapoalim for a credit line of \$720,000. This credit line has been advanced to the Company based on purchase orders received from existing clients for work to be completed by Way2VAT. The credit line can be drawn down by the Company when the Company invoice clients for work completed relative to a purchase order. Under the terms of this arrangement, the Company will be entitled to draw down an amount of up to 50% of each invoice under the credit line to a cumulative amount of \$720,000. The credit line is available until 31 October 2025 (by which time the work relating to the purchase orders should be completed) and attracts an interest rate of the Israeli Prime Rate + 4.5% (10.5%). In addition to this credit line Bank Hapoalim has also granted a further short term bank loan to the company for an amount of approximately \$430,000. The loan is to be repaid by 23 July 2025 and attracts an interest rate of the Israeli Prime Rate + 4.5%
- (B) The company has a strong track record of raising funds to support the company's growth and is continuing discussions with new and existing shareholders regarding future equity and or debt opportunities to fund the company to its cashflow break-even point.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, please see 8.6.1 and 8.6.2 above

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 April 2025

Date:

By the Board of Directors

Authorised by:

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.