



WAY 2 VAT LTD

PROSPECTUS

The Company is an Israel incorporated entity registered under Israeli Companies Law, 5759-1999, with registration number 515043982. The Company is also registered as a foreign company under the Corporations Act with ARBN 637 709 114.

**For the offer of 30,000,000 Shares
at an issue price of A\$0.20 each
to raise A\$6,000,000**

This Prospectus has been issued to provide information on the offer of 30,000,000 Shares to be issued at a price of A\$0.20 per Share to raise A\$6,000,000 (before costs). Oversubscriptions of up to 5,000,000 Shares may be accepted (to raise an additional A\$1,000,000).

It is proposed that the Offer will close at 5.00pm (AEDT) on 27 August 2021. The Directors reserve the right to close the Offer earlier or to extend this date without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Investment in the Shares offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 7 for a summary of the key risks associated with an investment in the Shares.



LEAD MANAGER

Canaccord Genuity (Australia) Limited



CORPORATE DIRECTORY

Current and Outgoing Directors

Aviv Barshaf – Director
Avraham Yaron – Director
Andrey Yashunsky – Director

Current and Proposed Directors

Amos Simantov – CEO and Managing Director
Adoram Ga'ash – Non-Executive Chairman
David Haim Assia – Non-Executive Director
Ayelet Nahmias Verbin – Non-Executive Director
David Buckingham – Non-Executive Director
Robert Edgley – Non-Executive Director

Company Secretary*

Elizabeth Spooner

Registered and Principal Office (Israel)

3rd Floor, 34A Ha'Barzel Street
Tel Aviv, Israel 6971051
Telephone: 97 2 3 508 0022
Website: www.way2vat.com

Registered Office (Australia)

C/- Automic Pty Ltd

Level 5, 126 Phillip Street
Sydney NSW 2000

Share Registry*

Automic Pty Ltd

Level 5, 126 Phillip Street
Sydney NSW 2000
Australian telephone: 1300 288 664
International telephone: +61 2 9698 5414

Lawyers (Australia)

Thomson Geer

Level 27, Exchange Tower
2 The Esplanade
Perth WA 6000

Lawyers (Israel)

Kafri Leibovich

3rd Floor, 11 Habarzel Street
Tel Aviv, Israel 6971017

Auditor*

BDO Israel

Amot BDO House,
48 Menachem Begin Road
Tel Aviv, Israel 6618001
Telephone: +97 2 363 6868

Independent Accountant

BDO Corporate Finance (WA) Pty Ltd

38 Station Street
Subiaco WA 6008
Telephone: +61 8 6382 4600

Lead Manager

Canaccord Genuity (Australia) Limited

Level 23, Exchange Tower
2 The Esplanade
Perth WA 6000
Telephone: +61 8 6216 2018

Proposed Stock Exchange Listing

Australian Securities Exchange (ASX)
Proposed ASX Code: W2V

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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IMPORTANT NOTICE

OFFER

The Offer contained in this Prospectus is an invitation to you to apply for fully paid ordinary shares in Way 2 Vat Ltd (ARBN 637 709 114), a foreign company registered in its original jurisdiction of Israel (**Company**). This Prospectus is issued by the Company for the purpose of Chapter 6D of the Corporations Act. The Offer contained in this Prospectus is an initial public offering comprised of an offer of Shares being issued by the Company.

LODGEMENT AND LISTING

This Prospectus is dated, and was lodged with ASIC on, 3 August 2021. An application will be made to ASX within seven (7) days of the date of this Prospectus for admission of the Company to the official list of the ASX and for quotation of its Shares on ASX. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Israeli Securities Authority has not approved or disapproved of the Shares the subject of the Offer or passed upon the adequacy, completeness or accuracy of this Prospectus. Any representation to the contrary is a criminal offence.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

EXPIRY DATE

The expiry date of this Prospectus is 5,00pm (AEST) on that date which is thirteen (13) months after the date this Prospectus was lodged with ASIC.

No Shares will be issued or transferred on the basis of this Prospectus after that expiry date.

NOTE TO APPLICANTS

The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in Shares. There are risks associated with an investment in Shares and some of the key risks are set out in Section 7. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Shares. There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Shares.

Except as required by law and only to the extent so required, no person named in this Prospectus warrants or guarantees the Company's performance, the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company, the Directors, the proposed Directors, the Lead Manager or any other person in connection with the Offer. You should rely only on the information in this Prospectus.

FOREIGN INVESTORS

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer or to otherwise permit a public offering of the Shares, in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The Offer is not being extended to any investor outside Australia, other than certain sophisticated and institutional investors in certain jurisdictions detailed in Section 3.13.

See Section 3.13 for more details on selling restrictions that apply to the Offer and the sale of Shares in jurisdictions outside Australia.

FINANCIAL INFORMATION

Section 5 of this Prospectus sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information.

The Financial Information included in this Prospectus has been prepared and presented in accordance with the recognition and measurement principles prescribed in International Financial Reporting Standards, except where otherwise stated.

The Financial Information is presented in abbreviated form. It does not include all of the presentation and disclosures required by the International Financial Reporting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports. The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Section 5.

Following Admission, the Company will continue to prepare its financial statements in accordance with International Financial Reporting Standards (except otherwise stated) and its financial statements will be audited and reviewed by the Company's auditor in accordance with international auditing standards.

All financial amounts contained in this Prospectus are expressed in US dollars and rounded to the nearest 000 (thousand) unless otherwise stated. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

DISCLAIMER

As set out in Section 3, it is expected that the Shares will be quoted on the ASX. The Company, the Company's service provider Automic Pty Ltd (**Share Registry**), the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

No person is authorised to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its directors, the Lead Manager or any other person in connection with the Offer. You should rely only on the information in this Prospectus.

PAST PERFORMANCE

This Prospectus includes information regarding past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

ELECTRONIC PROSPECTUS AND APPLICATION FORM

This Prospectus will generally be made available in electronic form by being posted on the Company's website at <https://way2vat.com/>. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company. Contact details for the Company and details of the Company's registered office are detailed in the Corporate Directory. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from <https://way2vat.com/>. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.



Prospective investors wishing to subscribe for Shares under the Offer should complete the Application Form. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing Applications for Shares under this Prospectus in the seven (7) day period after the date of this Prospectus (**Exposure Period**). This period may be extended by ASIC by up to a further seven (7) days. The Exposure Period is to enable this Prospectus to be examined by ASIC and market participants prior to the raising of funds under the Offer. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

COOLING OFF RIGHTS

Cooling off rights do not apply to an investment in Shares acquired under the Prospectus. This means that, in most circumstances, you cannot withdraw your application to acquire Shares under this Prospectus once it has been accepted.

WEBSITE

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website, or any other website referred to in this Prospectus, is incorporated in this Prospectus by reference.

SPECULATIVE INVESTMENT

The Shares offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Shares offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 7 for details relating to the key risks applicable to an investment in the Shares.

USING THIS PROSPECTUS

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

PRIVACY STATEMENT

By completing an Application Form, you are providing personal information to the Company through the Share Registry which will manage Applications on behalf of the Company. The Company, the Share

Registry on behalf of the Company and the Lead Manager, may collect, hold, use and disclose that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment.

The Company will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide the information requested in the Application Form, the Company and Share Registry may not be able to process your Application.

The Company and the Share Registry may also share your personal information with agents and service providers of the Company or others who provide services on the Company's behalf, some of which may be located outside Australia where personal information may not receive the same level of protection as that afforded under Australian law.

The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purposes of preparation and distribution of statements and for handling mail; and
- legal and accounting firms, independent auditors, contractors, consultants and other advisers for the purposes of administering, and advising on, the Shares and associated actions.

Information contained in the Share register will also be used to facilitate dividend payments (if any), corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. An Applicant has a right to gain access to their personal information that the Company and Share Registry may hold about that person, subject to certain exemptions under law.

By completing an Application Form or authorising a broker to do so on your behalf, or by providing the Company with your personal information, you agree to this information being collected, held, used and disclosed as detailed in this privacy statement.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

CONTRACT SUMMARIES

Summaries of contracts detailed in this Prospectus are included for the information of potential investors but do not purport to be complete and are qualified by the text of the contracts themselves.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 7. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

CURRENCY

Where an amount is expressed in this Prospectus in NIS or US\$, the conversion is based on the following indicative exchange rates being, A\$1.2999 = US\$1.00 or NIS 1.00 = US\$0.3113. The amount when expressed in A\$, NIS or US\$ may change as a result of fluctuations in the exchange rate between those currencies.

TIME

All references to time in this Prospectus are references to AEST, being the time in Sydney, New South Wales, Australia, unless otherwise stated.

REGULATION OF WAY2VAT

As the Company is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act 2001 of the Commonwealth of Australia or by the Australian Securities and Investments Commission but instead are mainly governed by the Israeli Companies Law, 5759-1999 (**Companies Law**), the Ministry of Justice – Corporations Authority of the State of Israel, and applicable Israeli law. The legal capacity and powers of the Company, the duties of its Directors and the rights and obligations of Shareholders may be different to those that would apply under Australian law.

GLOSSARY

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 10.

LETTER FROM THE CHAIRMAN

Dear Investor

On behalf of the Board, I am pleased to offer you the opportunity to invest in Way 2 Vat Ltd, an Israeli incorporated company registered as a foreign company in Australia (**Way2Vat** or the **Company**).

The Company is a technology company headquartered in Israel that has developed the W2V Platform, a web application capable of reclaiming many types of Value Added Tax (**VAT**) (also known as “goods and services tax” in certain jurisdictions) in many verticals, industries and markets, by leveraging on its artificial intelligence technology, to provide the Company’s clients with a seamless VAT and GST reclaim service and experience in multiple jurisdictions.

The Company commenced operations in January 2015 and launched the W2V Platform in 2016, with a pilot launch in Israel. In 2018, W2V commenced sales operations in its main sales hub in London, UK, and has since expanded the W2V Platform offering internationally into Europe and APAC (with more than 150 clients) and has entered into various arrangements to integrate the W2V Platform with third party expense management systems and accounting software vendors.

In March 2020, the Company sought to undertake an initial public offering and listing on the ASX. However, due to the COVID-19 pandemic (including the travel and lock-down restrictions that were imposed in various jurisdictions during that time) and having regard to the Company’s focus at that time on consumer and travel, the Board determined that it would be prudent to withdraw its prospectus with a view to the Company re-evaluating its business strategy in light of the change to the global travel industry and the way companies conducted their business as a result of the pandemic.

Over the past year, the Company has increased its focus on its local VAT and GST reclaims business, especially in Europe, and has achieved audited revenue of US\$1,034,000 for the financial year ended 31 December 2020 (being a 153% increase from the prior financial year). The Board is pleased with Way2Vat’s achievements to date and has determined to revisit an initial public offering and listing on the ASX.

Following completion of the Offer, the Company will seek to (amongst other matters):

1. expand its geographical reach in the enterprise market by growing its sales through its European hub in the United Kingdom and targeting new clients with:
 - (a) at least US\$1 billion in annual revenue; or
 - (b) at least 1000 employees and with substantial travel expenditure (which may result in foreign and/or local VAT and GST reclaim);
2. increase its corporate direct sales by establishing additional sales offices in the European and the Asia Pacific regions; and
3. target the Small Medium Businesses (**SMB**) market, particularly SMBs that employ 10 to 500 employees, and increase the number of clients utilising its SMB solution by partnering with various technology vendors in the areas of accounting/enterprise resource planning, expense management, invoice management and virtual payments.

The Offer will raise a minimum of A\$6,000,000 and a maximum of A\$7,000,000 (before associated costs) via the issue of between 30,000,000 and 35,000,000 Shares at an issue price of A\$0.20 per Share. Unless the Board determines otherwise, the Offer will close at 5.00pm (AEST) on 27 August 2021. The Company expects to issue and allot all Shares on 2 September 2021, and if the Company’s application for listing is accepted by the ASX, it is anticipated that the Company will be listed on the ASX on or around 7 September 2021.

This Prospectus contains important information regarding the Offer as well as the financial position, operations, management team and future plans of Way2Vat. The key risks associated with an investment in the Company are detailed in Section 7 and should be carefully considered. These include risks in respect to the loss of key client relationships, the COVID-19 pandemic, compliance with laws, regulations and industry compliance standards, failure to increase transaction volumes, failure to achieve its growth strategy and failures or disruptions to the W2V Platform.

The Company is incorporated under the laws of Israel and there are a number of differences between those laws and the laws of Australia. Refer to Section 8.1 for further details. I encourage you to read the Prospectus thoroughly and carefully before making any investment decision and consult with your independent professional adviser in connection with the Offer.

On behalf of the Directors, I invite you to consider this opportunity to invest in the Company and look forward to welcoming you as a Shareholder.

Yours faithfully



Adoram Ga’ash
Non-Executive Chairman

KEY OFFER INFORMATION

IMPORTANT DATES	
Lodgement of Prospectus with ASIC	3 August 2021
Opening Date of the Offer	11 August 2021
Closing Date of the Offer	27 August 2021
Expected Despatch of holding statements	2 September 2021
Expected date for quotation and Shares begin trading on ASX on a normal settlement basis	7 September 2021

Dates May Change

The above dates are indicative only and may change. The Company in consultation with the Lead Manager reserves the right to amend any and all of the above dates without notice (including, subject to the Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to cancel the Offer before Shares are issued by the Company). If the Offer is cancelled before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

KEY OFFER INFORMATION continued

KEY OFFER STATISTICS	
Offer Price per Share	A\$0.20
Total number of Shares offered for subscription	
<ul style="list-style-type: none"> Assuming minimum subscription (A\$6,000,000) Assuming maximum subscription (A\$7,000,000) 	<p>30,000,000</p> <p>35,000,000</p>
Total Shares on issue prior to Admission	118,586,273
Total Shares on issue after completion of the Offer (assuming Minimum Subscription)	148,586,273
Total number of Options and Performance Rights on issue on Admission	42,915,697
Number of Existing Options ¹	15,085,697
Number of Director Options ²	5,000,000
Number of Advisor Options ³	8,330,000
Number of Performance Rights ⁴	14,500,000
Indicative market capitalisation ⁵	A\$29,717,255
Indicative Enterprise Value ⁶	A\$24,292,631

Notes:

- Refer to Section 8.5 for the terms and conditions of the Existing Options.
- The Director Options will be issued to Messrs David Buckingham and Robert Edgley and Ms Ayelet Nahmias Verbin, each a Non-Executive Director, prior to Admission. Refer to Section 8.7 for the terms and conditions of the Director Options.
- Assuming Maximum Subscription, 8,330,000 Advisor Options will be issued to the Corporate Advisor prior to Admission. Refer to Section 8.6 for the terms and conditions of the Advisor Options.
- The Performance Rights will be issued to the CEO and Managing Director (Mr Amos Simantov), the Non-Executive Chairman (Mr Adoram Ga'ash) and the VP of Finance (Mr Aviv Barshaf) prior to Admission. Refer to Section 8.8 for the terms and conditions of the Performance Rights.
- Assuming Minimum Subscription and based on the Offer Price of A\$0.20 per Share. The price at which the Shares trade on ASX may be above or below this amount.
- The enterprise value is equal to the market capitalisation of the Company less the pro-forma net cash as at 31 December 2020.

How to Invest

Applications can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are detailed in Section 3 and on the back of the Application Forms.

Questions

If you have any questions in relation to the Offer, please contact the offer information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside of Australia), between 8.30am and 5.30pm (AEST), Monday to Friday. If you are unclear in relation to any matter, or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

INVESTMENT OVERVIEW



INVESTMENT OVERVIEW

The information below is a selective overview only. Prospective investors should read this Prospectus in full before deciding whether to invest in the Shares the subject of the Offer.

TOPIC	SUMMARY	MORE INFORMATION
A. Company and Business Overview		
Who is issuing this Prospectus?	Way 2 Vat Ltd (ARBN 637 709 114) is a foreign company registered in its original jurisdiction of Israel with registration number 515043982 (Way2Vat or the Company). The Company is registered as a “foreign company” in Australia, under the Corporations Act.	Section 2
What does the Company do?	The Company is a Fintech company that offers its clients a VAT and GST reclaim and compliance solution and service via its proprietary patented platform (W2V Platform). The Company was established with the aim of enabling clients to: <ul style="list-style-type: none"> • avoid dealing with cumbersome foreign VAT and GST reclaim processes (which could potentially require expertise in multi-jurisdictional VAT related laws, regulations and rules); and • submit VAT and GST reclaims in numerous territories and multiple languages without dealing with numerous invoices and expense related data. 	Section 2
What are the key strengths and competitive advantages of the Company?	The Board considers that the key strengths and competitive advantages of the Company are as follows: <ul style="list-style-type: none"> • AIA technology – Way2Vat has developed a patented and fully automated VAT and GST reclaim solution based on its unique artificial intelligence technology, utilising its automatic invoice analyser (AIA). Using the AIA technology, Way2Vat can process invoice images, including hard to read images, in multiple languages and transform these images into data to complete the requisite VAT and GST reclaim forms for submission to the relevant tax authorities (with minimal need for human intervention). • An attractive and scalable business model – Way2Vat derives its revenue from clients for each successful VAT and GST reclaim transaction that it processes via the W2V Platform which is scalable and can process a large volume of reclaims without substantially increasing the cost of processing these reclaims. • Strong market positioning, growth and momentum – Way2Vat has developed a strong reputation in the market and this is demonstrated by its significant growth in clients (72 clients in the second half of 2018 to approximately 150 clients as at the date of this Prospectus, being approximately 108% increase) and their high quality internationally recognised clients. • Cross vertical solution to address large market opportunity – Way2Vat is seeking to utilise the W2V Platform to become the only VAT and GST reclaim platform to serve two different verticals, being enterprise clients and small medium business (SMB) clients, and anticipates that this will provide the Company with access to a large market opportunity. • Experienced management team and board of Directors – Way2Vat’s management team and board of Directors bring significant and diverse experience from the technology and financial sectors having previously held senior positions across sales and marketing, product, private equity and venture capital, banking, fintech, corporate finance and accounting. 	Sections 2.2 and 2.3

TOPIC	SUMMARY	MORE INFORMATION
A. Company and Business Overview		
What is the Company's growth strategy?	<p>The Company is focused on growing its business and delivering sustainable earnings growth to its Shareholders. The Company plans to:</p> <ul style="list-style-type: none"> grow sales through its European hub in the United Kingdom (via an expansion of its sales and marketing team) and expand its geographical reach in the enterprise market; increase the number of integration partnership and referral arrangements with accounting, expense management and enterprise resource planning software providers; and focus on its SMB solution by engaging with SMB technology vendors and accounting firms globally through online marketing activities. <p>In addition, in the future, the Company may consider growth opportunities via acquisition of suitable small to medium size VAT and GST reclaim vendors located in Europe that operate manual processes with the aim of achieving synergies by applying its AIA technology to process the reclaims from these VAT and GST reclaim vendors.</p>	Section 2.4
How does the Company generate its revenue?	As at the date of this Prospectus, the Company's revenue is generated from clients who utilise the W2V Platform, with the Company receiving a commission for processing VAT and GST reclaims.	Section 2.1(d)
Why is the Company seeking to raise funds?	<p>The purpose of the Offer is to:</p> <ul style="list-style-type: none"> provide the Company with a capital structure, which, together with access to capital markets, will improve financial flexibility for future growth opportunities; provide a liquid market for its Shares and an opportunity for others to invest in the Company; and provide the Company with the benefits of an increased profile that arises from being a listed entity. 	Section 3.4
What are the Company's financial prospects and position?	<p>Way2Vat commenced operations in 2015 and has yet to achieve profitability. For the years ending 31 December 2018, 31 December 2019 and 31 December 2020, Way2Vat generated a net loss of US\$3,204,000, US\$3,574,000 and US\$2,301,000, respectively.</p> <p>Based on the Offer raising A\$6,000,000, the Company's pro forma statement of financial position as at 31 December 2020 has net assets of US\$5,972,000 (being approximately A\$7,763,003).</p> <p>This takes into account a range of subsequent events and transactions, as detailed in Section 5 and is made up of total assets of US\$8,547,000 (including cash of US\$6,902,000) and total liabilities of US\$2,575,000.</p> <p>Relevant financial information in respect to the Company, including a pro forma statement of financial position detailing the effect of the Offer, is in Section 5.</p>	Section 5
How will the Company report to Shareholders on the performance of its activities?	<p>The Company will send to its Shareholders an annual report and will also release information to Shareholders in accordance with the continuous and periodic disclosure requirements of the Listing Rules.</p> <p>Further information regarding the Company will be available on the ASX announcements platform at www.asx.com.au and will also be available on the Company's website at http://way2vat.com.</p>	Section 8.18

INVESTMENT OVERVIEW continued

TOPIC	SUMMARY	MORE INFORMATION
A. Company and Business Overview		
Will the Company pay dividends?	<p>The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company.</p> <p>While it is the aim of the Company that, in the longer term, its financial performance and position will enable the payment of dividends, at the date of this Prospectus, the Company does not intend, or expect, to declare or pay any dividends in the immediately foreseeable future, given that its focus will be on long term growth.</p>	Section 3.20
B. Key Risks		
What are the key risks of investing in the Company?	<p>Some of the key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment in the Company are detailed in Section 7.</p> <ul style="list-style-type: none"> • Compliance with Laws, Treaties, Regulations and Industry Compliance Standards: Way2Vat is subject to a range of legal and industry compliance requirements that are constantly changing. This includes taxation laws and treaties, privacy laws, data protection laws and contractual conditions. There is a risk that additional or changed legal, regulatory or licensing requirements, and industry compliance standards, may make it unviable or uneconomic for Way2Vat to continue to operate in certain jurisdictions, or to expand in accordance with its strategy. This may materially and adversely impact Way2Vat’s revenue and the ability to achieve profitability, including by preventing its business from reaching a sufficient scale. • Loss of Client Relationships: The success of Way2Vat’s business will depend on its continued relationships with its existing clients. There can be no guarantee that these relationships will continue or, if they do continue, that these relationships will continue to be successful. There is a risk that Way2Vat may lose its clients for a variety of reasons including a failure to successfully reclaim VAT, meet key contractual or commercial requirements, and/or customers shifting to in-house solutions or competitor service providers. • Failure to increase Reclaim Volumes, Number of Clients or Establish its Brand: Way2Vat is currently in the early stages of establishing its presence globally and its ability to profitably scale its business is heavily reliant on increases in the number of successful VAT and GST reclaims and in its client base to increase revenues. Data from increasing VAT and GST reclaim volumes will also better optimise the Company’s systems and ability to make a successful VAT and GST reclaim. Way2Vat considers that establishing, expanding and maintaining the Way2Vat brand is important to growing its client base. Failure to expand in this way may materially and adversely impact Way2Vat’s ability to achieve economies of scale and to optimise its systems, and may therefore adversely impact Way2Vat’s ability to achieve future profitability. • COVID-19: COVID-19 is a major community and economic concern which is continuing to have an effect on business operations globally. It is possible that further lockdowns may be imposed in Israel and/or globally which may have an adverse impact to the Company’s business. An inability to move the Company’s people and resources freely and any restrictions imposed by national governments could have a material adverse effect and/or impact on the Company’s activities, strategy, funding and objectives. There is also a risk that the Company’s employees may be unable to work for a period of time if they contract COVID-19 or are quarantined. The Directors are continuing to monitor the situation and will update the market in respect to any material impact regarding COVID-19. 	Section 7

TOPIC	SUMMARY	MORE INFORMATION
B. Key Risks		
<p>What are the key risks of investing in the Company? continued</p>	<ul style="list-style-type: none"> • Reliance on Tax Agents and Representatives: Way2Vat’s business and operations are largely dependent on various third parties, including its tax agents, representatives, legal advisers and consultants. The Company relies heavily on its tax agents, representatives and consultants in each jurisdiction that it operates in for taxation and VAT and GST reclaim knowledge and there is a risk that its tax agents, representatives, legal advisers and consultants are inadequate. The loss of the services of any of its third party representatives, including due to insolvency, loss of key licences, certifications or permits or any other reason, and the inability of the Company to find adequate replacements on a timely basis, or at, all could have a material effect on the Company’s business, financial condition, operations and prospects. • Failure to Achieve its Growth Strategy: The success of Way2Vat’s business is dependent on the achievement of its growth strategy, including (but not limited to), expanding its geographical reach in the enterprise market and further developing the SMB solution. If Way2Vat is unable to enter into future arrangements to expand its geographical reach or develop these solutions, this may materially and adversely impact Way2Vat’s financial performance, reputation and ability to achieve future profitability. • Failures or Disruptions to the W2V Platform and Third Party Providers: Way2Vat depends on the performance, reliability and availability of its technology system, third party software providers, including the integration with accounting and expense management systems, and cloud based platform providers to achieve its business strategy and growth. There is a risk that these systems may fail to perform as expected or be adversely impacted by a number of factors, some of which may be outside the control of Way2Vat, including damage, equipment faults, power failure, fire, natural disasters, computer viruses and external malicious interventions such as hacking or denial-of-service attacks. • Loss Making Operation, Future Capital Needs and Additional requirements for capital: Way2Vat commenced operations in 2015 and is yet to generate a profit. As at the date of this Prospectus, Way2Vat is loss making and is not cash flow positive, meaning it is reliant on raising funds from investors to continue to fund its operations and development of the W2V Platform. As the Company continues to grow, expenses may continue to exceed revenue, resulting in further net losses in the future. Although the Directors consider that Way2Vat will, on completion of the Offer, have sufficient working capital to carry out its stated objectives and to satisfy the anticipated working capital and other capital requirements detailed in this Prospectus, there can be no assurance that such objectives can continue to be met in the future without securing further funding. The future capital requirements of Way2Vat will depend on many factors, including the development of the W2V Platform and the SMB solution, and the Company may need to raise additional funds from time to time to finance the ongoing development and commercialisation of its VAT and GST reclaim solution. The Company is unable to accurately predict when, or if, it will be able to achieve profitability and even if profitability is achieved in the future, it may not be sustained for subsequent periods potentially affecting the market price of Shares and the Company’s ability to raise capital, expand its business or continue its operations. 	<p>Section 7</p>

INVESTMENT OVERVIEW continued

TOPIC	SUMMARY	MORE INFORMATION
B. Key Risks		
What are the key risks of investing in the Company? continued	<ul style="list-style-type: none">• Competitors and New Market Entrants: There is a risk that new entrants in the market which may disrupt Way2Vat's business and existing market share. Existing competitors as well as new competitors entering the industry, may engage in aggressive client acquisition campaigns, develop superior technology offerings or consolidate with other entities to deliver enhanced scale benefits. Such competitive pressures may materially erode Way2Vat's market share and revenue, and may materially and adversely impact Way2Vat's revenue and profitability.• Protection and ownership of technology and intellectual property: The business of Way2Vat depends on its ability to commercially exploit its technology and intellectual property, including the AIA technology, its technological systems and data processing algorithms. Way2Vat relies on laws relating to trade secrets, copyright and trademarks to assist in protecting its proprietary rights. However, there is a risk that unauthorised use or copying of Way2Vat's software, data, specialised technology or platforms will occur. In addition, there is a risk that the validity, ownership or authorised use of intellectual property relevant to Way2Vat's business may be successfully challenged by third parties. This could involve significant expense and potentially the inability to use the intellectual property in question, and if an alternative cost-effective solution were not available, it may materially adversely impact Way2Vat's financial position and performance. Such disputes may also temporarily adversely impact Way2Vat's ability to integrate new systems which may adversely impact Way2Vat's revenue and profitability.• Risks of an Israeli company: The Company is incorporated in Israel and its development and research and development facilities are based in Israel. Accordingly, political, economic and military conditions in Israel and the surrounding region, and national, company, consumer and other boycotts, may directly affect the Company's business. Any hostilities involving Israel, or the interruption or curtailment of trade within Israel or between Israel and its trading partners, or the mandatory military service obligations of Israeli citizens (including the Company's Israeli-based Directors and key management and scientific personnel) could materially and adversely affect the Company's business and make it more difficult for the Company to raise capital.• Applicability of Israeli law: The rights and responsibilities of Shareholders will be governed by Israeli law which differs in some material respects from the rights and responsibilities of shareholders of Australian companies. In certain respects, Israeli law may be interpreted as imposing additional obligations and liabilities on the Shareholders than would typically be the case for shareholders of companies incorporated in Australia.	Section 7

TOPIC	SUMMARY	MORE INFORMATION																																								
C. Directors and Related Party Interests																																										
Who are the current and incoming Directors?	<p>On Admission, the Board will comprise:</p> <ul style="list-style-type: none"> • Amos Simantov – Founder, CEO and Managing Director; • Adoram Ga’ash – Non-Executive Chairman; • David Haim Assia – Non-Executive Director; • Ayelet Nahmias Verbin – Non-Executive Director; • David Buckingham – Non-Executive Director; and • Robert Edgley – Non-Executive Director. <p>As at the date of this Prospectus, Messrs Amos Simantov, Adoram Ga’ash, David Haim Assia, Aviv Barshaf, Avraham Yaron and Andrey Yashunsky are the Directors. Messrs Aviv Barshaf, Avraham Yaron and Andrey Yashunsky, who are current Directors, will resign and cease to be Directors effective on Admission.</p>	Section 4.1																																								
Who are the key management of the Company?	<p>As at the date of this Prospectus, the Company’s key management personnel comprises:</p> <ul style="list-style-type: none"> • Aviv Barshaf (Founder and Vice President Finance); and • Roy Shilkrot (Chief Scientist Officer). <p>The Company presently has 47 employees across the operations, sales and marketing and research and development teams.</p>	Section 4.2																																								
D. Significant interests of key people and related party transactions																																										
What interests do the Directors have in the Securities of the Company?	<table border="1"> <thead> <tr> <th>DIRECTOR</th> <th>NO. OF SHARES HELD PRIOR TO ADMISSION</th> <th>NO. OF SHARES HELD FOLLOWING ADMISSION</th> <th>PERCENTAGE SHAREHOLDING FOLLOWING ADMISSION¹</th> </tr> </thead> <tbody> <tr> <td>Amos Simantov</td> <td>8,536,221</td> <td>8,536,221</td> <td>5.74%</td> </tr> <tr> <td>Aviv Barshaf²</td> <td>1,138,162</td> <td>1,138,162</td> <td>0.77%</td> </tr> <tr> <td>Andrey Yashunsky²</td> <td>13,940,027³</td> <td>13,940,027</td> <td>9.38%</td> </tr> <tr> <td>Avraham Yaron²</td> <td>1,133,713</td> <td>1,133,713</td> <td>0.76%</td> </tr> <tr> <td>Adoram Ga’ash</td> <td>7,651,979⁴</td> <td>7,651,979</td> <td>5.15%</td> </tr> <tr> <td>David Haim Assia</td> <td>3,954,668⁵</td> <td>3,954,668</td> <td>2.66%</td> </tr> <tr> <td>Ayelet Nahmias Verbin</td> <td>–</td> <td>–</td> <td>–</td> </tr> <tr> <td>Robert Edgley</td> <td>–</td> <td>–</td> <td>–</td> </tr> <tr> <td>David Buckingham</td> <td>181,996</td> <td>181,996</td> <td>0.12%</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> 1. Assuming Minimum Subscription. 2. Messrs Aviv Barshaf, Avraham Yaron and Andrey Yashunsky, who are current Directors, will resign and cease to be Directors effective on Admission. 3. 7,398,116 Shares are held by Global Fintech Solutions S.C.A and 6,541,911 Shares are held by Prytek Group CY Ltd, being entities associated with Mr Andrey Yashunsky. 4. Shares are held by Moneta Seeds L.P, an entity associated with Mr Adoram Ga’ash. 5. Shares are held in iAngels Technologies L.P., an entity associated with Mr David Haim Assia. 	DIRECTOR	NO. OF SHARES HELD PRIOR TO ADMISSION	NO. OF SHARES HELD FOLLOWING ADMISSION	PERCENTAGE SHAREHOLDING FOLLOWING ADMISSION ¹	Amos Simantov	8,536,221	8,536,221	5.74%	Aviv Barshaf ²	1,138,162	1,138,162	0.77%	Andrey Yashunsky ²	13,940,027 ³	13,940,027	9.38%	Avraham Yaron ²	1,133,713	1,133,713	0.76%	Adoram Ga’ash	7,651,979 ⁴	7,651,979	5.15%	David Haim Assia	3,954,668 ⁵	3,954,668	2.66%	Ayelet Nahmias Verbin	–	–	–	Robert Edgley	–	–	–	David Buckingham	181,996	181,996	0.12%	Section 4.8
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INVESTMENT OVERVIEW continued

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What significant benefits and interests are payable to Directors and other persons connected with the Company or the Offer?	<p>For Shares expected to be held by Directors on Admission, refer to the table above.</p> <p>Non-Executive Directors are entitled to remuneration and fees on terms as disclosed in Section 4.8(b). Mr David Buckingham and Mr Robert Edgley will each receive an annual remuneration of A\$60,000 (inclusive of compulsory superannuation), Ms Ayelet Nahmias Verbin will receive a monthly fee of US\$1,000 per month, and Mr David Haim Assia will receive no annual remuneration for his services.</p> <p>Mr Amos Simantov, the Managing Director, is entitled to remuneration and fees on the terms as disclosed in Section 4.9(a).</p> <p>Mr Adoram Ga'ash, the Non-Executive Chairman is entitled to remuneration and fees on the terms as disclosed in Section 4.9(b).</p> <p>Advisers and other service providers are entitled to fees for services and other interests as disclosed in Section 8.11.</p>	Sections 4.8(b) to 4.9(b) and 8.11																																																		
What material contracts and/or arrangements with related parties is the Company a party to?	<p>The only material contracts with related parties that the Company are party to are the executive services agreements with each of the Directors for their engagement and deeds' of indemnity and insurance with each of the Directors.</p>	Section 4.8																																																		

TOPIC	SUMMARY	MORE INFORMATION						
D. Significant interests of key people and related party transactions								
What escrow arrangements or voluntary holding lock will be in place at the completion of the Offer?	<table border="1"> <thead> <tr> <th>SHARES SUBJECT TO ASX IMPOSED RESTRICTIONS/ VOLUNTARY ESCROW (24 MONTHS POST LISTING)¹</th> <th>SHARES SUBJECT TO VOLUNTARY ESCROW (UP TO 6 MONTHS POST LISTING)</th> <th>TOTAL SHARES SUBJECT TO ESCROW²</th> </tr> </thead> <tbody> <tr> <td>15,351,744</td> <td>103,234,529</td> <td>118,586,273</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> Based on a letter from the ASX dated 26 July 2021. The total number of Shares subject to ASX imposed restrictions will be announced prior to the Shares commencing trading on ASX. The total number of Shares that will be subject to either ASX imposed restrictions or voluntary restrictions will be announced prior to the Shares commencing trading on ASX. <p>Pursuant to the above, the total number of Shares that will be subject to either voluntary or ASX imposed escrow restrictions will be 118,586,273 Shares, representing approximately 79.8% of the Shares on Admission (assuming Minimum Subscription).</p> <p>In addition, the Advisor Options will be subject to ASX imposed mandatory escrow for a period of 24 months from Admission and the Existing Options will be subject to a voluntary holding lock for a period of 24 months from Admission.</p> <p>None of the Shares issued pursuant to the Offer will be subject to any ASX imposed escrow restrictions. However, as detailed above, ASX has determined that certain securities may be classified as restricted securities and may be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid, which may impact on the ability of a Shareholder to dispose of Shares in a timely manner. The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX.</p>	SHARES SUBJECT TO ASX IMPOSED RESTRICTIONS/ VOLUNTARY ESCROW (24 MONTHS POST LISTING) ¹	SHARES SUBJECT TO VOLUNTARY ESCROW (UP TO 6 MONTHS POST LISTING)	TOTAL SHARES SUBJECT TO ESCROW ²	15,351,744	103,234,529	118,586,273	Sections 3.5 and 3.11
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15,351,744	103,234,529	118,586,273						
E. Summary of the Offer								
What is the Offer and what are its key terms?	The Company is offering 30,000,000 Shares at an issue price of A\$0.20 each to raise A\$6,000,000 (before associated costs). Oversubscriptions for up to a further 5,000,000 Shares (at an issue price of A\$0.20 per Share) to raise an additional A\$1,000,000 may be accepted.	Section 3.1						
Why are Israeli Shares issued?	The Company has elected to issue Shares under the Offer as opposed to CDIs as Israeli companies are capable of transferring ownership in shares of Israeli companies via an uncertificated electronic share trading systems such as ASX's CHESS system. The rights attaching to the Shares are detailed in Section 8.2.	Section 8.2						
What is the effect of the Offer on the capital structure of the Company?	The Shares issued under the Offer will represent approximately 20.2% of the enlarged issued share capital of the Company following the Offer. If the Company accepts oversubscriptions of 5,000,000 Shares, the Shares issued under the Offer will represent approximately 22.8% of the enlarged issued share capital of the Company following the Offer.	Section 3.5						
Minimum subscription to the Offer?	The minimum total aggregate subscription under the Offer is 30,000,000 Shares to raise A\$6,000,000 (before associated costs).	Section 3.2						

INVESTMENT OVERVIEW continued

TOPIC	SUMMARY	MORE INFORMATION
E. Summary of the Offer		
What is the proposed use of proceeds received in connection with the Offer?	<p>The proceeds from the Offer will be applied to:</p> <ul style="list-style-type: none"> • sales and marketing – sales and marketing costs, establishing additional offices and dedicated sales teams in the European and Asia Pacific regions, engaging designated sales executives and managers and utilising digital marketing for the enterprise and SMB market; • research and development – the development of the W2V Platform (including the development of the AIA technology) and third party software integration, the utilisation of cloud data base storage and infrastructure and the development of additional functionalities and applications in respect to the W2V Platform, including a SMB solution; • compliance and security – costs in respect to the engagement of CISO service providers and implementing internal and external security systems to prevent threats to the W2V Platform; • customer fulfilment and support – costs associated with the Way2Vat compliance team and re-claim submissions to the relevant tax authorities, engagement of tax representatives, agents and consultants, technical support for the enterprise and SMB solution and the expansion of Way2Vat’s customer support services; and • patent applications – maintaining the Way2Vat intellectual property portfolio and existing patent, and applying for new patents. 	Section 3.4
Is the Offer underwritten?	The Offer is not underwritten.	Section 3.12
Who is the Lead Manager?	The lead manager is Canaccord Genuity.	Section 3.7
Will the Shares be quoted on the ASX?	<p>The Company will apply to ASX within seven (7) days of the date of the Prospectus, for admission to the Official List and quotation of Shares on ASX (which is expected to be under the code “W2V”).</p> <p>Completion is conditional on ASX approving this Application. If approval is not given within three (3) months after such Application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p>	Section 3.15
What is the allocation policy?	The Directors, in consultation with the Lead Manager, will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.	Section 3.14
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on an acquisition of Shares under the Offer.	Section 3.7

TOPIC	SUMMARY	MORE INFORMATION
E. Summary of the Offer		
Who is eligible to participate in the Offer?	The Offer is open to all investors with a registered address in Australia, and sophisticated investors in the United Kingdom, Hong Kong, Singapore and Israel.	Sections 3.8 and 3.13
How can I apply?	Applications under the Offer can be made by completing the Application Form, in accordance with the instructions accompanying the Application Form.	Section 3.8
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or around 2 September 2021.	Sections 3.7 and Important dates on page05
When can I sell my Shares on the ASX?	It is expected that trading of Shares on the ASX will commence on or about 7 September 2021. It is the responsibility of each Applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	Sections 3.7 and Important dates on page05
Can the Offer be withdrawn?	The Company reserves the right to not proceed with the Offer at any time before the issue or transfer of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be fully refunded. No interest will be repaid on any Application Monies refunded as a result of the withdrawal of the Offer.	Section 3.14
How can I obtain further information?	All enquiries in relation to this Prospectus should be directed to the offer information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside of Australia), from 8.30am until 5.30pm (AEST), Monday to Friday. If you are unclear in relation to any matter, or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.	Corporate Directory

1.

INDUSTRY OVERVIEW



1. INDUSTRY OVERVIEW

1.1 INTRODUCTION TO VAT

(a) General

A value-added tax (**VAT**), also known as goods and services tax (**GST**) in certain jurisdictions, is a consumption tax placed on a product and/or service whenever value is added at each stage of the supply chain, from production to the point of sale. The amount of VAT applied, and to what product and services it is applied to, varies in each jurisdiction and country (for instance, VAT rates are 5% in Canada and 27% in Hungary) and will depend on whether a person is a “taxable person”.

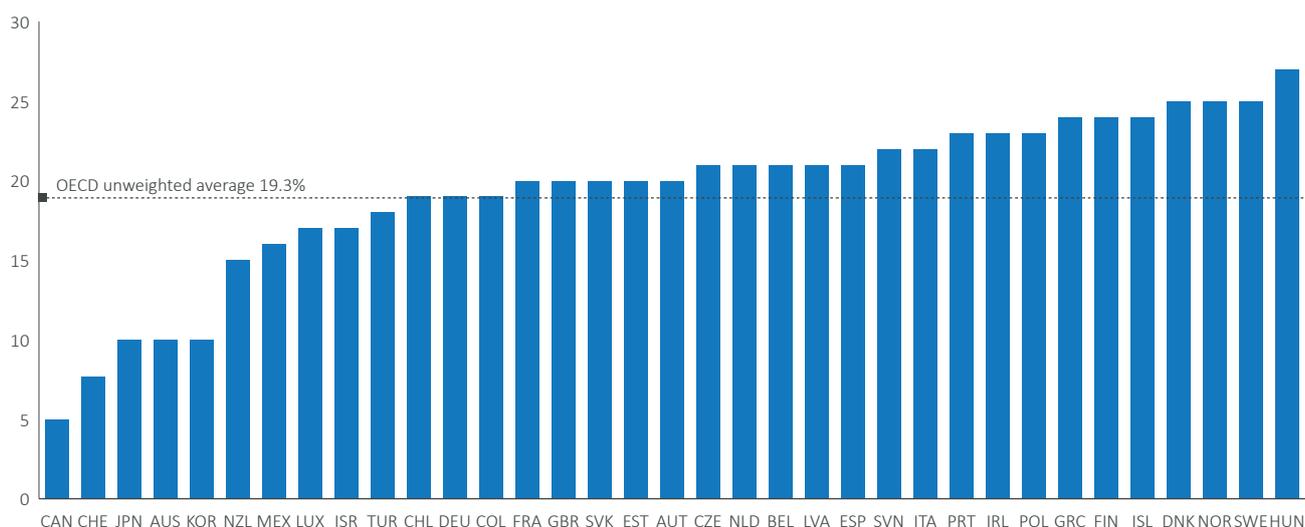
The average standard VAT rate of the 23 OECD countries that are members of the EU (including the UK until 1 February 2020) is at 21.8%, which is significantly above the OECD average (19.3%). EU Member States are bound by common rules regarding VAT rates (VAT Directive 2006/112/EC), which set the minimum level of the standard VAT rate at 15%.

VAT is increasingly being used as a revenue collection mechanism for governments and in 2020:

- (i) approximately 170 countries operated a VAT system (more than twice as many compared to 25 years before); and
- (ii) VAT accounted for approximately 30.8% of all tax collected in OECD countries.

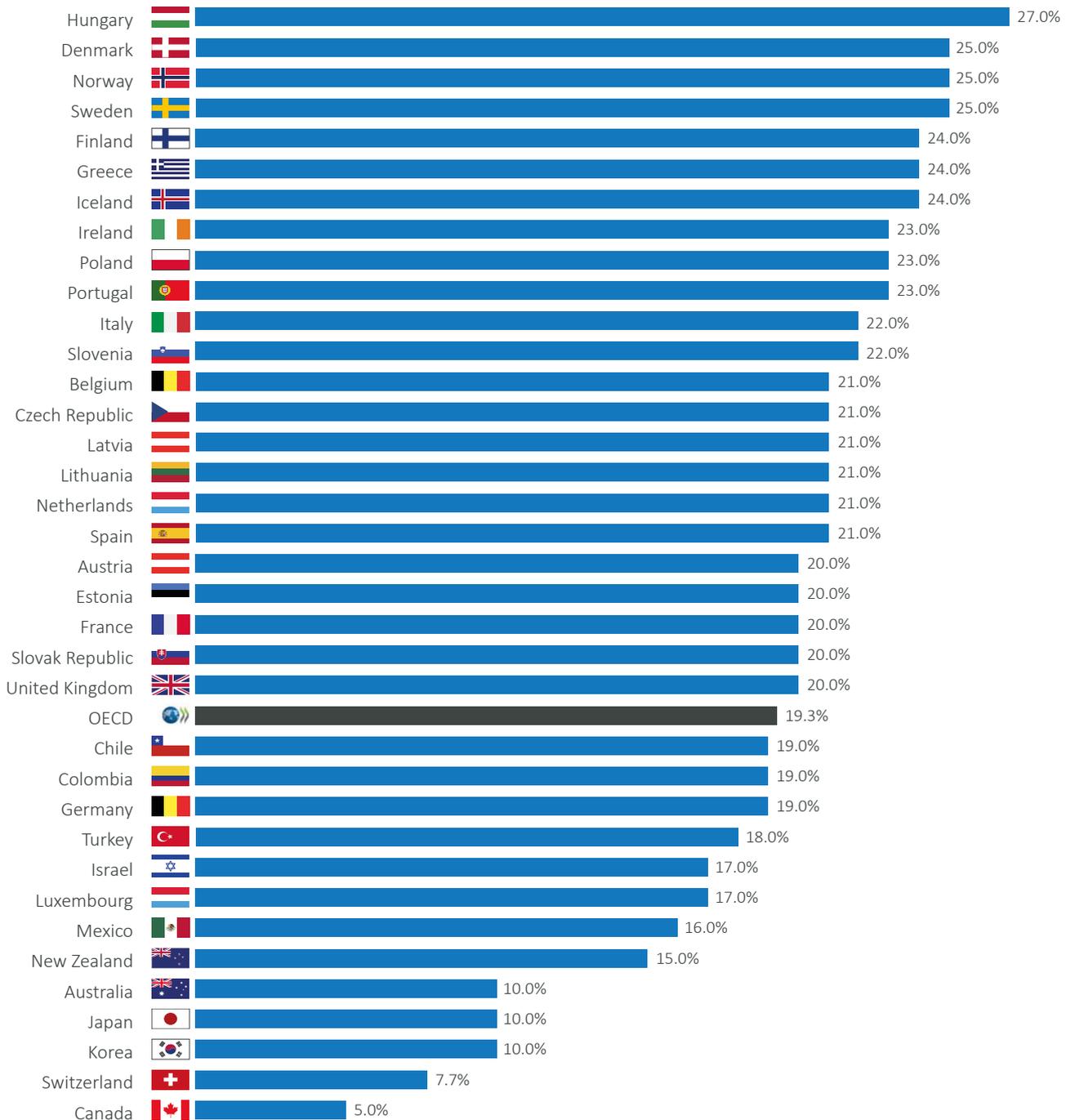
The table below details a list of applicable VAT/GST rates in selected OECD countries:

Figure 1.1 – Standard VAT rates in OECD countries in 2020



1. INDUSTRY OVERVIEW continued

Standard value-added tax (VAT) rates in OECD countries (2020)



(b) A Taxable Person

A taxable person is typically defined as any organisation that supplies goods and services in the course of business and can be a person, government operation, charity, non-governmental or international organisation. Any taxable person that exceeds the thresholds of turnover (i.e. revenue from sales of goods or supply of services) must register for VAT in the relevant country. For example, the threshold of turnover in the United Kingdom is £85,000.

As a general rule, VAT is applicable on all supplies of goods and services between taxable persons, noting that certain supplies, such as banking or financial services, can be exempted from VAT (i.e. are not taxable). As such locally established companies purchasing goods or services overseas incur, and have the right to, recover VAT on VAT returns.

1.2 VAT IN THE EUROPEAN UNION

(a) Sixth Council Directive

The Sixth Council Directive seeks to clarify and summarise the European Union's (EU) VAT legislation presently in force and states that VAT is applied to all transactions carried out in the EU for payment by a taxable person.

Under the Sixth Council Directive:

- (i) VAT is charged when the goods or services are supplied according to the nature of the transaction. VAT may be charged for an intra-EU purchase when the supply of goods to the relevant EU country is completed. For imports into the EU, VAT is charged when the goods are brought into an EU country.
- (ii) The taxable amount for supply of goods and services and the intra-EU acquisition of goods includes all payments to the supplier. Where goods are imported, this amount is their value for customs purposes. Duties, taxes and other charges are included in the taxable amount but the VAT itself, price discounts and rebates granted to the customer are excluded.
- (iii) The directive allows for exemptions from VAT. Most of these are exemptions without the right to deduct, e.g. financial and insurance services, medical care or social services. However, exemptions with the right to deduct also exist, e.g. intra-EU supplies of goods or exports of goods to a non-EU country. The majority of exemptions are obligatory for EU countries, but some are optional.
- (iv) A taxable person has the right to deduct the amount of VAT paid on acquired goods or services in the EU country where these transactions are carried out. This input VAT can be deducted from VAT payable on taxed transactions, e.g. domestic supplies of goods or services. There is in general no right to deduct in the case of an economic activity that is exempt from VAT, or if the taxable person applies certain special schemes. In certain cases, deductions may be limited or adjusted.

(b) Refund Directive (2008/09/EC)

The Refund Directive details the rules for the refund of VAT to taxable persons not established in the EU country of refund but established in another EU country.

The Refund Directive applies to any taxable person not established in the EU country of refund (but established in another EU country) who, during the refund period:

- (i) did not have in that EU country, the seat of his or her economic activity, a fixed establishment from which business transactions were carried out or, in the absence of such a seat or fixed establishment, his or her home or normal place of residence; and
- (ii) did not supply any goods or services in that EU country, except for certain exempt transport services and the supply of goods and services to a person who is liable to pay VAT.

EU countries must refund to any taxable person not established in their country (but established in another EU country) any VAT charged for goods or services supplied to him or her by other taxable persons in that EU country or for goods imported into that country, when used for the purposes of the transactions listed in the Sixth Council Directive.

To be eligible for a refund in the EU country of refund, a taxable person not established in that country must carry out transactions giving rise to a right of deduction in their own EU country. When a taxable person not established in the EU country of refund carries out in his or her own EU country both transactions producing a right of deduction and transactions not producing a right of deduction in that country, the EU country of the refund will only pay the proportion of refundable VAT.

The Refund Directive also introduces a fully electronic procedure whereby the taxable person not established in the EU country of refund (but established in another EU country) can send an electronic refund application to the EU country of refund via the electronic portal of his or her own EU country. The refund application relates to the VAT on the purchase of goods or services which was invoiced during the refund period, and the goods imported during the refund period.

1. INDUSTRY OVERVIEW continued

(c) 13th EU VAT Directive

The 13th EU VAT Directive seeks to harmonise the laws in respect to VAT refunds to persons outside of the EU.

The 13th EU VAT Directive provides that EU countries will refund any VAT paid by a non-EU taxable person on goods or services supplied by a taxable individual in the territory of the EU. Such refunds may be made conditional on third countries agreeing to take comparable measures (reciprocity).

Refunds have to be applied for by the non-European Economic Commission taxable person. The applicable countries will determine the practical arrangements for claiming these refunds (e.g. time-limits or minimum amounts) and may also require the appointment of a tax representative.

These refunds must not be made on more favourable conditions than those made to taxable persons established in the European economic commission.

1.3 VAT IN NON-EUROPEAN UNION COUNTRIES

The VAT and GST reclaim process can vary significantly between countries. Certain non-EU countries with a VAT system operate refund schemes for entities and/or individuals that are not resident, established or incorporated in that country, for example Iceland, Norway, Switzerland, South Korea, Australia, Japan, New Zealand and Singapore.

Other countries with VAT (or other equivalent sales tax systems) do have registration procedures, however an entity may need to be carrying out taxable supplies, which may well in turn require the entity to establish itself in the country in order to register for VAT.

1.4 BUSINESSES RECLAIMING VAT

Businesses incur foreign VAT/GST expenses from travel expenses such as hotels, taxis, car hires and fuel, and restaurants. In addition, businesses incur VAT/GST related to foreign account payables (AP) such as online marketing and traditional advertisement, conferences, seminars, trade shows, training, general and professional services as well as purchase of goods and shipments.

A study undertaken by the OECD has revealed that more than 20% of businesses are unable to recover any of the foreign VAT they incur on business expenditures, mainly because of the policies of the foreign tax authorities involved. In addition, each country has different regulations and deadlines, as well as more common business obstacles, such as language barriers, that result in VAT recovery being a time-consuming, costly and laborious process.

The OECD study also found that businesses incur significant amounts of VAT on foreign business expenditure, with over 80% of businesses surveyed incurring more than US\$10,000 per annum and over 25% incurring more than US\$1 million per annum on travel expenditure, conferences/trade shows, goods and general services. It is anticipated that between US\$20 billion to US\$30 billion in VAT is unclaimed/unrecovered every year.

In addition, complying with local VAT regulation related to domestic travel expenditure within EU residence tax country (as set in the Sixth Council Directive) can be tedious and labour intense for businesses which have to comply with the relevant local VAT regime. Therefore, a number of businesses are seeking an out-sourced solution to provide VAT compliance and reclaim services for the local travel related expenditure.

1.5 VAT DURING THE COVID-19 PANDEMIC

VAT policy design and administration has been an important component in most government's fiscal policy responses to mitigate the impact of the COVID-19 pandemic in 2020. Governments around the world introduced expansive containment and mitigation measures to slow down and reduce infection rates. Together with the overall health crisis, these necessary containment measures have had sudden and profound impacts.

Several OECD countries have included temporary VAT rate reductions, in their tax responses to the COVID pandemic. Most of these measures have been aimed at supporting the healthcare sector. Some countries have introduced temporary rate reductions to stimulate consumption and/or to support specific economic sectors that have been hardest hit by the COVID-19 crisis (e.g. tourism, hospitality).

Some countries have introduced VAT rate reductions to support specific economic sectors, such as restaurants (Austria, Belgium, Germany, Greece), accommodation (Austria, Czech Republic, cinema, culture or sports (Austria, Greece, the Netherlands, United Kingdom), or passenger transport (Greece and Turkey). The United Kingdom introduced a temporary reduced rate of 5% for certain supplies relating to hospitality, holiday accommodation and admissions to certain attractions from 15 July 2020 to 31 March 2021 which will gradually be increased thereafter till standard VAT shall resume on 1 April 2022.

A few OECD countries have introduced more general temporary rate reductions. Germany reduced its standard VAT rate from 19% to 16% and its reduced VAT rate from 7% to 5% from 1 July to 31 December 2020. Ireland reduced its standard VAT rate from 23% to 21%, with effect from 1 September 2020 until 28 February 2021. Norway decreased its 12% reduced VAT rate to 6% from 1 April until 31 December 2020.

Following the end of these temporary reduction measures, standard VAT rates will continue to apply.

1.6 COMPETITIVE LANDSCAPE AND BARRIERS TO ENTRY

The Company considers the barriers to entry for a business looking to develop a global VAT and GST reclaim solution to be relatively high, having regard to the investment requirements in technology and research and development, the industry knowledge required and labour intensiveness (if the company operates without any artificial intelligence capabilities).

Listed below are a selection of the key operators that fit into the global VAT and GST reclaim competitive landscape:

- (a) **VatIT** – VatIT is the largest VAT recovery and compliance vendor in the world, with 45 offices worldwide and thousands of employees in South Africa. VatIT’s primary business partners include SAP Concur and Chrome River Mastercard.
- (b) **Taxback International** – Taxback International is an entity that is part of the Tax Back Group, established in 1996 and headquartered in Ireland with offices in 32 locations worldwide.
- (c) **VatBox/Blue Dot** – VatBox was established in 2012 in Israel with approximately 200 employees and processing centres in Bulgaria and Philippines. VatBox has introduced semi-automated processes for VAT and GST reclaim and its main business partners include SAP Concur, KDS, Oracle and BCD.

2.

COMPANY AND BUSINESS OVERVIEW



2. COMPANY AND BUSINESS OVERVIEW

2.1 OVERVIEW OF WAY2VAT

(a) Overview of Way2Vat and the W2V Platform

The Company was incorporated in 2014 and commenced operations in 2015, following completion of its proof of concept in respect to its VAT and GST reclaim platform.

The Company was established with the aim of enabling clients to:

- (i) avoid dealing with cumbersome foreign VAT and GST reclaim processes (which could potentially require expertise in multi-jurisdictional VAT related laws, regulations and rules); and
- (ii) submit VAT and GST reclaims in numerous territories and multiple languages without dealing with numerous invoices and expense related data.

Way2Vat offers its clients a VAT and GST reclaim and compliance solution and service via its proprietary patented platform (**W2V Platform**) and provides clients with a “one-click to claim” solution to recover local and foreign VAT incurred. These VAT charges may include travel-related and operating expenditure such as consultancy, sales and marketing events, shipments, other account payable charges and goods.

As at the date of this Prospectus, Way2Vat’s VAT and GST reclaim solution is available in more than 40 countries and Way2Vat offers its solution on the W2V Platform to more than 150 clients. Way2Vat has achieved revenue growth of approximately 153% in the 12 month period ending on 31 December 2020 (refer to Section 2.2(c) for further details).

The Company considers its VAT and GST reclaim solution (via the W2V Platform) to have a wide reach, beyond its existing enterprise clients, and includes a Small Medium Businesses (**SMBs**) solution across all industries.

Since the commencement of operations, the Company has developed the W2V Platform into web application that can reclaim many types of VAT, in many verticals, industries and markets, by leveraging its artificial intelligence (**AI**) technology, the automatic invoice analyser (**AIA**), to optimise the W2V Platform’s capabilities whilst integrating with third party expense management systems and software.

The Company intends to continue to seek to integrate the W2V Platform with various third party software applications, including additional expense management systems (**EMS**), enterprise resource planning (**ERP**) software and travel and expense (**T&E**) software, via application program interfaces (**API**). Refer to Section 2.1(c) for further details in respect to the W2V Platform.

(b) Corporate and Operating Structure of the W2V Group

The Company is a public company which is incorporated in, and registered under the laws of, Israel and is the holding company of the following wholly owned subsidiaries:

- (i) Way2Vat S.R.L, a company incorporated in Romania (**W2V Romania**);
 - (ii) Way2Vat UK Limited, a company incorporated in England and Wales (**W2V UK**); and
 - (iii) Way2Vat Inc, a company incorporated in Delaware, United States (**W2V US**),
- (together, the **W2V Group**).

W2V UK is responsible for the sales and marketing activities in Europe and the United Kingdom and it is proposed that, following Admission, W2V US may undertake sales and marketing activities in the United States. The activities of W2V UK will include (amongst other matters), direct sales to enterprises and SMBs, organising and participating in industry events and building partnership networks to scale the sales of the Company. Refer to Section 2.1(e) for further details.

W2V Romania is responsible for the W2V Group’s VAT and GST reclaims processing and data validation, including (but not limited to) verification of data analysed automatically via the AIA technology, reviewing all VAT and GST reclaims to ensure compliance with relevant laws and regulations and the provision of on-boarding, troubleshooting and customer support for web and mobile application users. Refer to Section 2.6 for further details.

As at the date of this Prospectus, Way2Vat has 47 full time employees, with 25 employees located in Tel Aviv, four (4) employees located in London and 18 employees located in Craiova, Romania.

2. COMPANY AND BUSINESS OVERVIEW continued

(c) How it Works

The Company utilises the W2V Platform, being a cloud-based solution hosted on Amazon Web Services infrastructure, to process the information required to submit a VAT and GST reclaim via the following two primary channels/sources:

- (i) **integration with expense management, accounting software invoice management and virtual payments vendors** – whereby a client’s existing expense management system and/or accounting software is integrated with the W2V Platform to analyse recoverable VAT on the relevant expense management system and/or accounting software; and
- (ii) **upload** – whereby the client uploads its invoices onto the W2V Platform via Way2Vat’s web or mobile application.

Once the information required to submit a VAT and GST reclaim is uploaded and/or transferred onto the W2V Platform, Way2Vat will process this information through the AIA technology, which provides an end-to-end automation of local and foreign VAT and GST reclaim and compliance commencing with the following steps and functions:

- (i) image/invoice scanning and data integration;
- (ii) data extraction by transforming the invoice/document into data;
- (iii) data integration and validation to remove duplicates and validate information, including dates and figures; and
- (iv) undertaking a VAT eligibility calculation, “claim-ability deduction” which will vary depending on the jurisdiction and will also take into consideration the different rules and regulations of a particular jurisdiction.

Figures 2.1 and 2.2 below illustrate how Way2Vat utilises the AIA technology to analyse an invoice and/or document.

Figure 2.1 – Analysing an invoice or document

‘Claim-ability’ detection

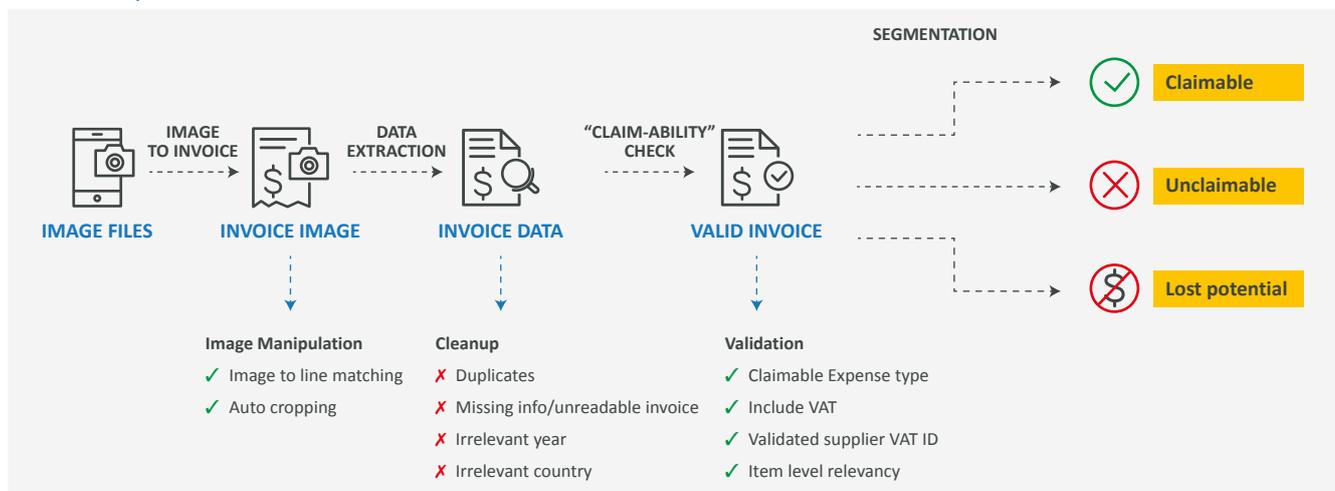
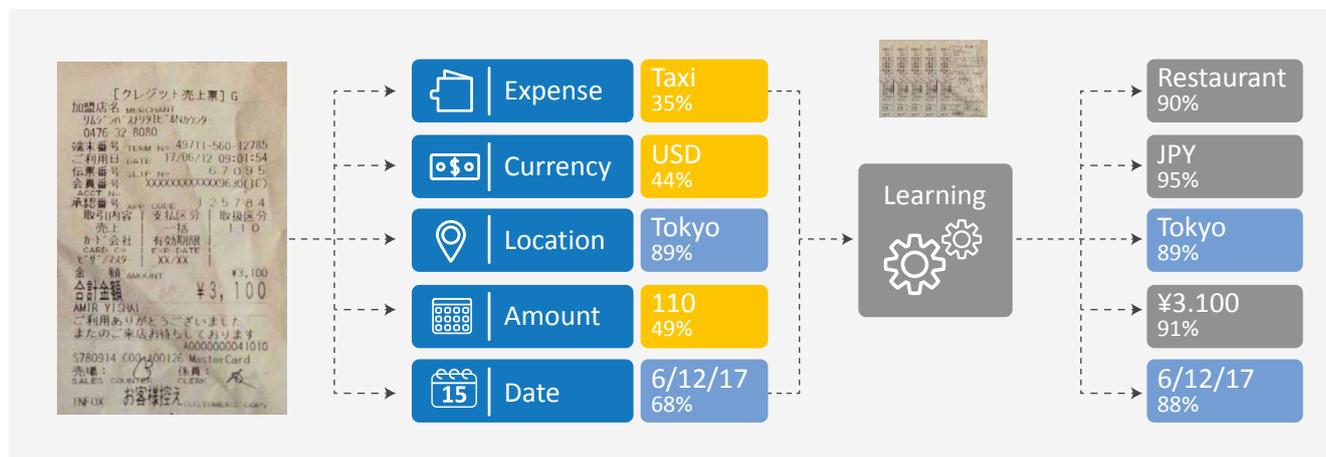


Figure 2.2 – The W2V Platform extracts relevant information from an invoice via its AIA technology utilising computer vision, deep learning and algorithms, which is important for analysing poor quality images

Automatic Data Extraction



If the W2V Platform determines that a VAT and GST reclaim can be made in respect to an invoice, an automated claims form will be completed on the W2V Platform based on the information derived and analysed utilising the AIA technology. Any missing or further information required from the client will be requested by the Company via the W2V Platform.

The W2V Platform is supported by a manual processing and compliance team who will, if required, manually process the information uploaded and/or transferred onto the W2V Platform and complete the relevant VAT and GST reclaim form. In addition, the Way2Vat compliance team will also undertake a verification exercise for predetermined fields as well as random cross-checks to ensure that each VAT and GST reclaim submitted is fully compliant with the relevant tax authority. Refer to Section 2.6 for further details.

For local VAT and GST reclaim submissions, a report will be extracted from the W2V Platform and will be provided to the client in a format that enables the client to provide the claim as part of the client’s periodic local VAT submission. For foreign VAT and GST reclaims, following completion of the requisite VAT and GST reclaims form and the Company undertaking the requisite compliance and verification processes, the claim will be submitted to the relevant tax authority on the client’s behalf either by the Company, its local agent or a tax representative (based on the requirements of that jurisdiction). Refer to Section 2.6 for further details.

In addition, the W2V Platform also provides clients with:

- (i) the status of a VAT and GST reclaim following lodgement;
- (ii) the estimated VAT amount that can be reclaimed;
- (iii) the actual VAT and GST reclaim amount received from the relevant tax authority; and
- (iv) VAT and expense analytics (BI) based on roles and permissions per W2V Platform user.

2. COMPANY AND BUSINESS OVERVIEW continued

Figures 2.3 and 2.4 below further illustrates the processes undertaken via the W2V Platform. Figure 2.5 provides an illustration of the W2V Platform dashboard.

Figure 2.3 – End-to-End VAT and GST reclaim Automation process

E2E VAT Reclaim Automation

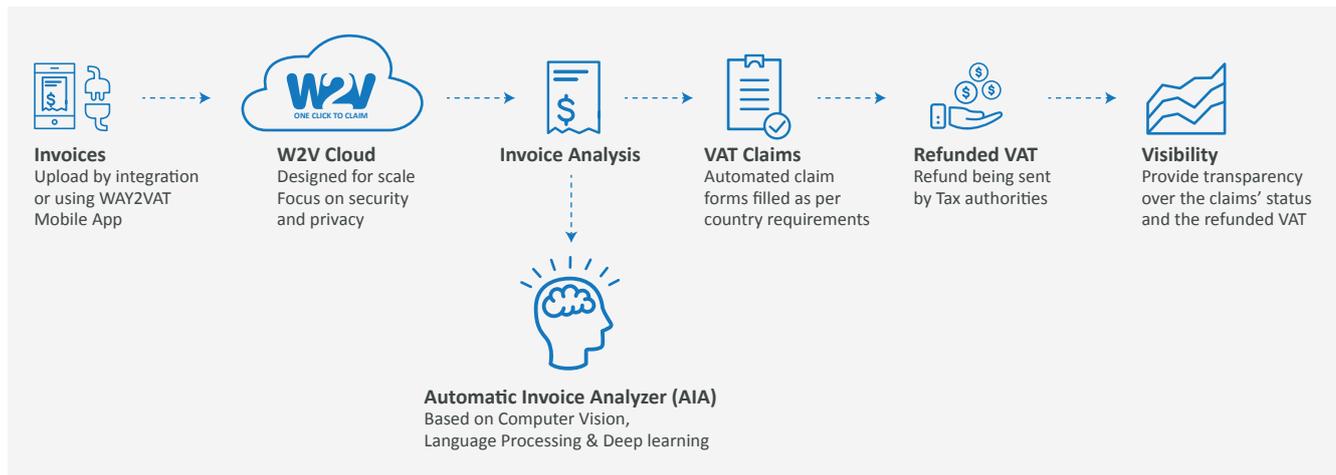


Figure 2.4 – The W2V Platform Architecture

Architecture

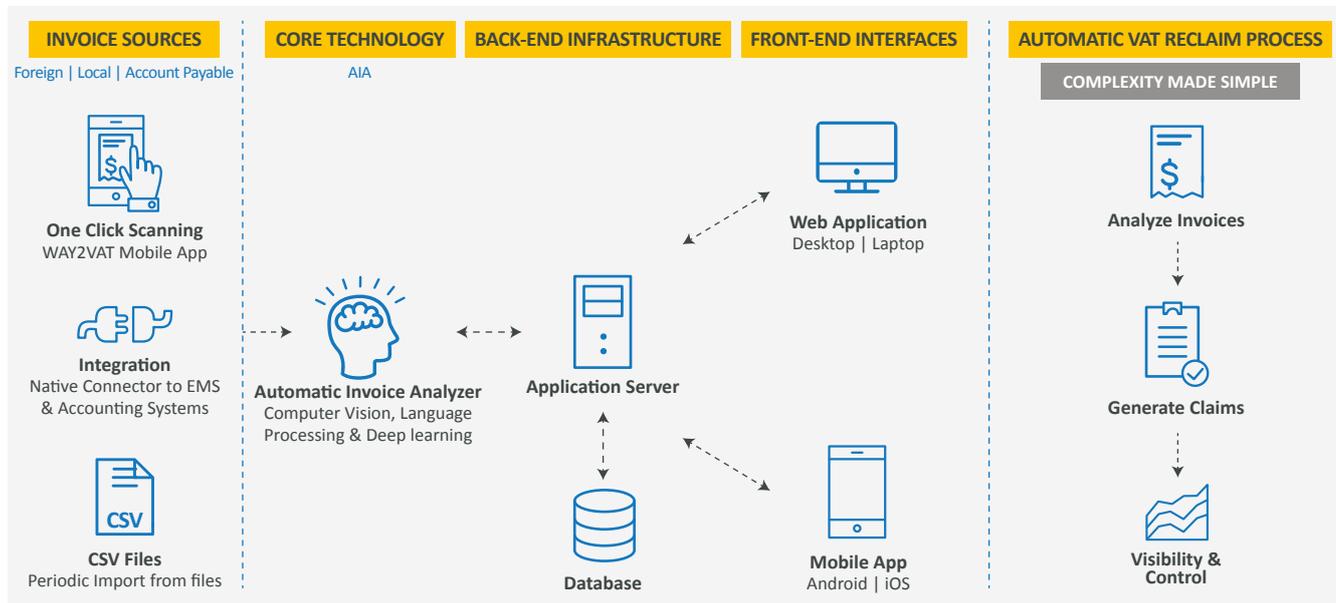
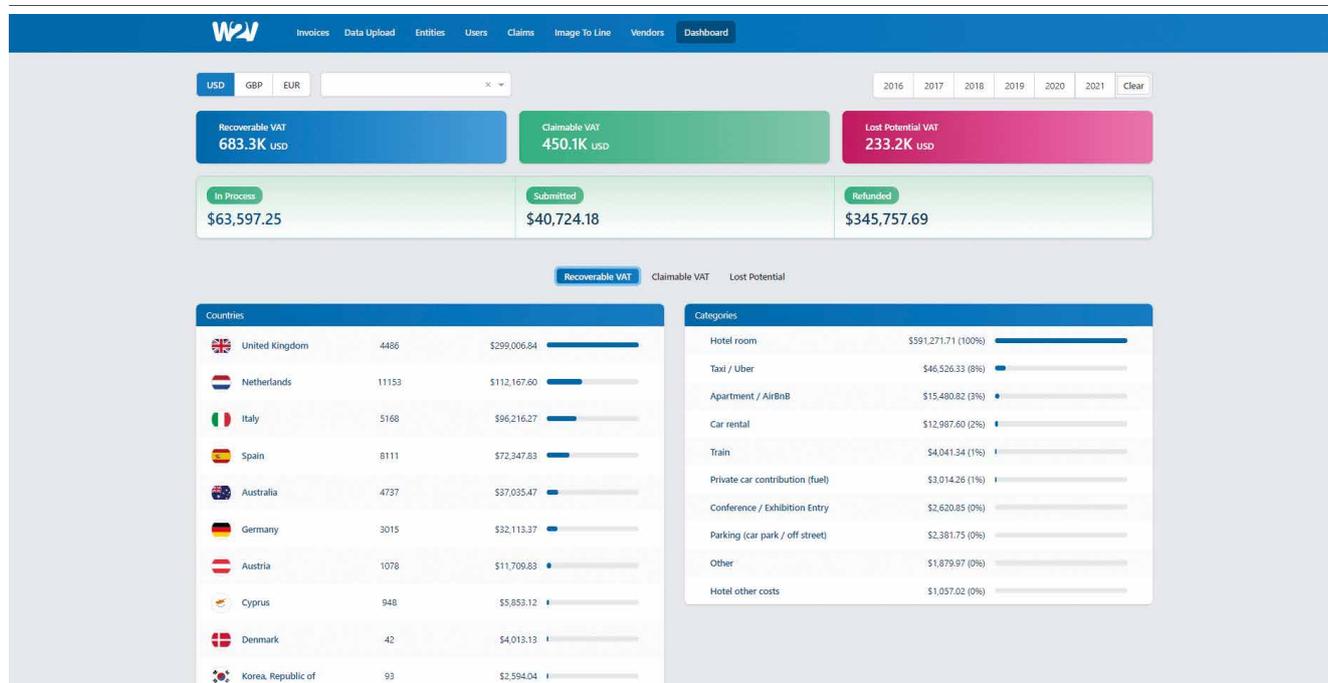


Figure 2.5 – The W2V Platform Dashboard



(d) How Does Way2Vat Generate Revenue

The Company’s revenue is generated from its client via commissions for processing VAT and GST reclaim as follows:

(i) Local VAT (Enterprise)

Domestic VAT and GST reclaim commissions from clients range from 10% to 30% of the reclaimed amount (with an average of 26%). An invoice will be issued by the Company to the client upon submission of the applicable local VAT and GST reclaim report to the client.

Once a claim has been approved by the client, Way2Vat will receive its commission from the client approximately one to two months from issuing an invoice to client. The commission will be paid directly from the client to Way2Vat as the local VAT and GST reclaim is a part of the client’s periodic local VAT and GST reclaim/submission and not a standalone claim (such as a foreign VAT and GST reclaim).

(ii) Foreign VAT (Enterprise)

Foreign VAT and GST reclaim commissions from clients are success based and range from 10% to 40% of the reclaimed amount (with an average of 26%). As at the date of this Prospectus, Way2Vat has achieved a success rate of approximately 97% of total amount of VAT and GST reclaimed via the W2V Platform.

Once a claim has been approved, it typically takes approximately two to six months for VAT refunds to be received from the relevant government authority. These funds are either transferred directly to Way2Vat (acting as the client’s agent) or through the Company’s local agent or tax representative, following which the Company will then transfer the funds to the client’s account less the applicable commission.

2. COMPANY AND BUSINESS OVERVIEW continued

(iii) SMB

The Company has recently launched a pilot SMB solution on the W2V Platform for non-enterprise clients and, as at the date of this Prospectus, the Company has entered into arrangements with 20 accounting firms that represent approximately 400 SMB clients and has derived initial revenues.

The Company utilises a similar business model to the enterprise market for its SMB solution with commission being contingent on successful VAT and GST reclaims. Commission rates for SMB are approximately 20%-30%. Once a claim has been approved, W2V will receive its commission from the actual amount reclaimed and collected by W2V per invoice (with the remaining amount being transferred to the client). The Company also incentivises its partners via fees for any referral on a client engagement by a partner (such fees being approximately 20% of the fees/commission received by the Company).

(e) Way2Vat's Sales Process and Distribution Channels

As at the date of this Prospectus, Way2Vat utilises the following sales channels:

(i) Direct Sales – Enterprise Market

The W2V Platform is solely utilised by enterprise clients. Way2Vat's typical sales cycle for enterprise clients is approximately two to six months, with an addition two weeks to two months for on-boarding and initial data analysis via the W2V Platform. Way2Vat will typically make an initial VAT and GST reclaim approximately three months following on-boarding.

Way2Vat utilises the following process to achieve direct sales:

- (A) leads are identified either through the Company's in-house marketing team or through the Company's existing referral arrangements;
- (B) qualified leads are provided to the Company's sales team; and
- (C) sales development representatives will approach the relevant leads and the Company's sales team will schedule meetings with these potential clients.

In addition, the Company's sales team personnel will also approach and target potential clients of a suitable size (being companies with at least US\$1 billion in annual revenue or have at least 1000 employees and with substantial travel) and industry (including, but not limited to, industries such as IT services, finance, technology, aerospace, transportations, telecommunication, pharmaceutical and consumer products) by reaching out to these potential clients.

(ii) Indirect Sales – SMB Market

In most countries, SMBs account for more than 95% of all companies in that country and these SMBs employ over half of a state's workforce. Having regard to this, Way2Vat considers the SMB market to be largely untapped and under-served by the industry, due to (amongst other matters) limited scalable solutions in the VAT/GST market, and the Company's plan in respect to the SMB market will involve a more scalable solution where a "hub" will be established via:

- (A) partnership arrangements with accounting firms; and
- (B) integration with expense management systems and other applications such as:
 - (1) accounting software applications;
 - (2) ERP software;
 - (3) expense management systems; and
 - (4) payment applications and invoice management systems.

SMBs will have the ability to access the W2V Platform, via the "hub" and, as at the date of this Prospectus, the Company:

- (A) is presently offering VAT and GST reclaims for the SMBs in the UK market and intends to expand this business stream across Europe; and
- (B) has entered into 20 partnership arrangements with various UK accounting firms and 9 partnership arrangements with various technology vendors.

(iii) Partnership and Referral Arrangements

The Company has entered into arrangements with various accounting and expense management software providers pursuant to which these third party entities have agreed to:

- (A) refer and promote the W2V Platform to their clients and will, following the successful engagement of a client with the Company, receive a fee based on Way2Vat's actual commission received from the referred client; and/or
- (B) integrate the W2V Platform with their systems/software so that Way2Vat's existing clients can utilise the data available on these third party systems/software for automatic VAT and GST reclaim.

(f) Client Support

The Company has a dedicated client support team which seeks to expeditiously address all queries and feedbacks, including technical queries on on-boarding, login issues and enquiries on client terms and conditions. In addition, the Company also offers 24/7 online support tools such as an in-application chatbot tool and a virtual assistant tool.

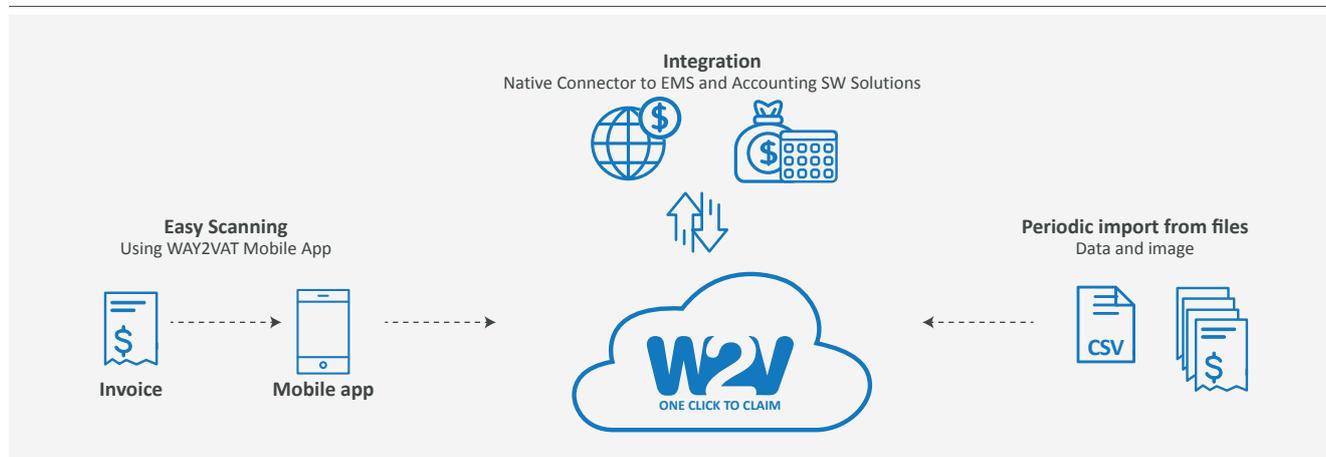
Following Admission, Way2Vat intends to increase the number of client support representatives to provide accessibility in multiple languages.

2.2 KEY STRENGTHS OF WAY2VAT

(a) AIA Technology

Way2Vat has developed a patented and fully automated VAT and GST reclaim solution based on its unique artificial intelligence technology (utilising the AIA technology). Using the AIA technology, Way2Vat can process invoice images, including hard to read images, in multiple languages and transform these images into data to complete the requisite VAT and GST reclaim forms for submission to the relevant tax authorities (with minimal need for human intervention).

Figure 2.6 – Illustration of the VAT and GST reclaims process



Way2Vat considers that its unique AIA technology provides the Company with a competitive advantage to enable it to:

- (i) process VAT and GST reclaims of any size and quantum, ensuring that even invoices that might otherwise be too small to warrant the expense of processing can be processed expeditiously and cost effectively; and
- (ii) increase recoverable VAT and GST reclaim amounts and achieve a higher VAT and GST reclaim success rate – based on past VAT and GST reclaims assessed by Way2Vat, the Company has demonstrated the potential to increase the VAT and GST reclaim amount by as much as 30%.

The W2V Platform also offers enhanced features and functions such as:

- (i) the ability to provide an estimation of the VAT and GST reclaim amount after the relevant information has been processed;
- (ii) ongoing reporting and notifications in respect to the VAT and GST reclaim (thereby providing transparency on the reclaim process);
- (iii) easy access to monitor and extract the relevant data from the W2V Platform; and

2. COMPANY AND BUSINESS OVERVIEW continued

(iv) tailored functions to suit the needs of clients, including the ability to upload their expense data from various platforms (ERPs, EMS and accounting software) using multiple input sources (scanner, SFTP, web-services etc.), customised reporting and live dashboards.

(b) An attractive and scalable business model

Way2Vat derives its revenue from clients via commissions for processing VAT and GST reclaims. By increasing the number of clients and successful VAT and GST reclaims on the W2V Platform, Way2Vat's revenue will increase. The W2V Platform is scalable and can process a large volume of reclaims without substantially increasing the cost of processing those reclaims.

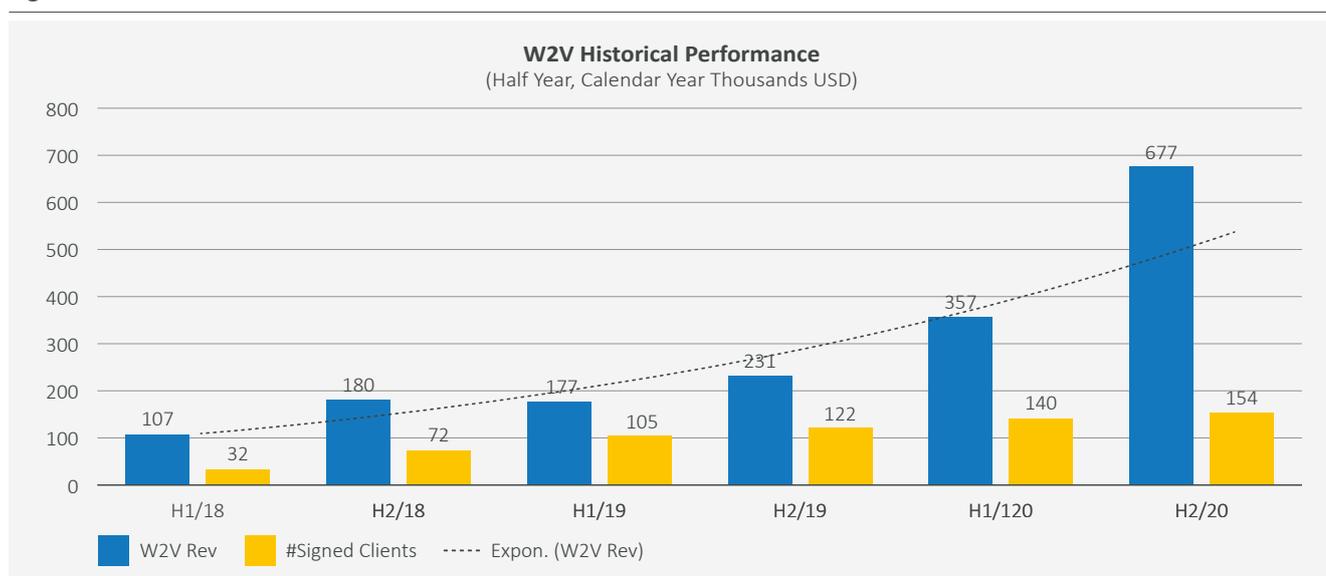
(c) Strong market positioning, growth and momentum

Way2Vat has developed a strong reputation in the market and this is demonstrated by its significant growth in clients from 72 clients in the second half of 2018 to approximately 150 clients as at the date of this Prospectus (approximately 108% increase) and the high quality internationally recognised clients, including (but not limited to) Synergy Security Solutions Limited, Amdocs Management Ltd (UK), Luxoft Professional LLC, Foot Locker Europe, Falck Danmark A/S, Ltd, ZIM Integrated Shipping Services, MindSpace Ltd., Siemens Industry Software (Israel) and Mastercard EMEA.

The Company achieved revenue growth of approximately 153% in the 12 month period ending 31 December 2020 (refer to Figure 2.7 below) and for the six month period ending 30 June 2021 derived revenue of US\$678,000 (being an approximately 190% increase compared to the corresponding 6 month period ending 30 June 2020 – H1/20). The revenue figure for the six month period ending 30 June 2021 is based on the Company's internal management accounts and has not been audited or reviewed.

Figure 2.7 below illustrates Way2Vat's historical revenue and client (number) performance for the three year period since H1/18. The revenue and client figures for H2 of each year are consistently greater than the H1 figures for the corresponding year as a result of the seasonal nature of the Company's business. Way2Vat's business is typically impacted by two major events, being the deadline of 30 September to submit foreign VAT claims based on the directives of the European Union (refer to Section 1.2 for further details) and the deadline of 31 December to submit local VAT claims for the past year, and this results in an increase in the number of VAT claims and client engagement during the H2 period. Prospective investors should note that the business of Way2Vat is still at an early stage of its development and the revenue growth to date detailed in Figure 2.7 below may not be replicated as the business matures.

Figure 2.7 – Market Revenue and Clients



(d) Cross Vertical Solution to address large market opportunity

Way2Vat is seeking to utilise the W2V Platform to become the only VAT and GST reclaim platform to serve two different verticals – enterprise clients and SMB clients (refer to Section 2.5 for further details). The Company anticipates that this will provide the Company with access to a large market opportunity of approximately US\$20 billion to US\$30 billion in unclaimed VAT. Based on the OECD Consumption Tax Trends 2018 report, VAT accounted for 30.8% of all tax collected in OECD countries.

(e) Experienced Management Team and Board of Directors

Way2Vat's management team and board of Directors bring significant and diverse experience from the technology and financial sectors having previously held senior positions across sales and marketing, product, private equity and venture capital, banking, fintech, corporate finance and accounting. Refer to Section 4 for further details.

2.3 OVERVIEW OF THE COMPANY'S CLIENTS

Way2Vat has had significant success in winning client contracts including from large globally reputable companies. The Company has secured more than 150 enterprise clients since officially launching the W2V Platform in 2016 (with a 95% client retention rate since launch) and the Company's clients base include private and NASDAQ traded enterprises from multiple verticals including the banking, insurance, software, consulting, healthcare and consumer goods sectors.

Some of Way2Vat's existing clients include, Synergy Security Solutions Limited, Amdocs Management Ltd (UK), Luxoft Professional LLC, Foot Locker Europe B.V, Falck Danmark A/S, Unitronics Ltd, ZIM Integrated Shipping Services, MindSpace Ltd, and Siemens Industry Software (Israel), Ernst and Young (Israel) and Mastercard EMEA.

As at the date of this Prospectus, the Company is still in the process of integrating and onboarding approximately 60 of its existing clients and given that revenue is derived based on the submission of VAT and GST reclaims, investors should note that there will be a lag between the execution of a client arrangement and these existing arrangements ultimately generating revenue. As at the date of this Prospectus, Way2Vat is deriving revenue from approximately 60 of its existing clients (with an average annual revenue of approximately US\$20,000 being derived from each client).

2.4 STRATEGY AND GROWTH DRIVERS

(a) Enterprise Market

Following Admission, Way2Vat intends to grow sales through its European hub in the United Kingdom (via an expansion of its sales and marketing team) and expand its geographical reach in the enterprise market by establishing additional offices and dedicated sales teams in the certain European and Asia Pacific regions.

As at the date of this Prospectus:

- (i) the initial European regions that the Company is considering focussing on are Benelux (Belgium, Netherlands and Luxembourg), the Dach region (Germany, Austria and Switzerland) and Scandinavia; and
- (ii) the initial Asia Pacific regions that the Company is considering focussing on are Australia, Hong Kong and Singapore.

In addition, Way2Vat also intends to:

- (i) target new enterprise clients with at least:
 - (A) US\$1 billion annual revenue; and
 - (B) 1000 employees and substantial local and foreign travel accounts payable expenditure (which may result in foreign and/or local VAT and GST reclaim); and
- (ii) seek to increase the number of integration partnership and referral arrangements with accounting, expense management and enterprise resource planning software providers.

(b) SMBs

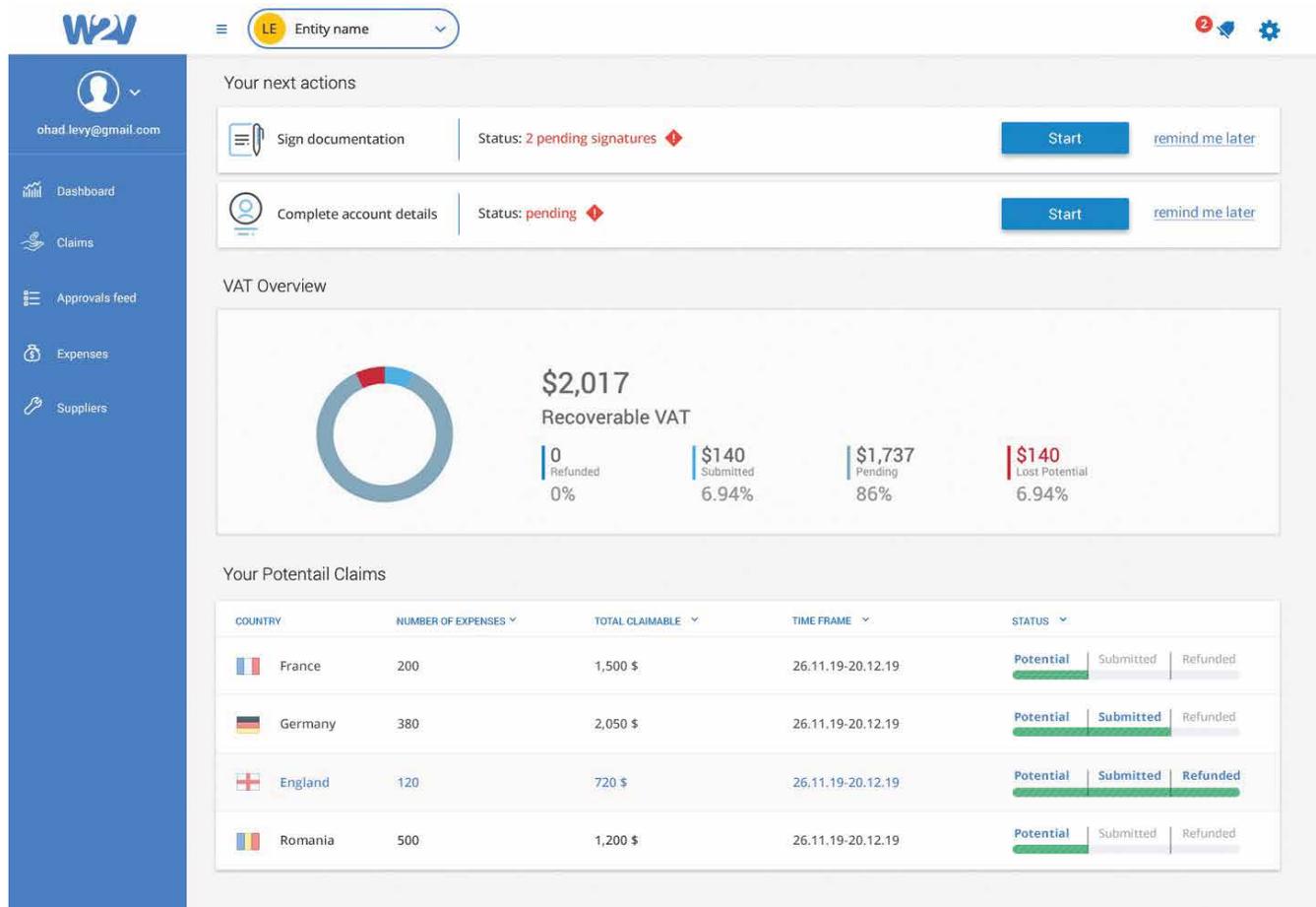
Way2Vat has developed a SMB focussed platform solution (which utilises the W2V Platform) to target SMBs which employ between 10 to 500 employees. Way2Vat's strategy in respect to SMB's will include:

- (i) establishing a "hub" by engaging technology partners and accounting firms in Europe and Asia-Pacific countries;
- (ii) engaging in online marketing;
- (iii) providing simplified on-boarding and configuration to increase access to SMBs; and
- (iv) providing self VAT documentation upload, generic pricing, enhanced user experience and interface, VAT analytics and insights following further development of the W2V Platform.

Figure 2.8 provides an illustration of the SMB solution.

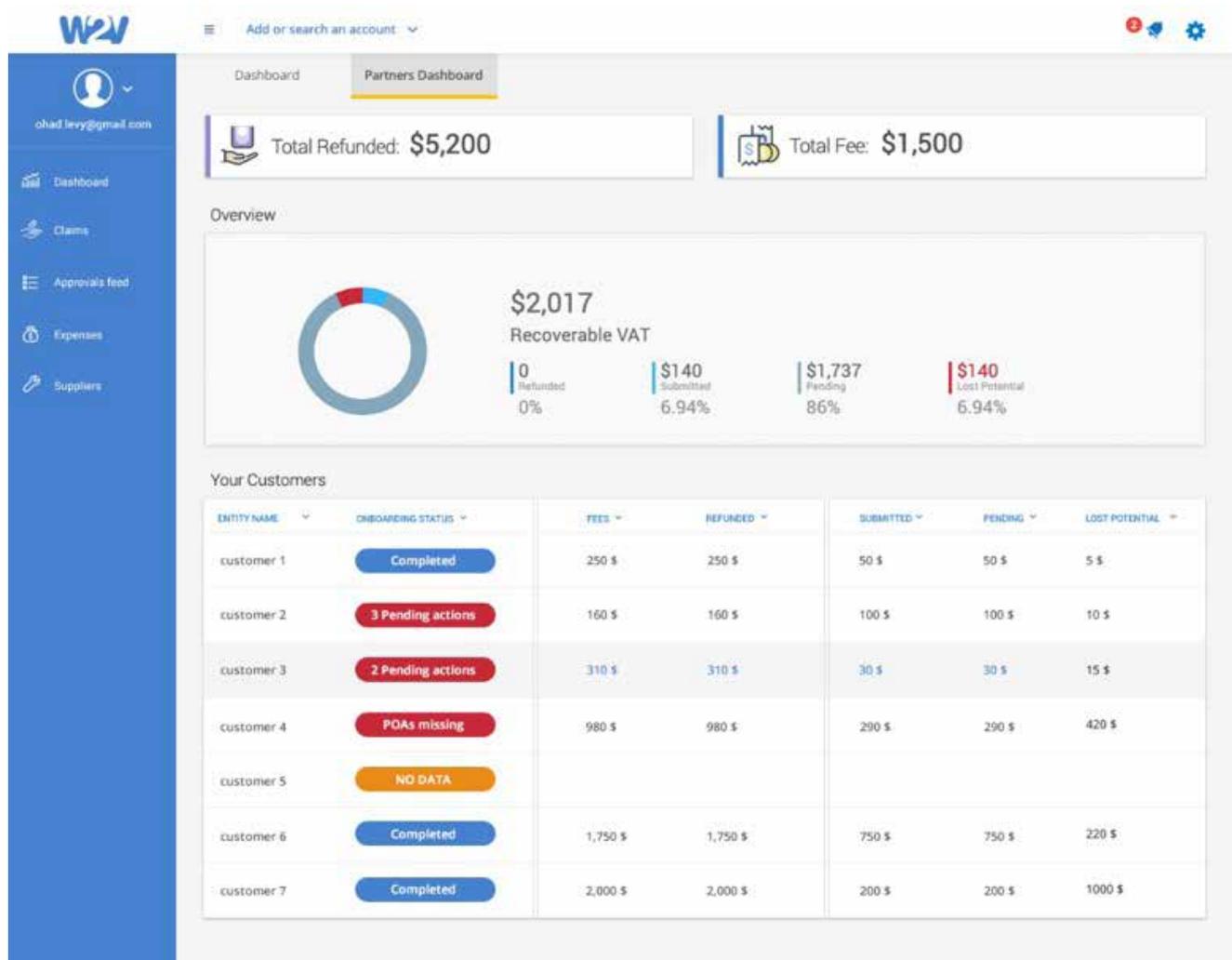
2. COMPANY AND BUSINESS OVERVIEW continued

Figure 2.8 – Example of the proposed SMB Solution



Refer to Figure 2.9 below for an illustration of the partner dashboard.

Figure 2.9 – Proposed SMB Partner Dashboard



(c) M&A

In the future, the Company may consider growth opportunities via acquisition of suitable small to medium size VAT and GST reclaim vendors located in Europe that operate manual process with the aim of achieving synergies by applying its AIA technology to process the reclaims from these VAT and GST reclaim vendors.

As at the date of this Prospectus, the Company has not yet identified any prospective targets nor has it commenced any activities to do so.

2. COMPANY AND BUSINESS OVERVIEW continued

2.5 W2V PLATFORM USER EXAMPLE

By way of example, Way2Vat has an existing arrangement with a global financial enterprise client that utilises the Oracle iExpense as its expense management system. As part of the W2V Platform reclaim solution, W2V has provided an Oracle iExpense based API to the client to install in order to obtain the relevant data. Once the API is installed onto Oracle iExpense it automatically provides invoice data and images to the W2V Platform to be analysed, following which the data is validated, transformed and uploaded to W2V's cloud database.

Once the relevant data is uploaded into Way2Vat's cloud system the invoices are analysed by the AIA technology and the relevant forms will be completed automatically for VAT and GST reclaim submission. The applicable VAT and GST reclaim form is submitted to the relevant tax authorities (following verification by the Way2Vat compliance team) and the refund less Way2Vat's commission will be remitted to the client.

The process includes the following main steps:

- (a) data extraction – transforming invoice images into data;
- (b) data integrity validation – ensure data integrity and completeness such as removing duplicates, ensuring supplier required information, checking location and date requirements, etc;
- (c) data eligibility calculation – calculating the 'claimable' VAT according to the countries' rules and regulations;
- (d) association – VAT and GST reclaim forms are being automatically completed while invoices are automatically being associated into the relevant claims categories according to their country, timeline, threshold etc;
- (e) claim document generation – reclaim documents which are country specific with multiple formats and interfaces are automatically or, if required, manually completed;
- (f) claim response handling – Way2Vat will respond to the authorities feedback on whether the claims as been approved, rejected or partially approved;
- (g) payment – periodically payments to the client will occur depending on successful reclaims; and
- (h) transparency – Way2Vat provides the customer notifications and reports about the submissions and refunds to demonstrate the value of the service.

Refer to Figures 2.3, 2.4, 2.5 and 2.6 for an illustration of the above process.

2.6 COMPLIANCE AND REGULATORY ENVIRONMENT

The Company has established internal compliance systems and measures and engages with external advisors to ensure that it is compliant with the relevant rules, regulations and guidelines in respect to each jurisdiction that it operates, including (amongst other matters):

- (a) acting under relevant fiscal guidelines published for each jurisdiction that it operates in;
- (b) being registered for global VAT updates and ongoing industry updates in respect to the VAT and GST reclaim processes for each jurisdiction; and
- (c) engaging local agents and/or VAT advisers or representatives in each jurisdiction that it operates (noting that Way2Vat maintains professional engagements with local VAT advisers in each jurisdiction that it operates, including in Australia, France, Romania, Spain and Switzerland where local representatives are required by law).

Prior to commencing operations in any jurisdiction, Way2Vat will consult with its local agents and/or professional tax and legal advisers or representatives to ensure that it is fully compliant with the laws and regulations of that jurisdiction, including anti-Money laundering regulations. If Way2Vat subsequently identifies changes to the laws and/or regulations in a jurisdiction that require an adjustment to its VAT and GST reclaims process, it will undertake the necessary adjustments to the W2V Platform to ensure that the relevant amendments are incorporated into its processes as soon as possible and prior to the relevant due date (each change made is carefully assessed by the Way2Vat compliance team).

Way2Vat ensure that it receives all necessary authorities and consents (including a power of attorney, if required) required from the client prior to the submission of a reclaim and, if required, will utilise a local agent or tax representative. In addition, Way2Vat also utilises the AIA proprietary technology to verify and extract each invoice's data including:

- (a) country;
- (b) date;
- (c) total amount;
- (d) VAT amount;
- (e) item type; and
- (f) local VAT regulation.

The AIA technology applies smart AI anti-fraud filters to ensure the invoice is valid and appropriate for VAT and GST reclaim. In circumstance where the AIA's confidence falls below pre-determined internal criteria (such as the invoice amount threshold, accuracy, merchant VAT status etc.), the invoice is escalated to the Way2Vat compliance team for verification. Way2Vat ensures a level of confidence of close to 100% for each eligible VAT invoice that is submitted to authorities by undertaking a verification exercise for predetermined fields as well as random cross checks by the Way2Vat compliance team. Way2Vat then ensures that each claim form is automatically completed and filed with the relevant tax authority in accordance with regulations published by each of those authorities.

Depending on the regulatory and legislative requirements in each jurisdiction, Way2Vat will process the VAT and GST reclaim:

- (a) lodge the VAT and GST reclaim on the client's behalf, following which the funds will be received in a separate Way2Vat clients' account (held on trust by Way2Vat for the client) and the proceeds will be remitted to the client within 5 to 10 business days;
- (b) utilise a local agent to lodge the reclaim on the client's behalf, following which funds will be received in the local agents designated clients' account and proceeds will be remitted by Way2Vat to the client in accordance with local regulations (this is applicable to Australia); or
- (c) lodge the VAT and GST reclaim on the client's behalf and organise for funds to be remitted directly to the client from the relevant tax authority.

2.7 W2V GROUP'S INTELLECTUAL PROPERTY

W2V Group's core intellectual property asset is the W2V Platform (refer to Section 2.1(c)). The W2V Group presently has two granted patents in the United States, one granted patent in Israel, three pending patent applications in the United States, two pending patent provisional applications in the United States and one pending international (PCT) patent application. Refer to Section 6 for further details.

3.

DETAILS OF THE OFFER



INVOICE

Date	Description	Reference
21/04	Transient Room Revenue	(Nk Room)
21/04	Room Tax- 6%	(Add. 6% (B))
21/04	Occupancy Tax- 4%	(Add. 4% (B))
	Occupancy Room Revenue	(Nk Room)
		(Add. 6% (B))

MID:
Dowód SWZ, nr:

SPRZEDAŻ
PROSZE ODDAĆ WÓT PRZYJĘĆ

PIN ZŁODNY

Data: 02.11.2012. Średnia 15-011

Decyzja za kolebką
Proszę zwrócić uwagę

FISKALNY	
Suma:	30.00
Do zapłaty:	30.00
Suma:	30.00



3. DETAILS OF THE OFFER

3.1 THE OFFER

This Prospectus invites investors to apply for 30,000,000 Shares at an issue price of A\$0.20 each to raise A\$6,000,000 (before associated costs). Oversubscriptions of up to 5,000,000 Shares may be accepted by the Company (refer to Section 3.3 for further details).

All Shares offered under this Prospectus will rank equally with the existing Shares on issue. Refer to Section 8.2 for details of the rights attaching to Shares.

The Offer is made on the terms, and is subject to the conditions, detailed in this Prospectus. Refer to Sections 3.8 for details on how to apply for Shares under the Offer.

3.2 MINIMUM SUBSCRIPTION

The minimum total subscription under the Offer is 30,000,000 Shares to raise A\$6,000,000 (before associated costs) (**Minimum Subscription**).

None of the Shares offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within three months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

3.3 OVERSUBSCRIPTIONS

Oversubscriptions of up to 5,000,000 Shares (at an issue price of A\$0.20 per Share) may be accepted by the Company.

If the Company accepts the maximum number of oversubscriptions then the number of Shares issued under this Prospectus will be 35,000,000 Shares and the amount that will be raised under this Prospectus will be A\$7,000,000 (before associated costs) (**Maximum Subscription**).

3.4 PURPOSE OF THE OFFER AND FUNDING ALLOCATION

The purpose of the Offer is to:

- (a) provide the Company with a capital structure, which, together with access to capital markets, will improve financial flexibility for future growth opportunities;
- (b) provide a liquid market for its Shares and an opportunity for others to invest in the Company; and
- (c) provide the Company with the benefits of an increased profile that arises from being a listed entity.

The Company has a cash balance of approximately A\$800,000 at the date of this Prospectus.

The Board believes that its current cash balance and the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

3. DETAILS OF THE OFFER continued

The following table shows the expected use of funds in the two (2) year period following admission of the Company to the Official List:

Figure 3.1: Sources and uses of Offer proceeds

ITEM	MIN (AUD)	%	MAX (AUD)	%
Sales and Marketing ¹	\$2,358,686	39.31%	\$2,744,528	39.21%
Research and Development ²	\$1,359,178	22.65%	\$1,581,516	22.59%
Compliance and Security ³	\$126,192	2.10%	\$146,834	2.10%
Customer Fulfillment and Support ⁴	\$711,148	11.85%	\$827,480	11.82%
Patent Application ⁵	\$25,000	0.42%	\$25,000	0.36%
General & Administration ⁶	\$584,009	9.73%	\$679,543	9.71%
Cost of the Offer ⁷	\$572,142	9.54%	\$633,239	9.05%
Cash Reserves and Working Capital	\$236,646	4.39%	\$361,859	5.17%
Total funds allocated	\$6,000,000	100%	\$7,000,000	100%

Notes:

1. Sales and marketing costs, establishing additional offices and dedicated sales teams in the European and Asia Pacific regions, engaging designated sales executives and managers and utilising digital marketing for the enterprise and SMB market.
2. The development of the W2V Platform (including the development of the AIA technology) and third party software integration, utilisation of cloud data base storage and infrastructure and the development of additional functionalities and applications in respect to the W2V Platform.
3. Costs in respect to the engagement of CISO service providers and implementing internal and external security systems to prevent threats to the W2V Platform.
4. Costs associated with the Way2Vat compliance team and re-claim submissions to the relevant tax authorities, engagement of tax representatives, agents and consultants, technical support for the enterprise and SMB solution and the expansion of Way2Vat's customer support services.
5. Maintaining the Way2Vat intellectual property portfolio and applying for new patents.
6. Salaries and related costs, offices lease, maintenance and related costs, communication, IT and related costs, Insurance.
7. Refer to Section 8.17 for further details.

Shareholders should note that the above estimated expenditures will be subject to modification on an ongoing basis depending on the progress of the Company's activities. Due to market conditions and/or any number of other factors (including the risk factors outlined in Section 7), actual expenditure levels may differ significantly to the above estimates.

3.5 CAPITAL STRUCTURE

The Company's capital structure as at the date of this Prospectus and immediately following Admission will be as follows:

Figure 3.2: Capital structure

	SHARES	OPTIONS	PERFORMANCE RIGHTS
Number of Securities on issue prior to Admission	118,586,273	15,085,697 ¹	–
Advisor Options to be issued	–	8,330,000 ²	–
Director Options to be issued	–	5,000,000 ³	–
Performance Rights to be issued	–	–	14,500,000 ⁴
Shares to be issued under the Offer (assuming Minimum Subscription)	30,000,000	–	–
Total	148,586,273	28,415,697	14,500,000
Additional Shares issued under the Offer (assuming Maximum Subscription)	5,000,000	–	–
Total	153,586,273	28,415,697	14,500,000

Notes:

1. Refer to Section 8.5 for details of the terms and conditions of the Existing Options. The Existing Options will be subject to a voluntary holding lock of 24 months from the date of Admission.
2. Refer to Section 8.6 for details of the terms and conditions of the Advisor Options to be issued prior to Admission.
3. Refer to Section 8.7 for details of the terms and conditions of the Director Options to be issued prior to Admission.
4. Refer to Section 8.8 for details of the terms and conditions of the Performance Rights to be issued prior to Admission.

3.6 PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION

The Company's pro forma statement of financial position following Admission, including details of the pro forma adjustments, is detailed in Section 5.

3.7 TERMS AND CONDITIONS OF THE OFFER

TOPIC	SUMMARY
What is the type of security being offered?	Shares, being fully paid ordinary shares in the Company.
What are the rights and liabilities attached to the securities?	A description of the Shares, including the rights and liabilities attaching to them, is detailed in Section 8.2.
What is the consideration payable for each security being offered?	The Offer Price is A\$0.20 per Share.

3. DETAILS OF THE OFFER continued

TOPIC	SUMMARY
What is the Offer period?	<p>The key dates, including details of the Offer period, are on page 05.</p> <p>The timetable is indicative only and may change. Unless otherwise indicated, all times are stated in AEST.</p> <p>The Company in consultation with the Lead Manager, reserves the right to amend any and all of these dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to cancel the Offer before Shares are issued by the Company).</p> <p>If the Offer is cancelled before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p>
What are the cash proceeds to be raised?	<p>Assuming a Minimum Subscription, the Company expects to raise A\$6,000,000 under the Offer (before costs and expenses).</p>
Is the Offer underwritten?	<p>No.</p>
Who is the Lead Manager for the Offer?	<p>Canaccord Genuity is the lead manager to the Offer.</p>
What is the minimum and maximum Application size under the Offer?	<p>Applications must be for a minimum of 10,000 Shares (i.e. A\$2,000) and, thereafter, in multiples of 2,500 Shares (i.e. A\$500). Applications for less than the minimum accepted Application of 10,000 Shares will not be accepted.</p> <p>There is no maximum number or value of Shares that may be applied for under the Offer.</p>
What is the allocation policy?	<p>The Company and the Lead Manager have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application or bid, or allocate fewer Shares than the number, or the equivalent dollar amount than applied or bid for.</p>
When will I receive confirmation that my application has been successful?	<p>It is expected that initial holding statements will be dispatched by standard post on or about 2 September 2021.</p> <p>Refunds to Applicants who make an Application and are scaled back will be made as soon as possible post completion of the Offer, which is expected to occur on or about 7 September 2021. No refunds pursuant solely to rounding will be provided.</p>
Will the Shares be quoted on the ASX?	<p>The Company will apply within seven (7) days of the date of the Prospectus to ASX for admission to the Official List and quotation of Shares on ASX (which is expected to be under the code W2V).</p> <p>Completion is conditional on ASX approving this application. If approval is not given within three (3) months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.</p> <p>ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.</p>

TOPIC	SUMMARY
When are the Shares expected to commence trading?	<p>It is expected that trading of the Shares on ASX will commence on or about 7 September 2021.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.</p> <p>The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, even if such person received confirmation of allocation from a Broker or otherwise.</p>
Are there any escrow arrangements?	Yes. Details are provided in Section 3.11.
Has any ASIC relief or ASX waiver been sought or obtained?	Yes. Refer to Section 8.14.
Are there any tax considerations?	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares, pursuant to the Offer, from a taxation view point and generally.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.
What should you do with any enquiries?	<p>All enquiries in relation to this Prospectus should be directed to the offer information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside of Australia), from 8.30am until 5.30pm (AEST), Monday to Friday.</p> <p>If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.</p>

3.8 HOW TO APPLY

If you wish to apply for Shares under the Offer, you may:

- (a) apply online at <https://investor.automic.com.au/#/ipo/WAY2VAT> and pay the Application Monies electronically; or
- (b) complete a paper-based Application using an Application Form attached to, or accompanying this Prospectus or a printed copy of the Application Form attached to the electronic version of the Prospectus.

You may apply online by following the instructions at <https://investor.automic.com.au/#/ipo/WAY2VAT> and completing a BPAY® payment. Follow the instructions below to complete your payment. If you do not make a BPAY® or direct credit payment, your Application will be incomplete and will not be accepted. Your online Application Form and BPAY®/direct credit payment must be completed and received by no later than 5.00pm (AEST) on the Closing Date.

3. DETAILS OF THE OFFER continued

Australian applicants paying for online Applications

If you are applying online using an online Application Form and making your application payment by BPAY[®], you will be given a BPAY[®] biller code and unique customer reference number for your Application once you have completed your online Application Form.

BPAY[®] payments must be made from an Australian dollar account of an Australian financial institution. Using these BPAY[®] details, you must:

- (a) access your participating BPAY[®] financial institution either through telephone or internet banking;
- (b) select to use BPAY[®] and follow the prompts; enter the supplied biller code and unique customer reference number;
- (c) enter the total amount to be paid which corresponds to the value of Shares you wish to apply for under each Application;
- (d) select which account you would like your payment to come from;
- (e) schedule your payment to occur on the same day that you complete your online Application Form. Applications without payment will not be accepted; and
- (f) record and retain the BPAY[®] receipt number and date paid.

Please note that your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY[®] and payment cut-off times may vary between different financial institutions.

You must check with your financial institution about their BPAY[®] closing time, to ensure that your payment will be received together with your Application Form prior to the Closing Date and time.

Australian applicants completing an Application Form

Accompanying and forming part of this Prospectus is an Application Form for use if you wish to apply for Shares under the Offer. To participate in the Offer, the Application Form must be completed and received, together with the Application Monies, in accordance with the instructions on its reverse side. Completed Application Forms should be received by the Company, together with the Application Monies in full, prior to 5.00pm (AEST) on the Closing Date at the relevant address as follows:

In the case of Applicants applying from within Australia:

BY POST TO:	DELIVERED TO:
Way 2 Vat Ltd C/- Automic Pty Ltd GPO Box 5193 SYDNEY NSW 2001	Way 2 Vat Ltd C/- Automic Pty Ltd Level 5, 126 Philip Street SYDNEY NSW 2000

Applicants resident in Australia should make their cheques payable in A\$, based on an issue price of A\$0.20 per Share. All cheques should be made payable to "Way 2 Vat Limited" and be crossed "Not Negotiable".

Applications must be for a minimum of 10,000 Shares (i.e. A\$2,000) and, thereafter, in multiples of 2,500 Shares (i.e. A\$500). Applications for less than the minimum accepted Application of 10,000 Shares will not be accepted.

An original completed and lodged Application Form (or a paper copy of the Application Form from the Electronic Prospectus), together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

3.9 ACCEPTANCE OF APPLICATIONS UNDER THE OFFER

An Application in the Offer is an offer by you to the Company to apply for Shares at the Offer Price, on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant may not be varied and is irrevocable.

An Application may be accepted by the Company in respect of the full amount, or any amount lower than that specified on the Application Form without further notice to the Applicant. The Company reserves the right to decline any Application if it believes any provisions or procedures in this Prospectus, the Application Form or other laws or regulations may not be complied with in relation to the Application. No allotment of Shares under this Prospectus will occur unless:

- (a) the Minimum Subscription is achieved (refer to Section 3.2); and
- (b) ASX grants conditional approval for the Company to be admitted to the Official List (refer to Section 3.15).

The Company and the Lead Manager reserve the right to reject any Application which is not correctly completed or which is submitted by a person whom they believe is ineligible to participate in the Offer, or to waive or correct any errors made by the Applicant in completing their Application. In addition, the Company and the Lead Manager reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications (or aggregation of applications).

Subject to any guaranteed allocation, the final allocation of Shares to Applicants in the Offer will be at the absolute discretion of the Company, in consultation with the Lead Manager, and the Company may reject an Application, or allocate fewer Shares than the number, or the equivalent dollar amount applied for.

Successful Applicants in the Offer will be allotted Shares at the Offer Price. Acceptance of an application will give rise to a binding contract, conditional on settlement and quotation of Shares on ASX on an unconditional basis.

3.10 APPLICATION MONIES

Application Monies received under the Offer will be held in a special purpose account until Shares are issued or transferred to successful Applicants.

Applicants under the Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will be mailed (or otherwise in the Company's discretion provided with) a refund (without interest) of all or part of their Application Monies, as applicable.

No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

It is your responsibility to ensure that your BPAY[®] payment or electronic funds transfer payment is received by the Share Registry by no later than 5.00pm (AEST) on 27 August 2021. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

3.11 RESTRICTED SECURITIES

Chapter 9 of the Listing Rules prohibits holders of Restricted Securities from or agreeing to disposing of those securities or an interest in those securities for the relevant restriction periods.

None of the Shares issued pursuant to the Offer will be subject to any ASX imposed escrow restrictions. However, ASX has determined that certain Shares on issue prior to the Offer will be classified as restricted securities and may be required to be held in escrow for up to 24 months from the date of Admission. During the period in which these Shares (if any) are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner. The Company will announce to the ASX full details (quantity and duration) of the Shares (if any) required to be held in escrow prior to the Shares commencing trading on ASX.

3. DETAILS OF THE OFFER continued

The following table shows the number of Shares that will be subject to either voluntary escrow arrangements or ASX imposed restrictions.

SHARES SUBJECT TO ASX IMPOSED RESTRICTIONS/VOLUNTARY ESCROW (24 MONTHS POST LISTING) ¹	SHARES SUBJECT TO VOLUNTARY ESCROW (UP TO 6 MONTHS POST LISTING)	TOTAL SHARES SUBJECT TO ESCROW ²
15,351,744	103,234,529	118,586,273

Notes:

1. Based on a letter from the ASX dated 26 July 2021. The total number of Shares subject to ASX imposed restrictions will be announced prior to the Shares commencing trading on ASX.
2. The total number of Shares that will be subject to either ASX imposed restrictions or voluntary restrictions will be announced prior to the Shares commencing trading on ASX.

Pursuant to the above, the total number of Shares that will be subject to either voluntary or ASX imposed escrow restrictions will be 118,586,273 Shares, representing approximately 79.8% of the Shares on Admission (assuming Minimum Subscription).

As indicated in the above table, certain Shareholders have entered into voluntary escrow arrangements in addition to the ASX imposed mandatory restriction periods by entering into voluntary escrow deeds with the Company (**Voluntary Escrow Deeds**).

The restriction on 'disposing' in the Voluntary Escrow Deeds includes, among other things, disposing of, or agreeing or offering to dispose of the Shares, encumbering or granting a security interest over the Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Shares or agreeing to do any of those things.

These Shareholders may be released early from these escrow obligations to enable, in summary:

- (a) the Shareholder to accept an offer under a takeover bid in relation to its escrowed Shares if holders of at least half of the Shares the subject of the bid that are not held by the Shareholders have accepted the takeover bid; or
- (b) the escrowed Shares to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act.

During the voluntary escrow period, Shareholders whose Shares remain subject to escrow may dispose of any of their escrowed Shares to the extent the disposal is required by applicable law (including an order of a court of competent jurisdiction) or to the extent the disposal is to an affiliate or affiliated fund entity or to a trust or entity which the Shareholder controls where the transferee also enters into an escrow arrangement with the Company on substantially the same terms.

3.12 UNDERWRITING

The Offer is not underwritten.

3.13 OVERSEAS APPLICANTS

No action has been taken to register or qualify the Shares that are the subject of the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia. The Offer is not an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia, unless it has attached to it the selling restrictions applicable in the jurisdiction outside Australia and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an “institutional investor” (as defined in the SFA) or (ii) an “accredited investor” (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

3. DETAILS OF THE OFFER continued

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, and has not been filed with or approved by the Israel Securities Authority. In the State of Israel, this document is being distributed only to, and is directed only at, and any offer of the ordinary shares is directed only at, (i) a limited number of 35 persons or entities in accordance with the Securities Law and the regulations thereunder and (ii) investors listed in the first addendum, or the Addendum, to the Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds (all as defined under the Israeli law), entities with equity in excess of ILS 50 million (other than entities formed for the acquisition of securities from a certain offer) and “qualified individuals,” each as defined in the Addendum (as it may be amended from time to time), collectively referred to as Qualified Investors (in each case purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified Investors will be required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it. Certain Qualified Investors may be required to submit additional confirmations.

3.14 DISCRETION REGARDING THE OFFER

The Company may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) in accordance with the requirements of the Corporations Act.

The Company, and the Lead Manager also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than the number, or the equivalent dollar amount than Applied or bid for.

3.15 ASX LISTING AND OFFICIAL QUOTATION

Within seven (7) days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within three (3) months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

3.16 CHESS

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), which is the ASX electronic transfer and settlement system in Australia, in accordance with the Listing Rules and ASX Operating Rules. Settlement of trading of quoted securities on the ASX market takes place on CHESS. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company’s register of Shareholders.

The Company will not issue certificates of title to Shareholders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Shareholders issued to them, in much the same way as the holder of shares in an Australian incorporated ASX-listed entity would receive a holding statement in respect of shares. A holding statement will also provide details of a Shareholder’s HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Shares held by Shareholders. Shareholders may also request statements at any other time (although the Company may charge an administration fee).

3.17 RISK FACTORS OF AN INVESTMENT IN THE COMPANY

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business activities of the Company. Section 7 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

3.18 COMMISSION

The Company reserves the right to pay a commission of up to 6% (exclusive of GST) of amounts subscribed through any Australian financial services licensee in respect of any Applications lodged and accepted by the Company and bearing the stamp of the Australian financial services licensee. Payment will be made subject to the receipt of a proper tax invoice from the Australian financial services licensee.

3.19 FORECASTS

Due to the nature of the Company's business activities and the market in which it operates, there are significant uncertainties associated with forecasting future revenues (if any) from the Company's proposed activities.

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Section 2 for further information in respect to the Company's existing activities.

3.20 DIVIDEND POLICY

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company.

At the date of this Prospectus, the Company does not intend to declare or pay any dividends in the immediately foreseeable future. However, it is the aim of the Company that, in the longer term, its financial performance and position will enable the payment of dividends.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

3.21 PAPER COPIES OF PROSPECTUS

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the applicable Application Form to investors upon request and free of charge. Requests for a paper copy from Australian resident investors should be directed to the offer information line on 1300 288 664 for further details.

3.22 ENQUIRIES

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser. Enquiries from Australian resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to the offer information line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside of Australia).

4.

BOARD, MANAGEMENT AND CORPORATE GOVERNANCE



4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

4.1 BOARD

The Board is responsible for the corporate governance of the Company. It monitors the operational, financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company.

The Board is committed to maximising performance, generating value and financial returns for Shareholders and building the growth and success of the Company. To further these objectives, the Board has created a framework for managing the Company, including the adoption of relevant internal controls, risk management processes and corporate governance policies and practices which the Board believes are appropriate for the business and which are designed to promote the responsible management and conduct of the Company.

Further, the Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

Composition of the Board

As at the date of this Prospectus, Messrs Amos Simantov, Adoram Ga'ash, David Haim Assia, Aviv Barshaf, Avraham Yaron and Andrey Yashunsky are the Directors. Messrs Aviv Barshaf, Avraham Yaron and Andrey Yashunsky, who are current Directors, will resign and cease to be Directors effective on Admission.

The names and details of the Directors are:

DIRECTOR & EXPERIENCE



Amos Simantov

CEO, Founder and Managing Director

Mr Simantov has more than 25 years of experience as an executive – including as CEO, and EVP Sales of major global high-tech enterprises such as SintecMedia/Operative, Rit Technologies (a NASDAQ Company), Lognet Systems, and ADI. Mr Simantov specialises in the SaaS platform, Fintech, broadcast, IT and telecom industry and has a track record in leading companies to economic success, including several exits and successful mergers and acquisitions.



Adoram Ga'ash

Non-Executive Chairman

Mr Ga'ash has a track record of 20 years as a venture capitalist and in startups leadership. Prior to founding Moneta VC, Mr Ga'ash founded StageOne VC which invested in approximately 20 start-ups and resulted in seven exits. Later in his career, Mr Ga'ash joined Silicon Valley based investment bank, GrowthPoint Technology Partners, to head up the Israeli practice and in this role he has assisted start-ups with exploring their exit strategy with global companies. Earlier in his career, Mr Ga'ash founded Radwiz that was subsequently acquired by a Silicon Valley company. Mr Ga'ash graduated with honours from the Israeli Institute of Technology (Technion) with a BScEE in Computer Engineering. Mr Ga'ash also holds an MBA, and an MA (Cum laude) in Philosophy from Tel Aviv University.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE continued

DIRECTOR & EXPERIENCE



David Haim Assia

Non-Executive Director

Mr David Haim Assia is a serial entrepreneur and angel investor, being one of the pioneers of the vibrant Israeli high tech software industry. Mr Assia founded multiple global companies and listed them on either NASDAQ or TASE (Tel-Aviv Stock Exchange).

Mr Assia is the Chairman of iAngels, a leading crowd funding platform and is actively involved as a lead angel and a director in multiple high tech companies. Mr Assia also runs his family's, privately held, investment company, Nadyr Investments Ltd. Prior to iAngels, Mr Assia was the executive Chairman of eToro, the world's largest social trading network.

In 1986, Mr Assia co-founded Magic Software, where he served as either Chairman or CEO until 2007. Magic Software is a global international software company with world class innovative development and integration platforms. Magic Software was the first Israeli Software Company to be listed on NASDAQ (MGIC) in 1991.

In 1980, Mr Assia co-founded Mashov Computers, the leading micro-computer software company in Israel, being one of the first high tech companies to be listed three (3) years later, on the Tel-Aviv Stock Exchange – TASE.

Mr Assia is involved in educational institutions such as the Weizmann Institute of Science, the Israel Education Fund, Tel-Aviv University and Yeda Research and Development, the technology transfer office of the Weizmann Institute.

Mr Assia is also on a board member of the First International Bank of Israel and DBmaestro and Become (formerly Lending Express).



Ayelet Nahmias Verbin

Non-Executive Director

Ms Ayelet Nahmias Verbin has had a versatile career in the business sector as well as the public sector. With an LLB from the Hebrew University and an LLM (with honors) in commercial law from the Tel Aviv university-Berkeley program, Ms Nahmias Verbin started her career as an assistant in the Prime Minister's office under the leadership of the late Itzhak Rabin. After several years, Ms Nahmias Verbin moved to the private sector where she served as a board member in several leading companies and as Chairperson of Tavlit Plastic, a water technologies company founded by her late father.

A lawyer since 1996, Ms Nahmias Verbin specialises in corporate law and the capital markets and is considered a leading expert in corporate governance. She has been lecturing in Lahav Management School in Tel Aviv Koller Management faculty since 2005.

As a Member of Knesset (2015-2019), Ms Nahmias Verbin served in the economic committee, security and foreign relations committee, house committee and special hearing committee of the Israeli credit market and has a unique background in regulation. In 2016 she was awarded with the "excellent MK" rating by Israel Democracy institute (IDI).

Currently, Ms Nahmias Verbin has taken on public and voluntary roles and re-assumed positions in the business sector. Since early 2020, Ms Nahmias Verbin has served as Vice President of the Israeli Manufacturer's Association, Chairman of Tavlit Plastic, Chairperson of Jready – the global crises management of the Jewish agency as well as the fund of the victims of terror. In the business sector, Ms Nahmias Verbin also serves as a board member in several companies.

DIRECTOR & EXPERIENCE



Robert Edgley

Non-Executive Director

Mr Edgley has served multiple board roles throughout his career. Previously serving as a founding non-executive director for Praemium Limited (ASX:PPS), Mr Edgley saw the company through its listing on the ASX in 2006 and served as the chairman for the audit and risk committee, due diligence committee and remuneration and nomination committee.

Mr Edgley is currently the non-executive director for EVZ Limited (ASX:EVZ) and SelfWealth Limited (ASX:SWF) and is the non-executive chairman for DataMesh Limited.

Mr Edgley graduated from Monash University in Melbourne with a Bachelor of Economics and Japanese Language. Mr Edgley previously spent a year in Japan as an exchange student and later returned as a branch manager for County Natwest Securities in Tokyo.



David Buckingham

Non-Executive Director

Mr Buckingham has over thirty years of experience as a corporate leader in telecommunications, media, technology, IT and education. Mr Buckingham began his impressive career in the Audit and Corporate Finance team at PricewaterhouseCoopers in the UK and Australia. Most recently, Mr Buckingham served as both Chief Executive Officer and Chief Financial Officer of Navitas Limited (ASX:NVT), a global education provider with over 120 colleges and campuses across 31 countries. Prior to Navitas, David worked for Telewest Global as the Group Treasurer and Director of Financial Planning, Virginmedia, as Finance Director Business Division and iiNet (ASX:IIN) where he held the roles of chief financial officer and chief executive officer between 2008 and 2015. Mr Buckingham is currently the non-executive chairman of Pentanet Limited (ASX:5GG), non-executive director of OpenLeaning Limited (ASX:OLL), non-executive director of Nuheara Limited (ASX:NUH) and non-executive director of Hiremii Limited (ASX:HMI).

Mr Buckingham holds a Bachelor of Technology (Hons) from the Loughborough University of Technology and is a qualified ACA Chartered Accountant in England & Wales and a member of the Australian Institute of Directors.

4.2 SENIOR MANAGEMENT

(a) Aviv Barshaf – VP Finance & Founder

Mr Barshaf has experience in corporate finance and fintech entrepreneurship. Mr Barshaf guided numerous start-ups and publicly traded companies through strategic and financial challenges and previously served as Chief Analyst of BTB – Israel's largest P2P for businesses platform, and as an advisor to leading CPA and consulting firms, including as corporate valuation expert for PKF-Israel. Mr Barshaf served as senior analyst at Financial Immunities, DB Investment house and Risco Group.

Mr Barshaf holds an MBA (with honours) and a BA in Finance. Mr Barshaf served as a lecturer and academic staff member at the School of Business Administration, The College of Management Academic Studies (COMAS) in Israel.

(b) Prof. Roy Shilkrot – Chief Scientist Officer

Professor Shilkrot is a researcher and computer scientist specializing in human-computer interaction, computer graphics and computer vision.

Before joining Way2Vat, Professor Shilkrot worked with Microsoft Research Labs in Redmond, Comverse Innovation Labs in Tel Aviv, Tel Aviv University and various start-up companies.

Professor Shilkrot also served as adjunct Professor at the Computer Science Department in Stony Brook University, NY and was granted the Samsung Global Research Outreach award for de-warping paper documents.

Professor Shilkrot holds several patents, has co-authored four books, awarded five patents and published 25 peer reviews papers that appeared in highest-tier venues. Professor Shilkrot holds a Ph.D. from MIT Media Labs, where he specialized in human computer interaction, computer graphics and computer vision and a M.Sc in Computer Science from Tel Aviv University.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE continued

4.3 DIRECTOR DISCLOSURES

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last ten (10) years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

Mr Adoram Ga'ash was a director and chief executive officer of a company based in Tel Aviv, Israel, that entered into liquidation in 2011. As part of the liquidation process, the company was sold to a third party and all of the creditors repaid (there were no outstanding claims following the conclusion of the liquidation process). None of the other Directors have been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

4.4 INTERESTS OF DIRECTORS

No Director (or entity in which they are a director and/or a shareholder) has, or has had in the two (2) years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director to induce him or her to become, or to qualify as, a Director; or
- (e) any Director for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offer,

except as disclosed in this Prospectus.

4.5 EXTERNAL DIRECTORS

Under the Companies Law, the Company is required to have at least two directors who qualify as external directors under the Companies Law (**External Directors**). The definition of an External Director under the Companies Law includes a set of statutory criteria that must be satisfied, including criteria whose aim is to ensure that there is no factor that would impair the ability of the External Director to exercise independent judgment.

The External Directors of the Company do not have to be Israeli residents (since the securities of the Company have been offered outside of Israel). Section 8.1 sets out further information in relation to the Companies Law provisions relating to External Directors. Although there is no binding legal definition of an "independent director" for the purposes of the Corporations Act and the Listing Rules, it is generally expected that directors who are classified as External Directors under the Companies Law would be considered "independent" for the purposes of ASX Recommendations. It is proposed that Mr David Buckingham and Mr Robert Edgley will be the External Directors of the Company for the purpose of the Companies Law.

4.6 DIRECTOR AND OFFICERS LOCATIONS

The Company as well as its directors and officers may be located outside Israel and, as a result, it may be difficult for purchasers to effect service of process within Israel upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Israel and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Israel or to enforce a judgment obtained in Israeli courts against the Company or such persons outside Israel. Moreover, an Israeli court will not enforce a non-Israeli judgment if it was given in a state whose laws do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases), if its enforcement is likely to prejudice the sovereignty or security of the State of Israel, if it was obtained by fraud or in the absence of due process, if it is at variance with another valid judgment that was given in the same matter between the same parties, or if a suit in the same matter between the same parties was pending before a court or tribunal in Israel at the time the foreign action was brought.

4.7 CHAIRMAN OF THE BOARD

In accordance with the Companies Law and the Articles, the Board is required to appoint one of its members to serve as chairman of the Board. The Board has appointed Mr Adoram Ga'ash to serve as Chairman of the Board.

4.8 DIRECTORS' INTERESTS AND REMUNERATION

(a) Managing Director remuneration

The Company has entered into a service provider agreement with Mr Amos Simantov's in respect of his engagement as CEO and Managing Director of the Company. Refer to Section 4.9(a) for further details.

(b) Non-Executive Directors' remuneration

Under the Companies Law and related regulations promulgated thereunder, the remuneration to which each Director is entitled for his or her services as a Director shall be approved by the Shareholders and be in compliance with the provisions of the Companies Law and related regulations. Under the Listing Rules, the total amount of fees payable to all Directors for their services (excluding for these purposes, the remuneration of any executive Director) must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting. This amount has been capped by the Company at A\$320,000 per annum. Any increase to that aggregate annual sum needs to be approved by Shareholders. Directors will seek approval of the Shareholders from time to time, as appropriate.

This aggregate annual sum does not include any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director for or at the request of the Company, which may be made in addition to or in substitution for the Director's fees.

The Company has entered into Non-Executive Director agreements with each of Mr David Buckingham, Mr Robert Edgley, Mr David Haim Assia and Ms Ayelet Nahmias Verbin on the following key terms:

- (i) Mr David Buckingham and Mr Robert Edgley will each receive:
 - (A) annual remuneration of A\$60,000 inclusive of compulsory superannuation; and
 - (B) 2,000,000 Options with an expiry date of four (4) years from the date of issue as follows:
 - (1) 1,000,000 Options with an exercise price of A\$0.30; and
 - (2) 1,000,000 Options with an exercise price of A\$0.40.

Refer to Section 8.7 for the terms and conditions of the Options.

- (ii) Mr David Haim Assia will receive no annual remuneration for his services.

- (iii) Ms Ayelet Nahmias Verbin will receive for her services:

- (A) a monthly fee of US\$1,000; and
- (B) 1,000,000 Options with an expiry date of four (4) years from the date of issue as follows:
 - (1) 500,000 with an exercise price of A\$0.30; and
 - (2) 500,000 with an exercise price of A\$0.40.

Refer to Section 8.7 for the terms and conditions of the Options.

- (iv) Mr David Buckingham, Mr Robert Edgley, Mr David Haim Assia and Ms Ayelet Nahmias Verbin appointments will cease when:

- (A) they advise the Company in writing of their resignation;
- (B) when they are not re-elected by shareholders as and when required by the Listing Rules; or
- (C) as otherwise determined in accordance with the Company's articles of association, Companies Law and any other applicable law.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE continued

A summary of the base annual salary packages is detailed below:

Figure 4.1: Remuneration

EXECUTIVE	POSITION	TOTAL ANNUAL REMUNERATION PACKAGE
Mr Amos Simantov	CEO and Executive Director	NIS83,000/month
Mr Adoram Gaa'sh	Non-Executive Director & Chairman	US\$3,000/month
Mr David Haim Assia	Non-Executive Director	NIL ¹
Ms Ayelet Nahmias Verbin	Non-Executive Director	US\$1,000/month
Mr Robert Edgley	Non-Executive Director	A\$60,000/year
David Buckingham	Non-Executive Director	A\$60,000/year

Notes:

1. Mr Assia will not receive a fee in respect to his engagement as a non-executive Director.

(c) Deeds of access, indemnity and insurance for Directors

The Company has entered into standard deeds of access, indemnity and insurance with each of the Directors. Pursuant to those deeds, the Company has undertaken, consistent with the Corporations Act, to indemnify each Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Director during the period of their appointment and for seven (7) years after the Director has ceased to be a Director. The Company has further undertaken with each Director to maintain a complete set of the Company's board papers and to make them available to the Director for seven (7) years after the Director has ceased to be a Director.

(d) Other information and interests

Directors may also be reimbursed for travel and other expenses reasonably incurred in connection with the performance of their duties as Directors. Directors may be paid such special remuneration as the Directors decide is appropriate where a Director performs extra work or services for or at the request of the Company. There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

(e) Directors' interests in Shares and other securities

Directors are not required by the Articles to hold any Shares. The table below details the Directors' interests in Shares prior to and following completion of the Offer.

Figure 4.2: Director shareholding

DIRECTOR	NO. OF SHARES HELD PRIOR TO ADMISSION	NO. OF SHARES HELD FOLLOWING ADMISSION	PERCENTAGE SHAREHOLDING FOLLOWING ADMISSION ¹
Amos Simantov	8,536,221	8,536,221	5.74%
Aviv Barshaf ²	1,138,162	1,138,162	0.77%
Andrey Yashunsky ²	13,940,027 ³	13,940,027	9.38%
Avraham Yaron ²	1,133,713	1,133,713	0.76%
Adoram Ga'ash	7,651,979 ⁴	7,651,979	5.15%
David Haim Assia	3,954,668 ⁵	3,954,668	2.66%
Ayelet Nahmias Verbin	–	–	–
Robert Edgley	–	–	–
David Buckingham	181,996	181,996	0.12%

Notes:

1. Assuming Minimum Subscription.
2. Messrs Aviv Barshaf, Avraham Yaron and Andrey Yashunsky, who are current Directors, will resign and cease to be Directors effective on Admission.
3. 7,398,116 Shares are held by Global Fintech Solutions S.C.A and 6,541,911 Shares are held by Prytek Group CY Ltd, being entities associated with Mr Andrey Yahunsky.
4. Shares are held by Moneta Seeds L.P, an entity associated with Mr Adoram Ga'ash.
5. Shares are held in iAngels Technologies L.P., an entity associated with Mr David Haim Assia.

Figure 4.3: Director/proposed Director holding of Options and Performance Rights

DIRECTOR	NO. OF OPTION HELD PRIOR TO ADMISSION	NO. OF OPTIONS HELD FOLLOWING ADMISSION	NO. OF PERFORMANCE RIGHTS HELD PRIOR TO ADMISSION	NO. OF PERFORMANCE RIGHTS HELD FOLLOWING ADMISSION ³
Amos Simantov ⁷	8,152,182	8,152,182 ¹	–	12,000,000
Aviv Barshaf ^{4,5}	1,448,529	1,448,529 ¹	–	1,000,000
Andrey Yashunsky ⁴	–	–	–	–
Avraham Yaron ⁴	–	–	–	–
Adoram Ga'ash	3,355,577 ⁶	3,355,577 ¹	–	1,500,000
David Haim Assia	–	–	–	–
Ayelet Nahmias Verbin	–	1,000,000 ²	–	–
Robert Edgley	–	2,000,000 ²	–	–
David Buckingham	–	2,000,000 ²	–	–

Notes:

1. Refer to Section 8.5 for the terms and conditions of the Existing Options.
2. Refer to Section 8.7 for the terms and conditions of the Director Options.
3. Refer to Section 8.8 for the terms and conditions of the Performance Rights.
4. Messrs Aviv Barshaf, Avraham Yaron and Andrey Yashunsky, who are current Directors, will resign and cease to be Directors effective on Admission.
5. 1,243,352 Options are held by BFS – Barshaf Financial Solutions Ltd, an entity owned and controlled by Mr Aviv Barshaf.
6. Options are held by A.M.G.H. Synergia 2014 Ltd, an entity associated with Mr Adoram Ga'ash.
7. Options are held by Performance Systems Ltd. an entity owned and controlled by Mr Amos Simantov.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE continued

Directors may hold their interests in securities shown above directly or indirectly through holdings by companies or trusts.

As at the date of this Prospectus, none of the Directors (and their associates) intend to apply for shares under the Offer.

The table above does not take into account any Shares the Directors may acquire under the Offer.

The Shares held by or on behalf of Messrs Amos Simantov, Aviv Barshaf, Avraham Yaron, Adoram Ga'ash, David Haim Assia, Andrey Yashunsky and David Buckingham will be subject to ASX imposed escrow as detailed in Section 3.11.

4.9 REMUNERATION – MANAGING DIRECTOR AND CHAIRMAN

(a) Managing Director

The Company has entered into a service agreement with Mr Amos Simantov in respect of his roles as CEO and managing director of the Company. Mr Simantov's services will be provided through his company, A.S. Performance Systems Ltd (a company owned and controlled by Mr Simantov). The principal terms of the service provider agreement are as follows:

- (i) Mr Simantov, through his company, will receive a fee of NIS83,000 per month plus VAT (refer to Section 2.4(b) for further details);
- (ii) Mr Simantov may not to use any proprietary information in such a manner that may breach any confidentiality and/or other obligation he may have undertaken relating to any third party; and
- (iii) Mr Simantov or the Company may terminate the agreement by giving 180 days' notice in writing to the Company in the first year of his engagement, following which the Company must give 365 days of notice in writing and the notice period by Mr Simantov shall remain 180 days.

(b) Chairman

The Company has entered into a service provider agreement in respect of Mr Adoram Ga'ash's role as chairman and non-executive director of the Company. The principal terms of the service provider agreement are as follows:

- (i) a fee of US\$3,000 plus VAT per month will be payable for Mr Ga'ash's services to the Company;
- (ii) Mr Ga'ash shall maintain the Company's confidential information in confidence and secrecy and shall not disclose any such confidential information or use it for the benefit of any person or organization (including himself) other than Company without the prior written consent of the Company's CEO (except for disclosures to persons acting on Company's behalf with a need to know such information), so long as such information is not generally known to the general public by means other than disclosure by himself; and
- (iii) Mr Ga'ash or the Company may terminate the agreement by giving 14 days' notice in writing to the Company.

4.10 RELATED PARTY TRANSACTIONS

As at the date of this Prospectus, no material transactions with related parties and Directors' interests exist other than those disclosed in this Prospectus.

4.11 ASX CORPORATE GOVERNANCE COUNCIL PRINCIPLES AND RECOMMENDATIONS

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The ASX Corporate Governance Council has developed and released its fourth edition of the ASX Corporate Governance Principles and Recommendations (**Recommendations**) for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The Recommendations are not prescriptions, but guidelines. However, under the Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the Recommendations in the reporting period. Where the Company does not follow a recommendation it must identify the recommendation that it has not followed and provide reasons for not following it.

In light of the Company's size and nature, the Board considers that the current Board composition and structure is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at <http://way2vat.com>.

(a) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the Directors and the Managing Director;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director;
- (v) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (vi) approving operating budgets and major capital expenditure;
- (vii) overseeing the integrity of the company's accounting and corporate reporting systems including the external audit;
- (viii) overseeing the company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the board expects management to operate; and
- (x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of one (1) Executive Director (who is a significant Shareholder) and five (5) Non-Executive Directors (each of whom is independent). As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) Independence of the Board

The Board is responsible for the overall governance of the Company. Issues of substance affecting the Company are considered by the Board, with advice from external advisers as required. Each Director must bring an independent view and judgment to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director's ability to properly act as a Director must be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

In accordance with the Board Charter, it is intended that the Board will be comprised of a majority of independent directors. The Board considers an independent Director to be a Non-Executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the independent and unfettered exercise of their judgement. The Board has adopted a definition of independence that is based on the definition in the Recommendations. The Board will consider the materiality of any given relationship on a case-by-case basis. The Board assesses independence of directors upon appointment and annually throw attestation from each Director.

The Board considers that each of Messrs Ga'ash, Assia, Edgley and Buckingham and Ms Nahmias Verbin is free from any interest, position, association or relationship that may influence or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to fulfil the role of independent Director for the purpose of the Recommendations.

Mr Simantov is considered by the Board not to be independent on the basis that he is the Managing Director of the Company.

Accordingly, as at the time of the Company's listing, the Board will consist of a majority of independent Directors consistent with Principle 2.4 of the Recommendations.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE continued

(d) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) Remuneration Committee

Under the Companies Law, the Company must establish a remuneration committee, which must include all External Directors then serving on the Board. The External Directors must also comprise a majority of the remuneration committee and an External Director must serve as the chair.

With effect from the date of Admission, the Company's remuneration committee will comprise of Messrs David Haim Assia, Robert Edgley and David Buckingham.

In addition to the requirements under the Companies Law, the remuneration committee is governed by the Company's remuneration committee charter established by the Board, which is subject to review by the Board from time to time.

The Remuneration and Nomination Committee must also recommend to the Board the Company's remuneration policy regarding the terms of engagement of the Directors and of specified members of senior management in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility. The remuneration policy, to take effect from the date of Admission, must be adopted by the Board, after considering the recommendations of the remuneration committee. Shareholder approval, by way of a special majority, as defined in the Companies Law will also be required for adoption of the remuneration policy. An External Director's remuneration is determined prior to his or her appointment and must not be amended throughout the three (3) year term. The remuneration of each External Director must be the same.

The Board is also responsible for reviewing any employee incentive and equity based plans including the appropriateness of performance hurdles and total payments proposed.

(g) Risk and Audit Committee

Under the Companies Law, the Company must establish an audit committee, comprising at least three directors and including all External Directors then serving on the Board. The External Directors must also comprise a majority of the committee and an External Director must serve as the chair.

With effect from the date of Admission, the Company's audit committee will comprise of Ms Ayelet Nahmias Verbin and Messrs Robert Edgley and David Buckingham.

In addition to the requirements under the Companies Law, the audit committee is governed by the Company's audit committee charter established by the Board, which is subject to review by the Board from time to time.

The Risk and Audit Committee operates under a Risk and Audit Committee Charter, to take effect from the date of Admission, which includes, but is not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and the Company's risk management systems, the identification and management of business, economic, environmental and social sustainability risk and the external audit function.

(h) External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors following the recommendation from the Audit Committee.

(i) Internal audit

The Company does not have an internal audit function. The Board considers the Audit and Risk Committee and financial control function in conjunction with its risk management policy is sufficient for a Company of its size and complexity.

Under the Companies Law, the Company must appoint an internal auditor based on the recommendation of the audit committee, meeting certain independence requirements. Specifically, the internal auditor will be responsible for reviewing the Company's compliance with applicable law and the appropriateness of its business management.

The Companies Law requires that the internal auditor submits an annual or periodic working plan proposal to either the Board or the audit committee for their approval. The Company will be required to appoint an internal auditor following Admission.

4.12 CORPORATE GOVERNANCE POLICIES

The Company has adopted the following policies, each of which has been prepared having regard to the Recommendations and is available on the company's website at <http://way2vat.com.au/>.

- (a) **Code of Conduct** – This policy details the standards of ethical behaviour that the Company expects from its Directors, officers and employees
- (b) **Continuous Disclosure Policy** – Once listed on the ASX, the Company will need to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure the Company discloses to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.
- (c) **Risk Management Policy** – This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business. The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.
- (d) **Securities Trading Policy** – The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.
- (e) **Shareholder Communications Policy** – This policy details the practices which the Company will implement to ensure effective communication with its shareholders.
- (f) **Diversity Policy** – The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.
- (g) **Anti-Bribery and Anti-Corruption Policy** – The Company is committed to complying with all laws of the jurisdictions in which it operates, including those relating to bribery and corruption. The anti-corruption and anti-money laundering policies sets out the responsibilities of Company's personnel, including in their dealings with and through third parties. It addresses protection of the Company's personnel in seeking to comply with this policy, dealing with false reports, investigations, consequences for breach, examples of improper conduct, contact with government officials, donations, no-cash gifts and corporate hospitality, political and charitable contributions and sponsorships, facilitation payments, secret commissions and money laundering.
- (h) **Whistleblower Policy** – The Company is committed to maintain the highest standard of ethical conduct in its activities and ensure appropriate risk management. The purpose of this Policy include: the encouragement of reporting of suspected or actual wrongdoing, protecting and supporting the dignity, wellbeing, career and good name of disclosing persons who report suspected or actual wrongdoing and the outline of how disclosures will be dealt with and ensure that disclosures are dealt with appropriately and on a timely basis.
- (i) **Information Security Policy** – This policy details the processing and transfer of confidential information collected in connection with the services and tools provided by the Company.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE continued

4.13 DEPARTURES FROM RECOMMENDATIONS

Following admission to the Official List, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are detailed in the table below.

Figure 4.4: ASX Corporate Governance Principles and Recommendations departures

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION FOR DEPARTURE
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge required to perform their roles as directors effectively.	<p>Upon appointment, new Directors will be subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfil their role effectively.</p> <p>The Board will, when it considers the Company to be of an appropriate size, implement a formal induction process that complies with Recommendation 2.6.</p>
3.1 A listed entity should articulate and disclose its values.	<p>The Board will, when it considers the Company to be of an appropriate size will articulate and disclose its values that complies with Recommendation 3.1.</p>
6.2 A listed entity should design and implement an investor relations program to facilitate communication with shareholders.	<p>The Company has not adopted a formal investor relations program, however it does seek to inform investors of developments regularly by communication through ASX announcements and by providing information on its website.</p> <p>Investors are encouraged to attend the Company's security holder meetings, and are able to contact Way2Vat's management by email at info@way2vat.com.</p>

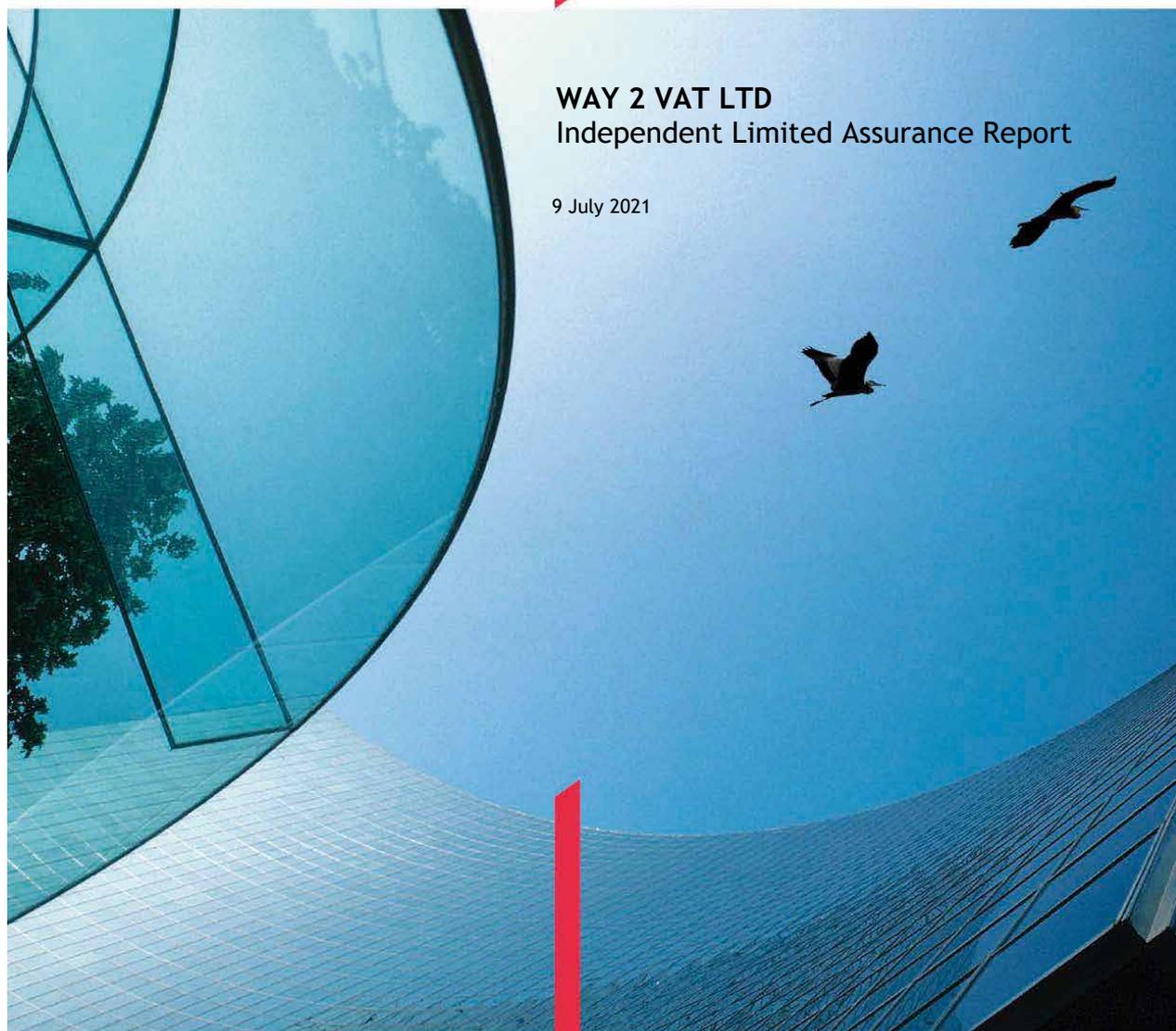
5.

INDEPENDENT

ACCOUNTANT'S REPORT



5. INDEPENDENT ACCOUNTANT'S REPORT



WAY 2 VAT LTD
Independent Limited Assurance Report

9 July 2021





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9 July 2021

The Directors
WAY2VAT Limited
Habarzel 34A,
Tel-Aviv,
Israel 6971051

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) has been engaged by WAY2VAT Limited (**'W2V'** or **'the Company'**) to prepare this Independent Limited Assurance Report (**'Report'**) in relation to certain financial information of W2V, for the Initial Public Offering of shares in W2V, for inclusion in the Prospectus. Broadly, the Prospectus will offer 30,000,000 Shares at an issue price of A\$0.20 each to raise A\$6,000,000 before costs (**'the Offer'**). Oversubscriptions of up to 5 million shares may be accepted to raise an additional A\$1,000,000 before costs.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide (**'FSG'**) has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

The Company's reporting currency is United States Dollars (**'US\$'** or **'USD'**), however some amounts have been presented in Australian Dollars (**'A\$'** or **'AUD'**) or Israeli Shekels (**'ILS'**) as appropriate.

All A\$ amounts have been converted to US\$ at a rate of USD:AUD 1.2999, while all ILS amounts have been converted to US\$ at a rate of ILS:USD 0.3113 which are the relevant exchange rates at 31 December 2020 as sourced from Bloomberg.

2

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

5. INDEPENDENT ACCOUNTANT'S REPORT continued

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the 'Historical Financial Information') of W2V included in the Prospectus:

- the audited historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2020, 2019 and 2018; and
- the audited historical Statement of Financial Position as at 31 December 2020.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles in accordance with the International Standards on Auditing and the Company's adopted accounting policies. The Historical Financial Information has been extracted from the financial report of W2V for the years ended 31 December 2020, 2019 and 2018, which was audited by BDO Ziv haft in accordance with International Standards on Auditing. BDO Ziv haft issued an unmodified audit opinion on the financial reports, but included the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern for year ended 31 December 2020.

We note that the matters in the Historical Financial Information which relate to the going concern will be addressed based on, the conversion of the convertible loans currently held by the Company ('Convertible Loans') and the raising of funds under the Offer.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the 'Pro Forma Historical Financial Information') of W2V included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 31 December 2020.

The Pro Forma Historical Financial Information has been derived from the historical financial information of W2V, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in the International Financial Reporting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by W2V to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on W2V's financial position as at 31 December 2020. As part of this process, information about W2V's financial position has been extracted by W2V from W2V's financial statements for the year ended 31 December 2020.

3. Directors' responsibility

The directors of W2V are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- The audited Statement of Profit or Loss and Other Comprehensive Income of W2V for the years ended 31 December 2020, 2019 and 2018; and
- the Statement of Financial Position of W2V as at 31 December 2020,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of W2V as at 31 December 2020,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

5. INDEPENDENT ACCOUNTANT'S REPORT continued

6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to 31 December 2020:

- The drawdown of the Company's line of credit with Paolim Bank in February and June 2021 for a total of approximately US\$447,000;
- The receipt of Research & Development Grants ('R&D Grants') of ILS215,000 in March 2021, ILS407,000 in May 2021 and ILS395,500 in June 2021 equivalent to a total of US\$317,000;
- The issue of convertible loans with a face value of US\$50,000;
- Share capital has been restructured, resulting in a single class of ordinary shares being on issue ('the Restructure'). Following the Restructure, a total of 37,472,578 ordinary shares are on issue;
- The issue of 16,895 shares (on a pre-Restructure basis) in February 2021 following the exercise of employee options with an exercise price of ILS0.01 each. The adjustment for the exercise of these options when rounded to the nearest thousand is nil, therefore this does not impact the pro-forma contributed equity balance and pro-forma cash balance;
- The forfeiture of 51,632 employee options (on a pre-Restructure basis) following the termination of employment for seven employees after 31 December 2020. These options had non-market based vesting conditions and were granted prior to 31 December 2020. As a result, these options are considered to be forfeited and the associated expense of US\$40,372 incurred during their vesting period up until 31 December 2020 is reversed from accumulated deficit and share based payment reserve.
- The grant of 3,715,839 options on 27 May 2021 with an exercise price of ILS0.001 (both on a post-Restructure basis) under the Employee Share Option Plan ('May Options'). These options will vest on quotation of the Company's shares on the ASX, therefore the vesting of these options are reflected as a pro forma adjustment in Section 7 below; and
- The grant of a further two tranches of options under the Employee Share Option Plan on 27 May 2021 (3,557,577 options) and 21 June 2021 (341,448 options), both with non-market based vesting conditions and both with an exercise price of US\$0.088 per option. The value of these options, being a total of US\$417,000, will be expensed over the vesting period. Given that these options do not vest immediately or on completion of the Initial Public Offering ('IPO'), there is no financial adjustment made as a subsequent event or a pro forma adjustment.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transactions or events outside of the ordinary business of W2V not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 31 December 2020, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 30,000,000 Shares at an offer price of A\$0.20 each to raise A\$6 million (US\$4,616,000) before costs pursuant to the Prospectus, based on the minimum subscription;
- The issue of up to 35,000,000 Shares at an offer price of A\$0.20 each to raise up to A\$7 million (US\$5,385,000) before costs pursuant to the Prospectus, based on the maximum subscription;
- Cash costs of the Offer are estimated to be approximately US\$440,000 and US\$487,000 for the minimum and maximum raises respectively. Those costs which are directly attributable to the capital raising are offset against contributed equity, with the remaining costs of the Offer expensed through accumulated deficit;
- The conversion of the Convertible Loans, totaling US\$7,947,000, and resulting in the issue of 81,113,695 shares (on a post-Restructure basis) and the recognition of the associated finance charge of US\$4,533,000;
- The issue of 8,330,000 options to the IPO Advisor ('Advisor Options') which are exercisable at A\$0.30 each and will expire three years from the date of issue. The issue of the Advisor Options are deemed to be a cost of the capital raising and have therefore been offset against contributed equity. The Advisor Options have been valued at A\$466,000 (US\$359,000);
- Upon listing, the May Options vest and as such the value of those options, being US\$572,000 has been in reserves and has been expensed through accumulated deficit. The Company also has 2,641,768 of options (on a post-Restructure basis) that were issued prior to 31 December 2020, that will vest on listing. Given that these options were granted prior to 31 December 2020, a portion of the expense has been recognised in the audited financial statements for the year ended 31 December 2020. However, the remaining value of these options that has not been expensed is US\$312,000, which has been reflected in reserves and accumulated deficit as a pro forma adjustment;
- The issue of 5 million options, to the three new incoming non-executive Directors ('Director Options'), 2.5 million of the Director Options are exercisable at A\$0.30 each ('Tranche 1'), and 2.5 million of the Director Options are exercisable at A\$0.40 ('Tranche 2'). The Director Options will expire four years from the date of issue. The value of the Director Options is US\$243,000, however this value will be expensed over the vesting period, and therefore the expense incurred at the pro forma date would not be material. Consequently, no financial adjustment has been made to reflect the issue of the Director Options; and
- The issue of 14.5 million performance rights in three classes, Class 1 and Class 2 have non-market based vesting conditions and Class 3 has a market based vesting condition (collectively 'Performance Rights'). Currently there are no reasonable grounds on which to assess the likelihood of the non-market milestones for conversion of the Class 1 and Class 2 Performance Rights being met, therefore no adjustment to the pro forma Historical Statement of Financial Position has been made. If the non-market conditions are met, the maximum value of the Class 1 and Class 2 Performance Rights as at the pro forma date is US\$1,478,000. The value of the Class 3 Performance Rights using a trinomial barrier option pricing model is US\$256,000. However, this value will be expensed over the vesting period, and therefore the expense incurred at the pro forma date would not be material. Therefore, no financial adjustment has been made to reflect the issue of the Performance Rights.

5. INDEPENDENT ACCOUNTANT'S REPORT continued

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO Ziv haft in Israel is the auditor of W2V.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Adam Myers

Director

APPENDIX 1

WAY2VAT LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 31-Dec-20 US\$'000	Audited for the year ended 31-Dec-19 US\$'000	Audited for the year ended 31-Dec-18 US\$'000
Revenues	1,034	408	287
Cost of revenues	(177)	(129)	(139)
Gross profit	857	279	148
Expenses			
Research and development expenses	1,406	1,460	1,704
Selling and marketing expenses	1,183	1,171	1,020
General and administrative expenses	1,553	1,612	618
Total expenses	4,142	4,243	3,342
Operating loss	(3,285)	(3,964)	(3,194)
Financial expenses	(63)	(36)	(10)
Financial income	1,047	426	-
Loss for the year	(2,301)	(3,574)	(3,204)
Other comprehensive income/(loss), net of tax			
Exchange gains/(losses) arising on translation to reporting currency	(505)	2	(7)
Total comprehensive loss for the year	(2,806)	(3,572)	(3,211)

This consolidated statement of profit or loss and other comprehensive income shows the historical financial performance of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3. Past performance is not a guide to future performance.

5. INDEPENDENT ACCOUNTANT'S REPORT continued

APPENDIX 2

WAY2VAT LIMITED

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Audited as at 31-Dec-20 US\$'000	Subsequent events US\$'000	Pro-forma adjustments Min US\$'000	Pro-forma adjustments Max US\$'000	Pro-forma after Offer Min US\$'000	Pro-forma after Offer Max US\$'000
CURRENT ASSETS							
Cash and cash equivalents	3	1,912	814	4,176	4,898	6,902	7,624
Trade receivables		984	-	-	-	984	984
Other accounts receivable		150	-	-	-	150	150
TOTAL CURRENT ASSETS		3,046	814	4,176	4,898	8,036	8,758
NON CURRENT ASSETS							
Right-of-use asset		316	-	-	-	316	316
Property plant & equipment, net		195	-	-	-	195	195
TOTAL NON CURRENT ASSETS		511	-	-	-	511	511
TOTAL ASSETS		3,557	814	4,176	4,898	8,547	9,269
CURRENT LIABILITIES							
Credit line	4	333	447	-	-	780	780
Trade payables		207	-	-	-	207	207
Convertible loans	5	3,110	-	(3,110)	(3,110)	-	-
Lease liabilities		129	-	-	-	129	129
Other accounts payable		1,014	-	-	-	1,014	1,014
TOTAL CURRENT LIABILITIES		4,793	447	(3,110)	(3,110)	2,130	2,130
NON CURRENT LIABILITIES							
Convertible loans	6	4,787	50	(4,837)	(4,837)	-	-
Lease liabilities		177	-	-	-	177	177
Liability for royalties payable		268	-	-	-	268	268
TOTAL NON CURRENT LIABILITIES		5,232	50	(4,837)	(4,837)	445	445
TOTAL LIABILITIES		10,025	497	(7,947)	(7,947)	2,575	2,575
NET ASSETS/(LIABILITIES)		(6,468)	317	12,123	12,845	5,972	6,694
EQUITY							
Contributed equity	7	4,977	-	16,416	17,139	21,393	22,116
Share based payment reserve	8	1,058	(40)	1,243	1,243	2,261	2,261
Adjustments arising from translating to reporting currency		(510)	-	-	-	(510)	(510)
Accumulated deficit	9	(11,993)	357	(5,536)	(5,537)	(17,172)	(17,173)
TOTAL (DEFICIT)/EQUITY		(6,468)	317	12,123	12,845	5,972	6,694

The cash and cash equivalents balance above does not account for working capital movements over the period from 1 January 2021 until completion. We have been advised that the cash balance of the Company on or about the date of this report is approximately US\$600,000.

The pro-forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3.

5. INDEPENDENT ACCOUNTANT'S REPORT continued

APPENDIX 3

WAY2VAT LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

- (i) Way2Vat Ltd. was incorporated on 19 February 2014, under the laws of Israel and commenced operations on 1 January 2015. The Company is developing application for automatic VAT reclaims and compliance for enterprises.
- (ii) The consolidated financial statements include the results of the Company and its wholly owned subsidiaries (together 'the Group').
- (iii) Outbreak of COVID-19 and Business Continuity - In December 2019, the COVID-19 pandemic broke out in China, and the virus has spread to many countries around the world. The world is currently experiencing an event with actual or potential macroeconomic consequences, originating from the global spread of the Coronavirus (COVID-19) (hereinafter - 'the Coronavirus' or 'the Event'). Following the Event, many countries, including Israel, are taking significant steps to try to prevent the spread of the virus, such as restrictions on civilian movement, gatherings, transit restrictions on passengers and goods, and closing borders between countries, etc. As a result, the Event and the actions taken by the various countries have or may have significant implications on many economies as well as capital markets worldwide. As of the date of approval of the financial reports, all sites in which the Company operates are active and operate as planned. Furthermore, the Company does not foresee any material changes in sales and marketing activity in all its sites due to the COVID-19 in the foreseeable future.
- (iv) The Company does not generate significant revenue at this stage and financed its operation up to date mainly via Convertible Loans. As of 31 December 2020, the Company has incurred negative cash from operation of US\$2,683,000 and net losses of US\$2,301,000 thousand for the current year. As a result of these matters, there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern. The financial statements do not include adjustments relating to the recoverability or classification of the recorded assets nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern. The directors believe that the Company will be able to pay its debts when they fall due, and to fund near term anticipated activities based on proceed from future fund raising in addition to revenues backlog. The Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis on the basis that the above can be reasonably expected to be accomplished.

Consolidated financial statements, from which the Historical Financial Information has been drawn, have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as issued by the International Accounting Standard Board. The financial statements have been prepared under the historical cost convention except for the convertible loans which are measured at fair value. The Group has elected to present the statement of comprehensive income using the function of expense method. In addition, these consolidated financial statements are presented in U.S. Dollars. All currency amounts have been recorded to the nearest thousand, unless otherwise indicated.

Principles of consolidation

Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements of the Group include the accounts of the Company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies were eliminated in full.

Use of estimates and assumptions in the preparation of the financial statements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these estimates are subject to measurement uncertainty and are reviewed periodically and adjustments, if necessary, are made in the year which they are identified. Actual results could differ from those estimates. See also Note 2.

Operational and foreign currency

The reporting currency of the Group is U.S. Dollars, which provides relevant information for most investors and users of the financial statements. All values are rounded to the nearest dollar unless otherwise stated. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The functional currency of WAY2VAT LTD. is EUR, the functional currency of WAY2VAT UK Limited is the pound sterling ('GBP'), the functional currency of WAY2VAT SRL is the Romanian leu ('RON').

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the

5. INDEPENDENT ACCOUNTANT'S REPORT continued

cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income.

Cash equivalents

Cash equivalents are considered by the Group to be highly liquid investments, including, inter alia, short-term deposits with banks and the maturity of which do not exceed three months at the time of deposit, and which are not restricted.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When there are no quoted prices in active markets for identical assets or liabilities, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Classification by fair value hierarchy

Assets and liabilities measured in the statement of financial position at fair value are grouped into classes with similar characteristics using the following fair value hierarchy which is determined based on the source of input used in measuring fair value:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.
- Level 3 - Inputs that are not based on observable market data (valuation techniques that use inputs that are not based on observable market data).

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial instruments

1. Financial assets

The Group classifies its financial assets into one of the following categories, based on the business model for managing the financial asset and its contractual cash flow characteristics. The Group's accounting policy for the relevant category is as follows:

Amortised cost: These assets arise principally from the provision of products and services to customers (e.g., income receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value including direct transaction costs and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions for income receivables are recognised based on the simplified approach within IFRS 9 using a provision in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the receivables.

For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

2. Financial Liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss

Financial liabilities in fair value through profit or loss that were designated as such were recognised at fair value with changes on fair value presented in profit or loss. The amount of changes in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income unless it creates or enlarges an accounting mismatch in profit or loss.

Amounts that were presented at other comprehensive income will not be reclassified in profit or loss. At de-recognition of the financial liability the Company classifies the amount from additional paid in capital to accumulated deficit.

Other financial liabilities include the following items: Trade accounts payable and other accounts payable, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

3. De-recognition

- Financial assets - The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows.
- Financial Liabilities - The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

5. INDEPENDENT ACCOUNTANT'S REPORT continued

4. Impairment of financial assets

The Group recognises an allowance for expected credit losses ('ECL') for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognised in two stages; For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that resulted from default events that are possible within the next 12-months (a 12-month ECL); For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade accounts receivable and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risks, but recognises a loss allowance based on lifetime ECLs at each reporting date instead. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group's assessed its financial assets that are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Property, plant, and equipment

Items of property, plant and equipment are initially recognised at cost including directly attributable costs. Depreciation is calculated on a straight-line basis, over the useful lives of the assets at annual rates as follows:

	<u>Annual depreciation rate (%)</u>	<u>Main annual depreciation rate (%)</u>
Electronic equipment and software	15-33	33
Furniture and equipment	6-10	6

Leasehold improvements are depreciated over the term of the expected lease including optional extension, or the estimated useful lives of the improvements, whichever is shorter.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. The assets' residual values, depreciation rates, and useful lives are reviewed, and adjusted if appropriate, at the end of each year. As of the event of Impairment please refer to Impairment of non-financial assets paragraph. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Impairment of non-financial assets

Non-financial assets are subject to impairment test whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of the non-financial asset exceeds its recoverable amount (i.e., the higher of value in use and fair value less costs to dispose), the asset is written down and impairment charge is recognised accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e., the smallest group of assets to which

the asset belongs that generates cash inflow that are largely independent of cash inflows from other assets).

An impairment loss allocated to asset, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Reversal of an impairment loss, as above, is limited to the lower of the carrying amount of the asset that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior years and the assets recoverable amount. After an impairment of non-financial asset is recognised, the Group examines at each reporting date whether there are indications that the impairment which was recognised in the past is no longer exists or should be reduced. The reversal of impairment loss of an asset is recognised in profit or loss. Impairment charges are included in general and administrative expenses.

Research and development costs

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditures is recognised as an intangible asset when the Company can demonstrate:

- The product is technically and commercially feasible.
- The Company intend to complete the product so that it will be available for use or sale.
- The Company has the ability to use the product or sell it.
- The Company has the technical, financial, and other resources to complete the development and to use or sell the product.
- The Company can demonstrate that the product will generate future economic benefits.
- The Company is able to measure reliably the expenditure attributable to the product during the development.

During the reported years, the expenses were not capitalised, as they did not meet the criteria set forth in IAS 38.

Leases

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated based on termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and

5. INDEPENDENT ACCOUNTANT'S REPORT continued

- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the underlying asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right of use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining useful life of the right of use asset, if rarely, this is judged to be shorter than the lease term. In the scenario that the measurement of lease liabilities takes into consideration the purchase option the Group will amortise the right of use assets over the remaining term of the lease. Lease liabilities are re-measured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the Group's assessment of the term of any lease. The re-measurement being recognised in front of the right of use assets. The Group applied the following practical expedients when applying IFRS 16 - a single discount rate to a portfolio of leases with reasonably similar characteristics.

Current taxes

The current tax liability is measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date as well as adjustments required in connection with the tax liability in respect of previous years.

Deferred tax

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the estimated timing and level of foreseen future taxable profits together with future tax planning strategies. Deferred taxes are recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts attributable for tax purposes. Deferred taxes are measured at the tax rates that are expected to apply in the period when the temporary differences are reversed based on tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred taxes are recognised in Profit or loss, except when they relate to items recognised in other comprehensive income or directly in equity. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is not probable that they will be utilised. In addition, temporary differences (such as carry forward losses) for which deferred tax assets have not been recognised are reassessed and deferred tax assets are recognised to the extent that their recoverability is probable. Any resulting reduction or reversal is recognised on "income tax" within the statement of comprehensive income. All deferred tax assets and liabilities are presented in the statement of financial position as non-current items. Deferred taxes are offset in the statement of financial position if there is a legally enforceable right to offset a current tax asset against a current tax liability and the deferred taxes relate to the same taxpayer and the same taxation authority.

Liability for royalties payable

Grants received from the IIA for Israel Innovation Authority ('IIA') as support for a research and development projects include an obligation to pay back royalties' conditional on future sales arising from the project. Grants received from the IIA are accounted for as forgivable loans, accordingly, when the liability for the loan is first recognised, it is measured at fair value using a discount rate that reflects a market rate of interest at the date of receiving the grant, unless there is reasonable assurance that the Company will meet the conditions for the forgiveness of the loan, then recognised as a government grant. The difference between the amount of the grants received

and the fair value of the liability is accounted for upon recognition of the liability as a grant and recognised in profit or loss as a reduction of research and development expenses. After initial recognition, the liability is measured at amortised cost using the effective interest method. Changes in the projected cash flows are discounted using the original effective interest and recognised in profit or loss. At the end of each reporting period, the Company evaluates, based on its best estimate of future sales, whether there is reasonable assurance that the liability recognised, will not be repaid. If there is such reasonable assurance, the appropriate amount of the liability is derecognised and recognised in profit or loss as an adjustment of research and development expenses.

Earnings/(loss) per share

Earnings/(loss) per share is calculated by dividing the net profit attributable to owners of the parent, by the weighted number of ordinary shares and series A & A-1 preferred shares outstanding during the period. Basic earnings per share only include shares that were outstanding during the period.

Revenue recognition

Revenue from contracts with customers is recognised when the service was provided by the Group at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services provided. IFRS 15 sets out a single revenue recognition model, according to which the entity shall recognise revenue in accordance with the said core principle by implementing a five-step model framework:

- 1) Identify the contracts with a customer
- 2) Identify the performance obligations in the contract
- 3) Determine the transaction price
- 4) Allocate the transaction price to the performance obligations in the contract
- 5) Recognise revenue when the entity satisfies a performance obligation

Revenue from VAT claims is recognised in a point of time when control of the services is transferred to the customer. The submission of the claim is the date on which control pass.

Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options calculated at the grant date is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are considered by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted.

Employee benefits

The Group has several employee benefits plans as to Israeli employees:

1. Short-term employee benefits: Short-term employee benefits include salaries, paid annual leave, paid sick leave, recreation, and social security contributions, and are recognised as expenses as the services are rendered. A liability in respect of a cash bonus or a profit-sharing plan is recognised when the Company has a legal or constructive obligation to make such payment as a result of past service rendered by an employee and a reliable estimate of the amount can be made.

5. INDEPENDENT ACCOUNTANT'S REPORT continued

2. Post-employment benefits: The plans are normally financed by contributions to insurance companies and classified as defined contribution plans. The Company has contributed for all its employee's contribution plans pursuant to Section 14 to the Severance Pay Law since 2018 under which the Company pays fixed contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods. Obligations for periods prior to 2018 were fully covered by deposits at compensation funds.

NOTE 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the process of applying the significant accounting policies, the Group has made the following estimates and judgments which have the most significant effect on the amounts recognised in the financial statements:

Determining the fair value of share-based payment transactions

The fair value of share-based payment transactions is determined upon initial recognition by an acceptable option pricing model. The inputs to the model include share price, exercise price and assumptions regarding expected volatility, expected life of share option and expected dividend yield.

Liability for royalties payable

The Group measured Liability for royalties' payable, each period, based on discounted cash flows derived from Group's future anticipated revenues. The discount rate reflects the market rate at the date of receiving the grant.

	Audited as at 31-Dec-20	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 3. CASH AND CASH EQUIVALENTS	US\$'000s	US\$'000s	US\$'000s
Cash and cash equivalents	1,912	6,902	7,624
Audited balance of W2V at 31 December 2020		1,912	1,912
<i>Subsequent events:</i>			
Proceeds from drawdown of credit line		447	447
Funds received from R&D Grants		317	317
Funds received from Convertible Loans		50	50
		814	814
<i>Pro-forma adjustments:</i>			
Proceeds from shares issued under this Prospectus		4,616	5,385
Capital raising costs		(440)	(487)
		4,176	4,898
Pro-forma Balance		6,902	7,624

	Audited as at 31-Dec-20	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 4. CREDIT LINE	US\$'000s	US\$'000s	US\$'000s
Credit line	333	780	780
Audited balance of W2V at 31 December 2020		333	333
<i>Subsequent events:</i>			
Drawdowns in February and June 2021		447	447
Pro-forma Balance		780	780

	Audited as at 31-Dec-20	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 5. CONVERTIBLE LOANS (CURRENT)	US\$'000s	US\$'000s	US\$'000s
Current portion of Convertible Loans			
Current Convertible Loans	3,110	-	-
Audited balance of W2V at 31 December 2020		3,110	3,110
<i>Pro-forma adjustments:</i>			
Conversion of current portion of Convertible Loans into shares		(3,110)	(3,110)
Pro-forma Balance		-	-

	Audited as at 31-Dec-20	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 6. CONVERTIBLE LOANS (NON-CURRENT)	US\$'000s	US\$'000s	US\$'000s
Non-current portion of Convertible Loans			
Non-current Convertible Loans	4,787	-	-
Audited balance of W2V at 31 December 2020		4,787	4,787
<i>Subsequent events:</i>			
Further drawdown of Convertible Loans		50	50
<i>Pro-forma adjustments:</i>			
Conversion of non-current portion of Convertible Loans into shares		(4,837)	(4,837)
Pro-forma Balance		-	-

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5. INDEPENDENT ACCOUNTANT'S REPORT continued

	Audited as at 31-Dec-20		Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 7. CONTRIBUTED EQUITY	US\$'000s		US\$'000s	US\$'000s
Contributed equity	4,977		21,393	22,116
	Number of shares (min)	Number of shares (max)	US\$'000s	US\$'000s
<i>Audited balance of W2V at 31 December 2020:</i>				
Shares*	3,275,478	3,275,478	4,977	4,977
<i>Subsequent events:</i>				
Shares issued on exercise of employee options	16,895	16,895	-	-
Restructure of share capital prior to IPO	34,180,205	34,180,205	-	-
	34,197,100	34,197,100	-	-
<i>Pro-forma adjustments:</i>				
Conversion of Convertible Loans	81,113,695	81,113,695	12,480	12,480
Proceeds from shares issued under this Prospectus	30,000,000	35,000,000	4,616	5,385
Costs of the Offer capitalised	-	-	(321)	(367)
Issue of Advisor Options deemed to be a cost of the Offer			(359)	(359)
	111,113,695	116,113,695	16,416	17,139
Pro-forma Balance	148,586,273	153,586,273	21,393	22,116

*Shares comprise ordinary shares, Series A Preferred shares and Series A-1 Preferred shares which will be consolidated into a single class of ordinary shares as part of the Restructure.

	Audited as at 31-Dec-20	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 8. SHARE BASED PAYMENT RESERVE	US\$'000s	US\$'000s	US\$'000s
Reserves	1,058	2,261	2,261
Audited balance of W2V at 31 December 2020		1,058	1,058
<i>Subsequent events:</i>			
Reversal of previously recognised employee options following forfeiture		(40)	(40)
<i>Pro-forma adjustments:</i>			
Vesting of options granted on 27 May 2021 that vest upon IPO		572	572
Recognition of remaining unvested portion of options granted prior to 31 December 2020 that vest upon IPO		312	312
Issue of Advisor Options		359	359
		1,243	1,243
Pro-forma Balance		2,261	2,261

The May Options and the Advisor Options have been valued using the Black Scholes option pricing model, with the key inputs and assumptions as follows:

Details	May Options	Advisor Options
Number of Instruments	3,715,839	8,330,000
Underlying share price (A\$)	0.20	0.20
Life of options (years)	7.00	3.00
Exercise Price (A\$)	0.0004	0.30
Expected volatility	60%	60%
Expected dividends	Nil	Nil
Risk free rate	0.67%	0.21%
Value per Instrument (A\$)	0.200	0.056
Value per Tranche (A\$'000)	743	466
Value per Tranche (US\$'000)	572	359

We note that the Company has also issued Performance Rights and Director Options, but these have not vested, and do not appear in the note above.

5. INDEPENDENT ACCOUNTANT'S REPORT continued

The value of the Director Options and the Class 3 Performance Rights are set out below:

Details	Director Options - Tranche 1	Director Options - Tranche 2	Performance Rights - Class 3
Number of Instruments	2,500,000	2,500,000	4,900,000
Underlying share price (A\$)	0.20	0.20	0.20
Life of options (years)	4.00	4.00	1.00
Share price barrier (A\$)	N/A	N/A	0.40
Exercise Price (A\$)	0.30	0.40	Nil
Expected volatility	60%	60%	60%
Expected dividends	Nil	Nil	Nil
Risk free rate	0.80%	0.80%	0.09%
Value per Instrument (A\$)	0.070	0.056	0.068
Value per Tranche (A\$'000)	175	140	333
Value per Tranche (US\$'000)	135	108	256

The Director Options have been valued using the Black Scholes option pricing model. The Class 3 Performance Rights have been valued at US\$256,000 using a hybrid trinomial barrier option pricing model.

The Class 1 and Class 2 Performance Rights, have non-market based vesting conditions. If the non-market conditions are met, the maximum value of the Class 1 and Class 2 Performance Rights as at the pro-forma date is US\$1,478,000.

Further details on the Director Options and Performance Rights can be found in the Prospectus.

We also note that subsequent to 31 December 2020, the Company granted a further two tranches of options with non-market based vesting conditions:

- 3,557,577 options with an exercise price of US\$0.088 on 27 May 2021 (the 'Tranche 1 Options') with a seven year life; and
- 341,448 options with a US\$0.088 exercise price on 21 June 2021 (the 'Tranche 2 Options') with a seven year life.

The value of the Tranche 1 Options and Tranche 2 Options are set out below:

Details	Tranche 1 Options	Tranche 2 Options
Number of Instruments	3,557,577	341,448
Grant date	27-May-21	21-Jun-21
Underlying share price (A\$)	0.20	0.20
Life of options (years)	7.00	7.00
Exercise Price (A\$)	0.114	0.114
Expected volatility	60%	60%
Expected dividends	Nil	Nil
Risk free rate	0.67%	0.80%
Value per Instrument (A\$)	0.139	0.139
Value per Tranche (A\$'000)	495	47
Value per Tranche (US\$'000)	380	37

A summary of the remaining unvested options that are on issue following completion of the IPO are presented in the table below:

Options	Number
Options expiring 23-Nov-23 with an exercise price of ILS0.001 each	60,414
Options expiring 23-Nov-23 with an exercise price of US\$0.079 each	241,632
Options expiring 17-Sep-24 with an exercise price of ILS0.001 each	381,956
Options expiring 25-Oct-24 with an exercise price of ILS0.001 each	56,908
Options expiring 27-Dec-24 with an exercise price of ILS0.001 each	615,530
Options expiring 31-Jul-25 with an exercise price of ILS0.001 each	205,177
Options expiring 5-Nov-25 with an exercise price of US\$0.112 each	410,353
Options expiring 27-Nov-25 with an exercise price of ILS0.001 each	28,454
Options expiring 5-Jun-26 with an exercise price of US\$0.246 each	205,177
Options expiring 5-Jun-26 with an exercise price of US\$0.132 each	113,816
Options expiring 5-Jun-26 with an exercise price of ILS0.001 each	113,816
Options expiring 1-Nov-27 with an exercise price of US\$0.088 each	2,395,832
Options expiring 26-May-28 with an exercise price of US\$0.088 each	3,557,577
Options expiring 21-Jun-28 with an exercise price of US\$0.088 each	341,448
Total	8,728,090

	Audited as at 31-Dec-20	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 9. ACCUMULATED DEFICIT	US\$'000s	US\$'000s	US\$'000s
Accumulated deficit	(11,993)	(17,172)	(17,173)
Audited balance of W2V at 31 December 2020		(11,993)	(11,993)
<i>Subsequent events:</i>			
R&D Grants received		317	317
Reversal of previously recognised employee options following forfeiture		40	40
		357	357
<i>Pro-forma adjustments:</i>			
Vesting of options granted on 27 May 2021 that vest upon IPO		(572)	(572)
Recognition of remaining unvested portion of options granted prior to 31 December 2020 that vest upon IPO		(312)	(312)
Financing charge associated with Convertible Loans		(4,533)	(4,533)
Costs of the Offer not directly attributable to the capital raising		(119)	(120)
		(5,536)	(5,537)
Pro-forma Balance		(17,172)	(17,173)

NOTE 9. RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

5. INDEPENDENT ACCOUNTANT'S REPORT continued

NOTE 10. COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

APPENDIX 4
WAY2VAT LIMITED
CONSOLIDATED HISTORICAL FINANCIAL INFORMATION - STATEMENT OF CASH FLOWS

Consolidated Statement of Cash Flows	Audited for the year ended 31-Dec-20 US\$'000	Audited for the year ended 31-Dec-19 US\$'000	Audited for the year ended 31-Dec-18 US\$'000
Cash flows from operating activities			
Loss for the year	(2,301)	(3,574)	(3,204)
Adjustments to reconcile net loss to net cash flows provided by operating activities:			
Depreciation	211	104	22
Change in fair value of convertible loans	(502)	(406)	-
Financial expenses/(income), net	(536)	21	-
Share based payment	479	398	156
Change in liability for royalties payable	20	10	(10)
Change in trade receivables	(471)	(207)	(136)
Change in other accounts receivable	(2)	(91)	(21)
Change in trade payables	63	53	51
Change in other accounts payable	396	117	147
Interest paid	(40)	(21)	-
Net cash (used in) operating activities	(2,683)	(3,596)	(2,995)
Cash flows from investing activities			
Purchase of property, plant and equipment	(56)	(111)	(60)
Net cash (used in) investing activities	(56)	(111)	(60)
Cash flows from financing activities			
Issuance of shares	1	-	143
Credit line, net	333	-	-
Principal paid on lease liabilities	(178)	(58)	-
Receipt of IIA grant	257	-	-
Royalties paid to the IIA	(7)	-	-
Receipt of convertible loans, net	1,590	5,936	1,275
Net cash from financing activities	1,996	5,878	1,418
Net increase/(decrease) in cash and cash equivalents	(743)	2,171	(1,637)
Cash and cash equivalents at the beginning of the year	2,510	400	2,046
Effects of exchange rate changes on cash and cash equivalents	145	(61)	(9)
Cash and cash equivalents at the end of the year	1,912	2,510	400

5. INDEPENDENT ACCOUNTANT'S REPORT continued

APPENDIX 5 FINANCIAL SERVICES GUIDE

9 July 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by WAY2VAT Limited ('W2V' or 'the Company') to provide an Independent Limited Assurance Report ('ILAR' or 'our Report') for inclusion in this Prospectus.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately A\$15,000 (exclusive of GST).

In 2020, BDO provided professional services in relation to the IPO of W2V for a total fee of A\$20,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from W2V for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, 38 Station Street, Subiaco, Perth WA 6008.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA'). AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 931 678
Website: www.afca.org.au

Contact details

You may contact us using the details set out on page 1 of our Report.

6.

INTELLECTUAL PROPERTY REPORT



6. INTELLECTUAL PROPERTY REPORT

July 8, 2021

Way2VAT Ltd.
34A Ha'Barzel st,
Tel-Aviv, 6971051
Via e-mail

IP Report – Way2VAT Ltd.

Dear Directors,

We have been requested by Way2VAT Ltd. to provide this report on the IP portfolio of Way2VAT Ltd. The report is prepared for inclusion in a prospectus to be issued by Way2VAT Ltd. in connection with the initial public offering of Way2Vat Ltd.

Yagod Morris and Associates has been instructed to prepare this report independently and the fee for its preparation is in no way contingent upon the outcome of the prospectus of which this report forms a part. The report is accurate to the best of our knowledge subject to any limitations and qualifications set out herein.

BACKGROUND TO INTELLECTUAL PROPERTY

Intellectual property (IP) refers to intangible property rights including patents, trademarks, designs, copyright, confidential information, plant breeder's rights and printed circuits. This Report considers IP in the form of patents and patent applications.

Patents are exclusive rights to exploit, authorise others to exploit and prevent others from exploiting an invention for a period of time. These inventions must be new, or an improvement on an existing invention, useful and represent an advancement of the current state of knowledge in the relevant area, at the time of filing the patent application, known as the 'priority date'. Patents can protect devices, substances, methods or processes that are developed in the course of scientific, commercial and industrial activities. However, there are limitations on what inventions may be protected and considerable differences between jurisdictions with respect to patentability.

Inventors must apply for patent rights in each country that they require protection. These applications may be made through each country's Patent Office (National Application) or by way of an international application under the Patent Cooperation Treaty (PCT Application), which allows applicants to designate certain countries or regions for protection. Notably, regional patent applications may also be made, such as in the European Union.



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6. INTELLECTUAL PROPERTY REPORT continued

July 8, 2021

National Applications

National Applications filed in countries that are a party to the Paris Convention for the Protection of Industrial Property (Paris Convention) establish a priority date for that particular country and all other countries that are signatories, including key commercial jurisdictions such as Europe, the United States, Canada, Japan and New Zealand. This allows applicants to file separate National Applications with the same priority in each of the Paris Convention member countries, provided that the applications are filed within twelve months of the initial application.

International Applications

The PCT international patent application is a centralised application that secures a priority date and allows applicants to file corresponding patents in all of the designated countries or regions. Filing a PCT Application will not create worldwide patents rights, however the filing does provide potential patent rights in all the jurisdictions party to the PCT.

Examination of Patent Applications

Registering a patent involves several stages that have varying timelines depending on the jurisdiction and relevant field of technology. After a patent application is filed, some jurisdictions require that the application be examined for substantive patentability before registration is allowed. This may be either automatic or, in some cases, applicants must request examination to achieve full protection.

Once examination is completed, some jurisdictions require that the patent be publically advertised and allow a period for third parties to object to its registration, known as an opposition. An opposition can be brought for a range of reasons, including inherent patentability or existing patent rights of a third party.

Most Patent Offices examine patent applications for novelty and the extent that it is an advancement from the existing state of knowledge before they will allow grant of the patent. Accordingly, there are no guarantees that the patent applications set out in this Report will achieve patent protection, or that the extent of granted protection will be identical to that claimed in the application initially filed.

Similarly, varying examination practices and laws in each jurisdictions means that the scope of granted protection may vary between countries.

Patent Rights

Depending on the type of patent and corresponding field of technology, patents are generally granted for a period of twenty years from the date the granted patent is filed. During this period, patents can be enforced against third parties to the extent of the claims disclosed in the registered patent.

While granted patent rights allows the patent holder to prevent others from exploiting the invention, this does not guarantee that the claims contained in the patent are valid and/or

July 8, 2021

that they do not infringe third party rights, such as existing patent holders. The courts in most jurisdictions may revoke or modify the extent of protection at any time during the term of the patent, and if all claims are found to be invalid, the patent will become entirely unenforceable against third parties.

WAY2VAT LTD. PATENT STRATEGY

We have been advised by Way2VAT that their IP strategy, which runs in parallel to the ongoing research and development, is to file new patent documents for incremental improvements to the Way2VAT system to obtain the earliest possible priority date for each feature of the system as it is developed.

Way2VAT's ongoing initial filings are typically provisional patent applications which may be converted either individually or in combination twelve months following their priority date. The conversion is generally filed as an international (PCT) patent applications from which national applications are filed at the National Phase.

Summary of Current Patent Portfolio of Way2VAT Ltd.

Current Portfolio:

As part of its ongoing IP strategy, WAY2VAT currently owns two granted United States Patent Numbers 10,019,740 and 10,936,863, one granted Israel Patent no. 258472, three pending United States Patent Applications, two pending United States Patent Provisional Applications, and one pending International (PCT) Patent Application.

All these patent documents are assigned to Way2VAT Ltd.

A detailed summary of these applications is given in the appendix.

The current Way2VAT Ltd. Portfolio can be divided into four families:

Family 1

An expense management system operable to perform automatic business documents' content analysis.

An enhanced OCR mechanism may use image related context analysis as a content recognition engine for extracting tagged text from invoice images. Machine learning mechanisms may classify invoice images by type, providing continual process of improvement and betterment.

Data may be collected and stored and behavioural statistical analysis can be used to provide various aspects of organizational expense management for corporate finance departments and business travellers. The system may generate business reports for automated VAT reclaim, Travel and Expenses management, Import/Export management etc.

6. INTELLECTUAL PROPERTY REPORT continued

July 8, 2021

Family 2

Automatic neuronal visual-linguistic information retrieval from imaged documents.

Deep network architectures retrieve information from imaged documents using a neuronal visual-linguistic mechanism based upon a geometrically trained neuronal network.

An expense management platform can use the neuronal visual-linguistic mechanism to determine geometric-semantic information of the imaged document.

Family 3

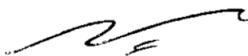
Document image analysis using cardinal graph convolutional networks. A graph representation of a document retains data pertaining to cardinal orientations between unordered nodes and a network model is built to exploit such information.

Graph pooling methods can create fully convolutional-deconvolutional models to extend the receptive field of the network's filters. Performance evaluation is based upon a canonical document analysis.

Family 5

Systems and methods for document image analysis by alignment of document image sets to spreadsheets. Document sets often have some combining information beyond their respective internal content, i.e. meta information. Image documents may be matched to meta information records.

Yours sincerely,



Michael Morris,
Israel Patent Attorney Number 344

FAMILY 1

Country	Owner	Inventors	Application No.	Filing Date	Registration no.	Date of Grant	Invention Title	Status
United States	Way2VAT Ltd.	Amos Simantov, Roy Shilkrot, Arnon Yaar	15/544,008	6-Oct-2016	10,019,740	10-Jul-2018	SYSTEM AND METHODS OF AN EXPENSE MANAGEMENT SYSTEM BASED UPON BUSINESS DOCUMENT ANALYSIS	Granted
United States	Way2VAT Ltd.	Amos Simantov, Roy Shilkrot, Arnon Yaar	15/984,448	20-Sep-2018			SYSTEM AND METHODS OF AN EXPENSE MANAGEMENT SYSTEM BASED UPON BUSINESS DOCUMENT ANALYSIS	Pending
Israel	Way2VAT Ltd.	Amos Simantov, Roy Shilkrot, Arnon Yaar	258472	6-Oct-2016	258472	1-Jul-2020	SYSTEM AND METHODS OF AN EXPENSE MANAGEMENT SYSTEM BASED UPON BUSINESS DOCUMENT ANALYSIS	Granted
PCT	Way2VAT Ltd.	Amos Simantov, Roy Shilkrot, Arnon Yaar	PCT/IB2016/055992	6-Oct-2016			SYSTEM AND METHODS OF AN EXPENSE MANAGEMENT SYSTEM BASED UPON BUSINESS DOCUMENT ANALYSIS	Continued at National Phase
United States	Way2VAT Ltd.	Amos Simantov, Roy Shilkrot, Arnon Yaar	62/238,148	7-Oct-2015 (PRIORITY DATE)			SYSTEM AND METHODS OF AN EXPENSE MANAGEMENT SYSTEM BASED UPON BUSINESS DOCUMENT ANALYSIS	Converted as PCT/IB2016/055992

6. INTELLECTUAL PROPERTY REPORT continued

FAMILY 2

County	Owner	Inventors	Application No.	Filing Date	Registration no.	Date of Grant	Invention Title	Status
United States	Way2VAT Ltd.	Amos Simantovroy Shilkrot, Nimrod Morag, Rinon Gal	16/500,102	2-Oct-2019	10,936,863	1-Mar-2021	SYSTEMS AND METHODS FOR NEURONAL VISUAL-LINGUISTIC DATA RETRIEVAL FROM AN IMAGED DOCUMENT	Granted
PCT	Way2VAT Ltd.	Amos Simantovroy Shilkrot, Nimrod Morag, Rinon Gal	PCT/IB2018/058891	13-Nov-2018			SYSTEMS AND METHODS FOR NEURONAL VISUAL-LINGUISTIC DATA RETRIEVAL FROM AN IMAGED DOCUMENT	Converted as US 16/500,102 Now US Patent No 10,936,863
United States	Way2VAT Ltd.	Amos Simantovroy Shilkrot, Nimrod Morag, Rinon Gal	62/585,116	13-Nov-2017 (PRIORITY DATE)			SYSTEMS AND METHODS FOR NEURONAL VISUAL-LINGUISTIC DATA RETRIEVAL FROM AN IMAGED DOCUMENT	Converted as PCT/IB2018/058 891

FAMILY 3

County	Owner	Inventors	Application No.	Filing Date	Registration no.	Date of Grant	Invention Title	Status
PCT	Way2VAT Ltd.	Rinon Gal, Roy Shilkrot, Amos Simantov	PCT/IB2020/055478	11-Jun-2020			SYSTEMS AND METHODS FOR DOCUMENT IMAGE ANALYSIS WITH CARDINAL GRAPH CONVOLUTION NETWORKS	Pending
United States	Way2VAT Ltd.	Rinon Gal, Roy Shilkrot, Amos Simantov	62/862,078	16-Jun-2019 (PRIORITY DATE)			SYSTEMS AND METHODS FOR DOCUMENT IMAGE ANALYSIS WITH CARDINAL GRAPH CONVOLUTION NETWORKS	Converted as PCT/IB2020/055 478

FAMILY 5

County	Owner	Inventors	Application No.	Filing Date	Registration no.	Date of Grant	Invention Title	Status
United States	Way2VAT Ltd.	Amos Simantov, Roy Shilkrot, Rinon Gal, Shai Ardazi	63/057,351	28-Jul-2020 (PRIORITY DATE)			SYSTEMS AND METHODS FOR DOCUMENT IMAGE ANALYSIS BY ALIGNMENT OF DOCUMENT IMAGE SETS TO SPREADSHEETS	Pending
United States	Way2VAT Ltd.	Shai Ardazi, Rinon Gal, Roy Shilkrot, Amos Simantov	63/152,352	23-Feb-2021 (PRIORITY DATE)			SYSTEMS AND METHODS FOR DOCUMENT IMAGE ANALYSIS BY ALIGNMENT OF DOCUMENT IMAGE SETS TO SPREADSHEETS	Pending



**Yagod Morris
& Associates**
Patent Attorneys

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7.

RISK

FACTORS



7. RISK FACTORS

The Shares are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks detailed in this Section 7 are not an exhaustive list of the risks faced by the Company or by investors in the Company. It should be considered in conjunction with other information in this Prospectus. The risk detailed in, and others not specifically referred to, this Section 7 may in the future materially affect the financial performance and position of the Company and the value of the Shares offered under this Prospectus. The Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those securities. The risk detailed in this Section 7 also necessarily include forward looking statements. Actual events may be materially different to those detailed and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. None of the Directors or any person associated with the Company guarantee the Company's performance, the performance of the Shares the subject of the Offer or the market price at which the Shares will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 7, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether or not to apply for Shares.

7.1 COMPANY SPECIFIC RISKS

(a) Compliance with Laws, Treaties, Regulations and Industry Compliance Standards

Way2Vat is subject to a range of legal and industry compliance requirements that are constantly changing. This includes taxation laws and treaties, privacy laws, data protection laws and contractual conditions, including:

- (i) the European Union Sixth Council Directive;
- (ii) the Refund Directive (2008/09/EC); and
- (iii) the 13th EU VAT Directive.

In addition, there is potential that Way2Vat may become subject to additional legal or regulatory requirements if its business, operations, strategy or geographic reach expand in the future. This may potentially include the requirement to register as a tax agent and/or representative or other licensing or regulatory requirements or similar limitations on the conduct of business.

There is a risk that additional or changed legal, regulatory or licensing requirements, and industry compliance standards, may make it unviable or uneconomic for Way2Vat to continue to operate in certain jurisdiction, or to expand in accordance with its strategy. This may materially and adversely impact Way2Vat's revenue and ability to achieve profitability, including by preventing its business from reaching a sufficient scale.

There is also a risk that if Way2Vat fails to comply with these laws, regulations and industry compliance standards, this may result in significantly increased compliance costs, cessation of certain business activities or the ability to conduct business, litigation or regulatory enquiry or investigation and significant reputational damage.

(b) Loss of Client Relationships

The success of Way2Vat's business will depend on its continued relationships with its existing clients. There can be no guarantee that these relationships will continue or, if they do continue, that these relationships will continue to be successful.

There is a risk that Way2Vat may lose its clients for a variety of reasons including a failure to successfully reclaim VAT, meet key contractual or commercial requirements, and/or customers shifting to in-house solutions or competitor service providers.

Although Way2Vat does not currently depend on any one customer for its revenue, the Way2Vat business is still at a relatively early stage and client revenue is not as diversified as it might be for a more mature business. The loss of even a small number of Way2Vat's clients may materially and adversely impact Way2Vat's revenue, and increase marketing expenses to sign up new clients to replace those lost. Depending on the reason for the loss of a clients, it may also have a negative impact on Way2Vat's reputation with other clients.

There is also a risk that new agreements formed with clients in the future may be less favourable to Way2Vat, including in relation to commission and other key terms, due to unanticipated changes in the market in which Way2Vat operates.

7. RISK FACTORS continued

(c) Failure to increase Reclaim Volumes, Number of Clients or Establish its Brand

Way2Vat is currently in the early stages of establishing its presence globally and its ability to profitably scale its business is heavily reliant on increases in the number of successful VAT and GST reclaims and in its client base to increase revenues. Data from increasing VAT and GST reclaim volumes will also better optimise the Company's systems and ability to make a successful VAT and GST reclaim. Way2Vat considers that establishing, expanding and maintaining the Way2Vat brand is important to growing its client base. The Company plans to expand its offerings into the SMB market, thereby reducing its reliance on enterprise clients, however there is no certainty that this will be achieved.

Failure to expand in this way may materially and adversely impact Way2Vat's ability to achieve economies of scale and to optimise its systems, and may therefore adversely impact Way2Vat's ability to achieve future profitability.

Way2Vat's growth strategy may also include the introduction of new services or technologies. There is a risk that expansion initiatives may result in additional costs and risks, or may not deliver the outcomes intended. Way2Vat's strategy depends on increasingly expanding the number clients, which may not eventuate as hoped.

(d) COVID-19

COVID-19 is a major community and economic concern which is continuing to have an effect on business operations globally. It is possible that further lockdowns may be imposed in Israel and/or globally which may have an adverse impact to the Company's business. An inability to move the Company's people and resources freely and any restrictions imposed by national governments could have a material adverse effect and/or impact on the Company's activities, strategy, funding and objectives. There is also a risk that the Company's employees may be unable to work for a period of time if they contract COVID-19 or are quarantined. The Directors are continuing to monitor the situation and will update the market in respect to any material impact regarding COVID-19.

(e) Reliance on Tax Agents and Representatives

Way2Vat's business and operations is largely dependent on various third parties, including its tax agents, representatives, legal advisers and consultants. The Company relies heavily on its tax agents, representatives and consultants in each jurisdiction that it operates in for taxation and VAT and GST reclaim knowledge and there is a risk that its tax agents, representatives, legal advisers and consultants are inadequate.

Although the Company has implemented internal measures to reduce its reliance on its tax agents and representatives and expanded its in-house know how, including via the engagement of employees with extensive VAT compliance backgrounds. The loss of the services of any of its third party representatives, including due to insolvency, loss of key licences, certifications or permits or any other reason, and the inability of the Company to find adequate replacements on a timely basis, or at all, could have a material effect on the Company's business, financial condition, operations and prospects.

(f) Failure to Achieve its Growth Strategy

The success of Way2Vat's business is dependent on the achievement of its growth strategy, including (but not limited to), expanding its geographical reach in the enterprise market and further developing the SMB solution. If Way2Vat is unable to enter into future arrangements to expand its geographical reach or develop these solutions, this may materially and adversely impact Way2Vat's financial performance, reputation and ability to achieve future profitability.

(g) Failures or Disruptions to the W2V Platform and Third Party Providers

Way2Vat depends on the performance, reliability and availability of its technology system, third party software providers, including the integration with expense management systems, and cloud based platform providers to achieve its business strategy and growth.

There is a risk that these systems may fail to perform as expected or be adversely impacted by a number of factors, some of which may be outside the control of Way2Vat, including damage, equipment faults, power failure, fire, natural disasters, computer viruses, and external malicious interventions such as hacking or denial-of-service attacks. Events of that nature may cause part or all of Way2Vat's technology system and/or the communication networks used by Way2Vat to become unavailable. Way2Vat's operational processes and contingency plans may not adequately address every potential event. This may disrupt transaction flow and adversely impact Way2Vat's financial performance and reputation.

There is a risk that repeated failures to keep Way2Vat's technology available may result in clients cancelling their contracts with Way2Vat. This may materially and adversely impact Way2Vat's financial performance, including a reduction in revenue and an increase in the costs associated with servicing clients through the disruption, as well as negatively impacting Way2Vat's reputation.

(h) Way2Vat may Suffer Reputational Damage

Maintaining the strength of Way2Vat's reputation is important to retaining and increasing its client base, maintaining its relationships with its partners and other service providers and successfully implementing Way2Vat's business strategy. There is a risk that unforeseen issues or events may adversely impact Way2Vat's reputation. This may adversely impact Way2Vat's future growth and its ability to achieve profitability.

Way2Vat's reputation is also closely linked to its ability to successfully reclaim VAT for its clients. There is a risk that Way2Vat's actions and the actions of Way2Vat's agents and representatives may adversely impact Way2Vat's reputation. Any factors that diminish Way2Vat's reputation could result in clients or other parties ceasing to do business with Way2Vat, impede its ability to successfully provide the its VAT and GST reclaim service, negatively affect its future business strategy and materially and adversely impact Way2Vat's financial position and performance.

(i) Loss Making Operation, Future Capital Needs and Additional requirements for capital

Way2Vat commenced operations in 2015 and has yet to achieve profitability. For the years ending 31 December 2018, 31 December 2019 and 31 December 2020, Way2Vat generated a net loss of US\$3,204,000, US\$3,574,000 and US\$2,301,000, respectively. Accordingly, as at the date of this Prospectus, Way2Vat is loss making and is not cash flow positive, meaning it is reliant on raising funds from investors to continue to fund its operations and development of the W2V Platform.

The Company intends to continue to spend significant funds to develop the W2V Platform, expand its sales and marketing and grow its operations as well as meet the compliance obligations. As the Company continues to grow, expenses may continue to exceed revenue, resulting in further net losses in the future. Although the Directors consider that Way2Vat will, on completion of the Offer, have sufficient working capital to carry out its stated objectives and to satisfy the anticipated working capital and other capital requirements detailed in this Prospectus, there can be no assurance that such objectives can continue to be met in the future without securing further funding.

The future capital requirements of Way2Vat will depend on many factors, including the development of the W2V Platform and the SMB solution, and the Company may need to raise additional funds from time to time to finance the ongoing development and commercialisation of its VAT and GST reclaim solution. The Company is unable to accurately predict when, or if, it will be able to achieve profitability and even if profitability is achieved in the future, it may not be sustained for subsequent periods potentially affecting the market price of Shares and the Company's ability to raise capital, expand its business or continue its operations.

The continued development of Way2Vat's business may require additional funding following the completion of the Offer, and there can be no assurance that the Company will be able to obtain the funding necessary on acceptable terms or at all to be able to achieve its business objectives. The Company's ability to obtain additional funding will depend on investor demand, its performance and reputation, market conditions and other factors. The Company may seek to raise further funds through equity or debt financing or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its growth strategies. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable. If the Company continues to incur losses in the future, the net losses and negative cash flows may have an adverse effect on shareholders equity and working capital.

7. RISK FACTORS continued

(j) Loss of Key Management Personnel

Way2Vat is largely dependent on the performance of its management team and certain highly qualified employees, including data scientists, engineers and other research and development personnel, sales personnel and the Company's continuing ability to attract and retain such employees.

The unplanned loss of the services of any of the Directors or members of senior management could materially and adversely affect the business of the Company until a suitable successor can be found. There are limited persons with the requisite competencies to serve in these positions, and the Company cannot provide any assurance that the Company would be able to locate or employ such qualified personnel in a timely manner, on terms acceptable to the Company or at all. The inability to attract and retain key and other highly qualified personnel could have a material adverse effect on the business, financial condition, results of operations and prospects of the business.

(k) Competitors and New Market Entrants

There is a risk that new entrants in the market which may disrupt Way2Vat's business and existing market share. Existing competitors as well as new competitors entering the industry, may engage in aggressive client acquisition campaigns, develop superior technology offerings or consolidate with other entities to deliver enhanced scale benefits. Such competitive pressures may materially erode Way2Vat's market share and revenue, and may materially and adversely impact Way2Vat's revenue and profitability.

A general increase in competition may also require Way2Vat to increase marketing expenditure or offer lower fees to clients, which would decrease profitability even if Way2Vat's market share does not decrease.

(l) Employee Recruitment Risk and Retention

Way2Vat ability to effectively execute its growth strategy depends upon the performance and expertise of its staff. Way2Vat relies on experienced managerial and highly qualified technical staff to develop and operate its technology and to direct operational staff to manage the operational, sales, compliance and other functions of its business. There is a risk that Way2Vat may not be able to attract and retain key staff or be able to find effective replacements in a timely manner. The loss of staff, or any delay in their replacement, could impact Way2Vat's ability to operate its business and achieve its growth strategies including through the development of new systems and technology.

There is a risk that Way2Vat may not be able to recruit suitably qualified and talented staff in a time frame that meets the growth objectives of Way2Vat. This may result in delays in the integration of new systems, development of technology and general business expansion, which may adversely impact Way2Vat's revenue and future profitability.

There is also a risk that Way2Vat will be unable to retain existing staff, or recruit new staff, on terms of retention that are as attractive to Way2Vat as past agreements. This would adversely impact employment costs and profitability.

(m) Activities of Fraudulent Parties

Way2Vat is exposed to risks imposed by fraudulent conduct, including the risks associated with inaccurate information being provided by clients. Although Way2Vat was put in place multiple checks and balances, including an automated and manual compliance systems, there is a risk that Way2Vat may be unsuccessful in defeating fraud attempts, resulting in inaccurate information being provided to the tax authorities.

Fraudulent activity may result in Way2Vat suffering losses due to fraud, a materially adverse impact to Way2Vat's reputation and bearing certain costs to rectify and safeguard business operations and Way2Vat's systems against fraudulent activity.

(n) Protection and Ownership of Technology and Intellectual Property

The business of Way2Vat depends on its ability to commercially exploit its technology and intellectual property, including the AIA technology, its technological systems and data processing algorithms. Way2Vat relies on laws relating to trade secrets, copyright and trademarks to assist in protecting its proprietary rights. However, there is a risk that unauthorised use or copying of Way2Vat's software, data, specialised technology or platforms will occur. In addition, there is a risk that the validity, ownership or authorised use of intellectual property relevant to Way2Vat's business may be successfully challenged by third parties. This could involve significant expense and potentially the inability to use the intellectual property in question, and if an alternative cost-effective solution were not available, it may materially adversely impact Way2Vat's financial position and performance. Such disputes may also temporarily adversely impact Way2Vat's ability to integrate new systems which may adversely impact Way2Vat's revenue and profitability.

There is also a risk that Way2Vat will be unable to register or otherwise protect new intellectual property it develops in the future, or which is developed on its behalf by contractors. In addition, competitors may be able to work around any of the intellectual property rights used by Way2Vat, or independently develop technologies or competing products or services that are not protected by Way2Vat's intellectual property rights. Way2Vat's competitors may then be able to offer identical or very similar services or services that are otherwise competitive against those provided by Way2Vat, which could adversely affect Way2Vat's business.

(o) W2V Technology may be Superseded by other Technology or Changes in Business Practice

Way2Vat participates in a competitive environment. IT systems are continuing to develop and are subject to rapid change, while business practices continue to evolve. Way2Vat's success will in part depend on its ability to offer services and systems that remain current with the continuing changes in technology, evolving industry standards and changing consumer preferences. There is a risk that Way2Vat will not be successful in addressing these developments in a timely manner, or that expenses will be greater than expected. In addition, there is a risk that new products or technologies (or alternative systems) developed by third parties will supersede Way2Vat's technology. This may materially and adversely impact Way2Vat's revenue and profitability.

(p) Government Regulation and Legal Requirements

Way2Vat is subject to the taxation laws in each respective jurisdiction that it operates and anti-money laundering/counter terrorism financing legislation in relation to clients. Outside of this Way2Vat is not currently subject to any other specific laws or regulations other than the laws and regulations applicable to business generally. There is a risk that a number of laws and regulations may be adopted with respect to Way2Vat's operations covering issues such as user privacy, pricing, intellectual property rights and information security which could limit the proposed scope of activities of Way2Vat.

(q) Reliance on Internet

Way2Vat will depend on the ability of its clients to access the internet. Should access to the internet be disrupted or restricted, usage of Way2Vat's services may be adversely impacted.

(r) Exposure to Potential Security Breaches and Data Protection Issues

Through the ordinary course of business, Way2Vat collects a wide range of confidential information. Cyber-attacks may compromise or breach the technology platform used by Way2Vat to protect confidential information.

There is a risk that the measures taken by Way2Vat may not be sufficient to detect or prevent unauthorised access to, or disclosure of, such confidential information. Any data security breaches or Way2Vat's failure to protect confidential information could result in the loss of information integrity, or breaches of Way2Vat's obligations under applicable laws or agreements, each of which may materially adversely impact the Way2Vat's financial performance and reputation.

(s) Exposure to adverse Macroeconomic Conditions

Way2Vat's business is reliant on clients reclaiming VAT via the W2V Platform and changes in the economic outlook globally may impact the performance of the Company. Such changes may include:

- (i) uncertainty in the global economy or increase in the rate of inflation resulting from domestic or internal conditions (including movements in domestic interest rates and reduced economic activity);
- (ii) increases in the costs of doing business globally;
- (iii) new government taxes, duties or changes in taxation law to reduce VAT and GST reclaims; or
- (iv) fluctuations in equity markets internationally.

A prolonged and significant downturn of general economic conditions may have a material adverse impact on the Company's trading and financial performance.

(t) Risk of Litigation, Claims and Disputes

Way2Vat may be subject to litigation and other claims and disputes in the course of its business, including contractual disputes, employment disputes, indemnity claims, and occupational and personal claims. Even if Way2Vat is ultimately successful, there is a risk that such litigation, claims and disputes could materially and adversely impact Way2Vat's operating and financial performance due to the cost of settling such claims, and affect Way2Vat's reputation.

7. RISK FACTORS continued

(u) Risks of an Israeli company

The Company is incorporated in Israel and its development and research and development facilities are based in Israel. Accordingly, political, economic and military conditions in Israel and the surrounding region, and national, company, consumer and other boycotts, may directly affect the Company's business. Any hostilities involving Israel, or the interruption or curtailment of trade within Israel or between Israel and its trading partners, or the mandatory military service obligations of Israeli citizens (including the Company's Israeli-based Directors and key management and scientific personnel) could materially and adversely affect the Company's business and make it more difficult for the Company to raise capital.

Furthermore, several countries, principally in the Middle East, restrict business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies whether as a result of hostilities or otherwise. In addition, there have been increased efforts by activists to cause companies and consumers to boycott Israeli goods based on Israeli government policies. Such actions, particularly if they become more widespread, may have an adverse impact on the Way2Vat's ability to sell its products, its business operations and financial performance.

(v) Applicability of Israeli law

The rights and responsibilities of Shareholders will be governed by Israeli law which differs in some material respects from the rights and responsibilities of shareholders of Australian companies. In certain respects, Israeli law may be interpreted as imposing additional obligations and liabilities on the Company's Shareholders than would typically be the case for shareholders of companies incorporated in Australia (refer to Section 8.1 for further details). It may be difficult to enforce a judgment of an Australian court against the Company, its officers and directors in Israel or elsewhere, to assert Australian securities laws claims in Israel or to serve process on the Company's officers and directors. Provisions of Israeli law may delay, prevent or otherwise impede a merger with, or an acquisition of, the Company even when the terms of such a transaction are favourable to the Company and its Shareholders.

However, it should be noted that since its inception the Company has never been affected by any of the above mentioned adversities.

(w) Currency risk

The Company expects to derive a majority of its revenue in GBP and Euro. The Company's representing currency for financial and management accounts is US dollar. Accordingly, changes in the exchange rate between the US dollar, EUR, GBP any other currencies and the NIS would be expected to have a direct effect on the performance of Way2Vat.

(x) Cost and management time involving in complying with the Companies Law and Australian laws

As an Israeli company, Way2Vat will need to ensure its continuous compliance with the Israeli Companies Law and since Way2Vat will be listed on the ASX and registered as a foreign company in Australia, Way2Vat will also need to ensure continuous compliance with relevant Australian laws and regulations, including the Listing Rules and certain provisions of the Corporations Act. To the extent of any inconsistency between the Companies Law and the Australian law and regulations, Way2Vat may need to make changes to its business operations, structure or policies to resolve such inconsistency. If Way2Vat is required to make such changes, this is likely to result in additional demands on management and extra costs.

In certain respects, Israeli law may be interpreted as imposing additional obligations and liabilities on the Shareholders than would typically be the case for shareholders of companies incorporated in Australia (refer to Section 8.1 for further details).

(y) Payments to satisfy the Company's Indemnification Obligations

The Company has agreements with its directors and senior officers which may require the Company, subject to Israeli law and certain limitations in the agreements, to indemnify the Directors and senior officers for certain liabilities and expenses that may be imposed on them due to acts performed, or failures to act, in their capacity as office holders as defined in the Companies Law. These liabilities may include financial liabilities imposed by judgments or settlements in favour of third parties, and reasonable litigation expenses imposed by a court in relation to criminal charges from which the indemnitee was acquitted or criminal proceedings in which the indemnitee was convicted of an offence that does not require proof of criminal intent. Furthermore, the Company agreed to exculpate its directors and officers with respect to a breach of their duty of care towards the Company.

The Company could be required to expend significant amounts of cash to meet the Company's indemnification obligations. Payments made pursuant to such indemnification obligations may materially adversely affect the Company's financial condition.

7.2 GENERAL INVESTMENT RISKS

(a) Potential Fluctuations in the Price of Shares

There are risks associated with any listed company investment. Some of these risks are listed below. The price at which Shares are quoted on the ASX may be subject to fluctuations in response to factors such as:

- (i) changes to government fiscal, monetary or regulatory policy, legislation or the regulatory environment in which Way2Vat operates;
- (ii) changes in financial outcomes estimated by securities analysts;
- (iii) changes in the market valuation of other comparable companies and the nature of the market in which Way2Vat operates;
- (iv) announcements by Way2Vat or its competitors of significant acquisitions;
- (v) an event of force majeure, such as terrorism, fire, flood, earthquake, war or strikes;
- (vi) fluctuations in the domestic and international market for listed stocks;
- (vii) fluctuations in general domestic and global economic conditions, including interest rates and exchange rates; and
- (viii) other events or factors which may be beyond Way2Vat's control.

There is a risk that broader market and industry factors Way2Vat's materially and adversely impact the price of the Shares, regardless of Way2Vat's operating performance and may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price of the Shares will increase following the quotation on the ASX.

(b) Liquidity of Shares

There is currently no public market through which the Shares may be sold. There can be no guarantee that an active market in Shares will develop or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on the ASX at any given time. There is a risk that this increases the volatility of the market price of Shares and the prevailing market price at which Shareholders are able to sell their Shares. This may result in investors under the Offer receiving a market price for their Shares that is less than the Offer Price.

(c) Exposure to General Economic and Financial Market Conditions

General domestic and global economic conditions may adversely impact the price of Shares for reasons outside W2V's control. This includes increases in unemployment rates, negative consumer and business sentiment and an increase in interest rates, amongst other factors. There is a risk that Shares may trade on the ASX at a price below their Offer Price for a wide variety of reasons, not all of them related to the financial performance of the Company.

(d) Risk of Shareholder Dilution

In the future, Way2Vat may elect to issue Shares in connection with future fundraising. While W2V will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a rolling 12-month period (other than where certain exceptions apply), there is a risk that the future issue of additional equity could result in dilution for Shareholders.

(e) Exposure to Changes in Tax Rules or their Interpretations

Tax rules or their interpretation for both Way2Vat and its Shareholders may change. There is a risk that both the level and basis of taxation may change both in Australia and in foreign jurisdictions where Way2Vat currently transacts, as well as new markets it may enter in the future. The tax considerations of investing in the Shares may differ for each Shareholder. Each prospective investor is encouraged to seek professional tax advice in connection with any investment in Way2Vat.

(f) Insurance Risks

Way2Vat intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover or insurers may decline to continue to insure the Company's operations or reduce available coverage. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

7. RISK FACTORS continued

(g) Accounting Standards

Changes to any applicable accounting standards or to any assumptions, estimates or judgements applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

(h) Unforeseen Risk

There may be other risks of which the Directors are unaware at the time of issuing this Prospectus which may impact Way2Vat, its operations and/or the valuation and performance of Shares. This is particularly so for an early stage business such as Way2Vat's, where there is limited operating history and experience. The above list of key risks ought not to be taken as exhaustive of the risks faced by Way2Vat or by investors in Way2Vat. The above risks and others not specifically referred to above may in the future materially affect Way2Vat, its financial performance or the value of Shares.

(i) Speculative Nature of Investment

The above lists of key risks ought not to be taken as exhaustive of the risks faced by Way2Vat or by investors in Way2Vat. The above risks and others not specifically referred to above may in the future materially affect Way2Vat, its financial performance or the value of the Shares. The Shares issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. Potential investors should therefore consider an investment in Way2Vat as speculative and should consult their professional advisers before deciding whether to apply for Shares under the Offer.

8. ADDITIONAL INFORMATION

8.1 KEY DIFFERENCES BETWEEN ISRAELI AND AUSTRALIAN COMPANY LAW

As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the Israeli Companies Law, 5759-1999 (**Companies Law**) and the Ministry of Justice – Corporations Authority of the State of Israel.

This is a general description of the principal differences between the laws and regulations concerning shares in a company incorporated in Israel as opposed to Australia. It is provided as a general guide only and does not purport to be a comprehensive analysis of all the consequences resulting from acquiring, holding or disposing of such shares or interest in such shares. The laws, regulations, policies and procedures described are subject to change from time to time.

(a) Corporate identity and procedures

(i) Australian law

In Australia, the regulation of companies is generally governed by the Corporations Act. A limited liability company, incorporated under the Corporations Act, will generally be considered a separate legal entity from its shareholders. There are a number of corporate procedures that require shareholder approval via an ordinary or special resolution. An ordinary resolution requires a simple majority for it to pass. Where an ordinary resolution may be required includes:

- (A) the election of directors;
- (B) the appointment of an auditor; and
- (C) accepting reports at a general meeting

A special resolution requires 75% of the votes cast at the shareholders meeting. Examples of where special resolutions are required include changing the company name or winding up a company.

(ii) Israeli law

In Israel, the regulation of companies is generally governed by the Companies Law. As with the Corporations Act, a limited liability company incorporated under the Companies Law will generally be considered a separate legal entity from its shareholders. Further, certain corporate procedures require approval by a special resolution of shareholders under the Companies Law, like under the Corporations Act, including the approval of an extraordinary transaction with a controlling shareholder or the terms of employment or other engagement of a director and the controlling shareholder or such controlling shareholder's relative (even if not extraordinary). In addition, a resolution for the voluntary winding up, or an approval of a scheme of arrangement or reorganisation, of a company requires the approval of holders of 75% of the voting rights of the Company represented at the meeting.

(b) Transactions requiring shareholder approval

(i) Australian law

Under the Corporations Act, the principal transactions or actions requiring shareholder approval include:

- (A) adopting or altering the constitution of the company;
- (B) appointing or removing a director or auditor;
- (C) certain transactions with related parties of the company;
- (D) putting the company into liquidation; and
- (E) changes to the rights attached to shares.

Shareholder approval under the Corporations Act is also required for certain transactions affecting share capital (e.g. share buybacks and share capital reductions).

(ii) Israeli law

The types of “transactions” that require shareholder approval are governed by the Companies Law and the applicable Articles. Generally speaking, under the Companies Law the following types of transactions will require shareholder approval:

- (A) amendments to the Articles;
- (B) mergers or consolidations;
- (C) appointment or removal of company auditors;
- (D) approval of certain related party transactions (including determination and amendments of director compensation);
- (E) any change in a company’s capital structure such as a reduction of capital, increase of capital or share split; and
- (F) approval that the chief executive officer can also serve as chairman of the board of directors.

This is not an exhaustive list but sets out common transactions which require shareholder approval.

(c) External Directors

(i) Australian law

There is no concept of External Directors under Corporations Act and they do not fall within the scope of the Corporations Act.

(ii) Israeli law

The Companies Law provides that two External Directors must be elected by a majority vote of the shares present and voting at a shareholders’ meeting, provided that either:

- (A) such majority includes at least a majority of the shares held by all shareholders who are not controlling shareholders and do not have a personal interest in the election of the External Director (other than a personal interest not deriving from a relationship with a controlling shareholder) that are voted at the meeting, excluding abstentions, to which the company refers as a disinterested majority; or
- (B) the total number of shares voted against the election of the External Director by non-controlling shareholders and by shareholders who do not have a personal interest in the election of the External Director (other than a personal interest not deriving from a relationship with a controlling shareholder) does not exceed 2% of the aggregate voting rights in a company.

Under the Companies Law, the term “controlling shareholder” means a shareholder with the ability to direct the activities of the company, other than by virtue of serving as an office holder. A shareholder is presumed to be a controlling shareholder if the shareholder:

- (A) holds 50% or more of the voting rights in a company; or
- (B) has the right to appoint more than half of the directors of the company or its general manager.

For the purpose of approving transactions with controlling shareholders, a controlling shareholder is deemed to include any shareholder that holds 25% or more of the voting rights in a public company if no other shareholder holds more than 50% of the voting rights in the company.

Under the Companies Law, the initial term of an External Director is three (3) years. Thereafter, an External Director may be re-elected to serve in that capacity for no more than two (2) additional three (3) year terms, provided that either:

- (A) his or her service for each such additional term is recommended by one or more shareholders holding at least 1% of the company’s voting rights and is approved at a shareholders’ meeting by a disinterested majority, where the total number of shares held by non-controlling, disinterested shareholders voting for such re-election exceeds 2% of the aggregate voting rights in the company, provided that the nominating shareholder, the External Director, and certain of their related parties meet additional independence requirements;
- (B) his or her service for each such additional term is recommended by the board of directors and is approved at a shareholders’ meeting by the same majority required for the initial election of an External Director (as described above); or
- (C) the External Director has recommended that he or she be nominated for each such additional term and such nomination is approved at a shareholders’ meeting by the same majority and under the same criteria required as if he had been recommended by a shareholder.

8. ADDITIONAL INFORMATION continued

External Directors may be removed from office by an extraordinary general meeting of shareholders called by the Board, which approves such dismissal by the same shareholder vote percentage required for their election or by a court, in each case, only under limited circumstances, including ceasing to meet the statutory qualifications for appointment, or violating their duty of loyalty to the company. If an external directorship becomes vacant and there are fewer than two External Directors on the Board at the time, then the Board is required under the Companies Law to call a shareholders' meeting as soon as possible to appoint a replacement External Director.

The Companies Law provides that a person is not qualified to serve as an External Director if:

- (A) the person is a relative of a controlling shareholder of the company; or
- (B) if that person or his or her relative, partner, employer, another person to whom he or she was directly or indirectly subject, or any entity under the person's control, has or had, during the two (2) years preceding the date of appointment as an External Director: (a) any affiliation or other disqualifying relationship with the company, with any person or entity controlling the company or a relative of such person, or with any entity controlled by or under common control with the company; or (b) in the case of a company with no shareholder holding 25% or more of its voting rights, had at the date of appointment as External Director, any affiliation or other disqualifying relationship with a person then serving as chairman of the board or chief executive officer, a holder of 5% or more of the issued share capital or voting power in the company, or the most senior financial officer.

The term "relative" is defined under the Companies Law as a spouse, sibling, parent, grandparent, or descendant; spouse's sibling, parent, or descendant; and the spouse of each of the foregoing persons. Under the Companies Law, the term "affiliation" and the similar types of prohibited relationships include (subject to certain exceptions):

- (A) an employment relationship;
- (B) a business or professional relationship even if not maintained on a regular basis (excluding insignificant relationships);
- (C) control; and
- (D) service as an office holder, excluding service as a director in a private company prior to the initial public offering of its shares if such director were appointed as a director of the private company in order to serve as an External Director following the initial public offering

The term "office holder" is defined under the Companies Law as the general manager, chief executive officer, chief business manager, deputy general manager, vice general manager, any other person assuming the responsibilities of any of these positions regardless of that person's title, and a director, or a manager directly subordinate to the general manager.

No person may serve as an External Director if that person's position or professional or other activities create, or may create, a conflict of interest with that person's responsibilities as a director or otherwise interfere with that person's ability to serve as an External Director or if the person is an employee of the Israel Securities Authority or of an Israeli stock exchange. A person may furthermore not continue to serve as an External Director if he or she received direct or indirect remuneration from the company including amounts paid pursuant to indemnification or exculpation contracts or commitments and insurance coverage for his or her service as an External Director, other than as permitted by the Companies Law and the regulations promulgated thereunder.

According to the Companies Law, a person may be appointed as an External Director only if he or she has professional qualifications or if he or she has accounting and financial expertise (each, as defined below). In addition, at least one of the External Directors must be determined by the Board to have accounting and financial expertise.

(d) Disclosure of Personal Interests of an Office Holder and Approval of Certain Transactions

(i) Australian law

Under Australian law, a director or officer of a company is required to disclose any material personal interests in a matter to be considered by the board of the company. The materiality of such interests depends on the circumstances of each case but it is not a requirement that it is financial or pecuniary in nature. Considerations that go towards a material personal interest include:

- (A) where a director or officer has a personal interest that could impact decisions made in their capacity as director or officer; and
- (B) where a director has a personal interest that has the potential to influence the director's vote on a matter.
- (C) There doesn't need to be a conflict of interest present for the director or officer to disclose the interest. Under both common law and the Corporations Act, it is essential that directors and officers disclose any material personal interests to the company so as to comply with their duties.

(ii) Israeli law

The Companies Law requires that an office holder promptly disclose to the company:

- (A) any personal interest that he or she may be aware of; and
- (B) all related material information or documents concerning any existing or proposed transaction by the company.

An interested office holder's disclosure must be made promptly and in any event no later than the first meeting of the board of directors at which the transaction is considered. An office holder is not obliged to disclose a personal interest if it derives solely from the personal interest of his or her relative in a transaction that is not considered as an extraordinary transaction.

A "personal interest" is defined under the Companies Law to include a personal interest of any person in an act or transaction of a company, including the personal interest of such person's relative or of a corporate body in which such person or a relative of such person is a 5% or greater shareholder, director, or general manager or in which he or she has the right to appoint at least one director or the general manager, but excluding a personal interest solely stemming from one's ownership of shares in the company.

A personal interest furthermore includes the personal interest of a person for whom the office holder holds a voting proxy or the personal interest of the office holder with respect to his or her vote on behalf of a person for whom he or she holds a proxy even if such shareholder has no personal interest in the matter. An office holder is not, however, obliged to disclose a personal interest if it derives solely from the personal interest of his or her relative in a transaction that is not considered an extraordinary transaction.

Under the Companies Law, an extraordinary transaction is defined as any of the following:

- (A) a transaction other than in the ordinary course of business;
- (B) a transaction that is not on market terms; or
- (C) a transaction that may have a material impact on the company's profitability, assets, or liabilities.

If it is determined that an office holder has a personal interest in a transaction which is not an extraordinary transaction, approval by the board of directors is required for such transaction, unless the company's articles of association provide for a different method of approval. An extraordinary transaction in which an office holder has a personal interest requires approval first by the company's audit committee and subsequently by the board of directors. In general, the remuneration of, or an undertaking to indemnify or insure, an office holder who is not a director requires approval first by the company's remuneration committee, then by the company's board of directors, and, if such remuneration arrangement or an undertaking to indemnify or insure is inconsistent with the company's stated remuneration policy or if the office holder is the chief executive officer (apart from a number of specific exceptions), then such arrangement is subject to a special majority approval. Arrangements regarding the remuneration, exculpation, indemnification, or insurance of a director require the approval of the remuneration committee, board of directors, and shareholders by ordinary majority, in that order, and under certain circumstances, a special majority approval.

Generally, a person who has a personal interest in a matter which is considered at a meeting of the board of directors or the audit committee may not be present at such a meeting or vote on that matter unless the chairman of the relevant committee or board of directors (as applicable) determines that he or she should be present in order to present the transaction that is subject to approval. If a majority of the members of the audit committee or the board of directors (as applicable) has a personal interest in the approval of a transaction, then all directors may participate in discussions of the audit committee or the board of directors (as applicable) on such transaction and the voting on approval thereof, but shareholder approval is also required for such transaction.

8. ADDITIONAL INFORMATION continued

(e) Disclosure of Personal Interests of Controlling Shareholders and Approval of Certain Transactions

(i) Australian law

There is no directly equivalent to the below law in Israel for Australia, although transactions which may confer a financial benefit on related parties of an Australian public company (including controlling shareholders and certain other parties) may require approval under Chapter 2E of the Corporations Act.

(ii) Israeli law

Pursuant to Israeli law, the disclosure requirements regarding personal interests that apply to directors and executive officers also apply to a controlling shareholder of a public company. In the context of a transaction involving a shareholder of the company, a controlling shareholder also includes a shareholder who holds 25% or more of the voting rights in the company if no other shareholder holds more than 50% of the voting rights in the company. For this purpose, the holdings of all shareholders who have a personal interest in the same transaction will be aggregated. The approval of the audit committee or remuneration committee, the board of directors, and a special majority, in that order, is required for:

- (A) extraordinary transactions with a controlling shareholder or in which a controlling shareholder has a personal interest;
- (B) the engagement with a controlling shareholder or his or her relative, directly or indirectly, for the provision of services to the company;
- (C) the terms of engagement and remuneration of a controlling shareholder or his or her relative who is not an office holder; or
- (D) the employment of a controlling shareholder or his or her relative by the company, other than as an office holder.

For this purpose, a “special majority” approval requires shareholder approval by a majority vote of the shares present and voting at a meeting of shareholders called for such purpose, provided that either:

- (A) such majority includes at least a majority of the shares held by all shareholders who do not have a personal interest in such remuneration arrangement; or
- (B) the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in the remuneration arrangement and who vote against the arrangement does not exceed 2% of the company’s aggregate voting rights.

To the extent that any such transaction with a controlling shareholder is for a period extending beyond three (3) years, approval is required once every three (3) years, unless, with respect to certain transactions, the audit committee determines that the duration of the transaction is reasonable given the circumstances related thereto.

(f) Fiduciary Duties of Directors and Officers

Both Australian law (Corporations Act and common law) and the Companies Law impose broad fiduciary duties on company directors and officer. While similar in operation, the terms of the relevant statutory provisions are not identical.

(i) Australian law

Under the Australian law, the Corporations Act requires directors and officers to:

- (A) act in good faith and for a proper purpose;
- (B) act with care and diligence;
- (C) avoid improper use of information;
- (D) avoid improper use of position; and
- (E) disclose certain interests.

(ii) Israeli law

The Companies Law imposes a duty of care and a fiduciary duty on all office holders of a company.

The duty of care requires an office holder to act with the degree of proficiency with which a reasonable office holder in the same position would have acted under the same circumstances. The fiduciary duty requires that an office holder act in good faith and in the best interests of the company.

The duty of care includes a duty to use reasonable means to obtain:

- (A) information on the advisability of a given action brought for his or her approval or performed by virtue of his or her position; and
- (B) all other important information pertaining to these actions.

The fiduciary duty includes a duty to:

- (A) refrain from any act involving a conflict of interest between the performance of his or her duties to the company and his or her other duties or personal affairs;
- (B) refrain from any activity that is competitive with the company;
- (C) refrain from exploiting any business opportunity of the company to receive a personal gain for himself or herself or others; and
- (D) disclose to the company any information or documents relating to the company's affairs which the office holder received as a result of his or her position as an office holder.

(g) Shareholders' Duties

(i) Australian law

Under Australian law, shareholders generally do not owe any fiduciary duties to each other or to the company of which they are a member.

(ii) Israeli law

Under the Companies Law, a shareholder has a duty to act in good faith and in a customary manner toward the company and other shareholders and to refrain from abusing his or her power in the company, including, among other things, in voting at general meetings of shareholders and class meetings of shareholders with respect the following matters:

- (A) an amendment of the articles of association or memorandum of association of the company;
- (B) an increase in the company's authorised share capital;
- (C) a merger; or
- (D) the approval of related party transactions and acts of office holders that require shareholder approval.

A shareholder also has a general duty to refrain from discriminating against other shareholders. In addition, certain shareholders have a duty of fairness toward the company. These shareholders include any controlling shareholder, any shareholder who knows that he or she has the power to determine the outcome of a shareholder vote and any shareholder who has the power to appoint or to prevent the appointment of an office holder of the company or other power. The Companies Law does not define the substance of the duty of fairness, except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty to act with fairness.

(h) Exculpation, Insurance and Indemnification of Directors and Officers

(i) Australian law

Under Australian law, company constitutions set out rights of indemnity for directors and officers, and often include provision for directors and officers insurance. A provision for an indemnity in a constitution is only enforceable as a contract by a limited set of current officers, which does not include former officers.

Australian companies are prohibited from paying or agreeing to pay the premium for insurance of a director or officer against a liability (other than one for legal costs) arising out of:

- (A) a wilful breach of duty in relation to the company;
- (B) a director's improper use of position; and
- (C) a director's improper use of information.

8. ADDITIONAL INFORMATION continued

(ii) Israeli law

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care but only if a provision authorising such exculpation is included in its articles of association. The Company's Articles include such a provision. A company may not exculpate a director from liability arising out of a prohibited dividend or distribution to shareholders.

Under the Companies Law and the Securities Law, an Israeli company may indemnify an office holder with respect to the following liabilities and expenses incurred for acts performed as an office holder, either in advance of an event or following an event, provided a provision authorising such indemnification is contained in its articles of association:

- (A) financial liability imposed on him or her in favour of another person pursuant to a judgment, including a settlement or arbitrator's award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on the company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking must detail the abovementioned foreseen events and amount or criteria;
- (B) reasonable litigation expenses, including attorneys' fees, incurred by the office holder: (i) as a result of an investigation or proceeding instituted against him or her by an authority authorised to conduct such investigation or proceeding, provided that (a) no indictment was filed against such office holder as a result of such investigation or proceeding and (b) no financial liability was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offence that does not require proof of criminal intent; and (ii) in connection with a monetary sanction;
- (C) expenses associated with an administrative procedure, as defined in the Securities Law, conducted regarding an office holder, including reasonable litigation expenses and reasonable attorneys' fees; and
- (D) reasonable litigation expenses, including attorneys' fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf or by a third party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for an offence that does not require proof of criminal intent.

Under the Companies Law and the Securities Law, a company may insure an office holder against the following liabilities incurred for acts performed as an office holder if and to the extent provided in the company's articles of association:

- (A) a breach of duty of care to the company or to a third party, including a breach arising out of the negligent conduct of the office holder;
- (B) a breach of fiduciary duty to the company, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- (C) a monetary liability imposed on the office holder in favour of a third party; and
- (D) expenses incurred by an office holder in connection with an administrative procedure, including reasonable litigation expenses and reasonable attorneys' fees.

Under the Companies Law, a company may not indemnify or insure an office holder against any of the following:

- (A) a breach of fiduciary duty, except for indemnification and insurance for a breach of the fiduciary duty to the company and to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;
- (B) a breach of duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- (C) an act or omission committed with intent to derive illegal personal benefit; or
- (D) a fine or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification, and insurance of office holders in a public company must be approved by the remuneration committee and the board of directors and, with respect to certain office holders or under certain circumstances, by the shareholders.

(i) Security holders' right to convene meeting

(i) Australian law

The Corporations Act specifies that members of proprietary or public companies may call a general meeting if members with at least 5% of the votes that may be cast at the general meeting request it. A company's constitution may also contain provisions prescribing an alternative means for members to call a general meeting.

(ii) Israeli law

Under the Companies Law, a board of directors is required to convene an extraordinary general meeting of shareholders upon the written request of one or more shareholders holding, in the aggregate, either (a) 5% or more of the outstanding issued shares and one percent of the outstanding voting power or (b) five percent or more of the outstanding voting power.

(j) Right to appoint proxies

(i) Australian law

Under the Corporations Act, shareholders have the right to appoint a proxy, who need not be a shareholder of the company. If a shareholder is entitled to two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. To appoint proxies, shareholders will generally complete a proxy form, which is distributed in a notice of general meeting.

(ii) Israeli Law

At a general meeting, every shareholder present in person, proxy or written ballot has one vote for each ordinary share held on all matters submitted to a vote.

(k) Changes to rights attaching to securities

(i) Australian law

In Australia, the Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares.

If a company does not have a constitution, or has a constitution that does not set out a procedure, such rights may only be varied or cancelled by:

- (A) a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class; or
- (B) a written consent of members with at least 75% of the votes in the class.

(ii) Israeli law

The Companies Law provides that, unless otherwise provided by the Articles, the rights of a particular class of shares may not be adversely modified without the vote of a majority of the affected class at a separate class meeting.

(l) Takeovers

(i) Australian law

In Australia, the Corporations Act governs a takeover. The Corporations Act contains a general rule that a person must not acquire a Relevant Interest in issued voting shares of a company if, because of the transaction, a person's voting power in the company:

- (A) increases from 20% or below to more than 20%; or
- (B) increases from a starting point, which is above 20% but less than 90%.

Certain exceptions apply, such as acquisitions of Relevant Interests in voting shares made under takeover bids or made with shareholder approval, or creeping acquisitions of 3% per six months.

Australian law permits compulsory acquisition by 90% holders.

8. ADDITIONAL INFORMATION continued

(ii) Israeli law

In Israel, the Companies Law requires a purchaser to conduct a tender offer in order to purchase shares in publicly held companies, if as a result of the purchase the purchaser would hold more than 25% of the voting rights of a company in which no other shareholder holds more than 25% of the voting rights, or the purchaser would hold more than 45% of the voting rights of a company in which no other shareholder holds more than 45% of the voting rights. The tender offer must be extended to all shareholders, but the offeror is not required to purchase more than five percent of the company's outstanding shares, regardless of how many shares are tendered by shareholders. The tender offer generally may be consummated only if at least five percent of the voting rights in the company will be acquired by the offeror.

The requirement to conduct a tender offer shall not apply to:

- (A) the purchase of shares in a private placement, provided that such purchase was approved by the company's shareholders for this purpose;
- (B) a purchase from a holder of more than 25% of the voting rights of a company that results in a person becoming a holder of more than 25% of the voting rights of a company; and
- (C) a purchase from the holder of more than 45% of the voting rights of a company that results in a person becoming a holder of more than 45% of the voting rights of a company.

In addition, under the Companies Law, a person may not purchase shares of a public company if, following the purchase of shares, the purchaser would hold more than 90% of the company's shares, unless the purchaser makes a tender offer to purchase all of the target company's shares. If, as a result of the tender offer, the purchaser would hold more than 95% of the company's shares and more than half of the offerees that have no personal interest have accepted the offer, the ownership of the remaining shares will be transferred to the purchaser. Alternatively, the purchaser will be able to purchase all shares if the percentage of the offerees that did not accept the offer constitute less than 2% of the company's shares. If the purchaser is unable to purchase 95% or more of the company's shares, the purchaser may not own more than 90% of the shares of the target company.

(m) Merger

(i) Australian law

In Australia, the Corporations Act does not have a regime to effect merger transactions. Combination between companies can be effected by the acquisition of shares such that the purchased company becomes a subsidiary of the purchasing company.

(ii) Israeli law

The Companies Law permits merger transactions if approved by each party's board of directors and, unless certain requirements described under the Companies Law are met, by a majority vote of each party's shareholders, and, in the case of the target company, a majority vote of each class of its shares, voted on the proposed merger at a shareholders meeting.

The board of directors of a merging company is required pursuant to the Companies Law to discuss and determine whether in its opinion there exists a reasonable concern that, as a result of a proposed merger, the surviving company will not be able to satisfy its obligations towards its creditors, taking into account the financial condition of the merging companies. If the board of directors has determined that such a concern exists, it may not approve a proposed merger. Following the approval of the board of directors of each of the merging companies, the boards of directors must jointly prepare a merger proposal for submission to the Israeli Registrar of Companies.

For purposes of the shareholder vote, unless a court rules otherwise, the merger will not be deemed approved if a majority of the votes of shares represented at the shareholders meeting that are held by parties other than the other party to the merger, or by any person (or group of persons acting in concert) who holds (or hold, as the case may be) 25% or more of the voting rights or the right to appoint 25% or more of the directors of the other party, vote against the merger. If, however, the merger involves a merger with a company's own controlling shareholder or if the controlling shareholder has a personal interest in the merger, then the merger is instead subject to the same special majority approval that governs all extraordinary transactions with controlling shareholders.

If the transaction would have been approved by the shareholders of a merging company but for the separate approval of each class or the exclusion of the votes of certain shareholders as provided above, a court may still approve the merger upon the request of holders of at least 25% of the voting rights of a company, if the court holds that the merger is fair and reasonable, taking into account the value of the parties to the merger and the consideration offered to the shareholders of the target company.

Upon the request of a creditor of either party to the proposed merger, the court may delay or prevent the merger if it concludes that there exists a reasonable concern that, as a result of the merger, the surviving company will be unable to satisfy the obligations of the merging entities, and may further give instructions to secure the rights of creditors.

In addition, a merger may not be consummated unless at least 50 days have passed from the date on which a proposal for approval of the merger was filed by each party with the Israeli Registrar of Companies and at least 30 days have passed from the date on which the merger was approved by the shareholders of each party.

(n) Anti-Takeover Measures

(i) Australia

In Australia, directors' response to potential takeovers is guided by their statutory and fiduciary duties, particularly to act in the best interests of shareholders as a whole. Further guidance is provided by the Takeovers' Panel concerning action taken by a target board where the bid may be withdrawn, lapse or not proceed. In general terms, in Australia law and policy dictate that it is shareholders who should ultimately decide on the outcome of any proposed acquisition of control over the voting shares in the company and there should be a reasonable and equal opportunity for shareholders to participate in the proposal. Some frustrating actions may be a breach of directors' duties or unacceptable circumstances.

(ii) Israeli law

The Israeli Companies Law allows the Company to create and issue shares having rights different from those attached to the ordinary shares, including shares providing certain preferred rights with respect to voting, distributions or other matters and shares having pre-emptive rights. As of the closing of this offering, no preferred shares will be authorised under the Articles. In the future, if the Company do authorise, create and issue a specific class of preferred shares, such class of shares, depending on the specific rights that may be attached to it, may have the ability to frustrate or prevent a takeover or otherwise prevent the Company's shareholders from realising a potential premium over the market value of their ordinary shares. The authorisation and designation of a class of preferred shares will require an amendment to the Articles, which requires the prior approval of the holders of a majority of the voting power attaching to the Company issued and outstanding shares and voting at a general meeting. The convening of the meeting, the shareholders entitled to participate and the majority vote required to be obtained at such a meeting will be subject to the requirements set forth in the Companies Law.

(o) Substantial Shareholder Reporting

(i) Australian law

Under Australian law, a shareholder who begins to or ceases to have a "substantial holding" in an ASX listed company, or has a substantial holding in such a listed company and there is a movement of at least 1% in their holding, must give notice to the company and to ASX. A person has a substantial holding if that person and that person's associates have a Relevant Interest in 5% or more of the voting shares in the company.

It is also expected that, as a condition of Admission, ASX will require reporting relating to substantial Shareholders in the Company as well as specified information to be included in the Company's annual reports (including, among other things, details of any substantial Shareholders) on and in accordance with the Listing Rules.

(ii) Israeli law

Under the securities laws of the State of Israel, substantial shareholder reporting by a company listed and traded on the Tel Aviv Stock Exchange (which will not apply to the Company) applies for shareholders that own 5% or more of the outstanding share capital and at every change of 2% or more thereafter.

8. ADDITIONAL INFORMATION continued

(p) Related Party Transactions

(i) Australian law

In Australia, related party transactions (that is, transactions between a public company and a director, an entity controlled by a director, or a parent company of the public company) are regulated under the Corporations Act by a requirement for disinterested shareholder approval, unless the transaction is on “arm’s length terms”, represents no more than reasonable remuneration, or complies with other limited exemptions.

(ii) Israeli law

Under the Companies Law, a transaction with an office holder or a transaction in which an office holder has a personal interest generally requires board approval, unless the transaction is an extraordinary transaction, in which case it requires audit committee approval prior to the approval of the board of directors. A director with a personal interest in a matter that is considered at a meeting of the board of directors or the audit committee may attend that meeting or vote on that matter if a majority of the board of directors or the audit committee also has a personal interest in the matter (or if the board or committee chairman determined that such presence is necessary for the presentation of the matter); however, if a majority of the board of directors have a personal interest, shareholder approval is also required. A transaction with an office holder or a transaction in which an office holder has a personal interest also may not be approved if it is adverse to the company’s interest.

(q) Protection of minority shareholders – oppressive conduct

(i) Australian law

In Australia, a shareholder may apply to the court under the Corporations Act to bring an action in cases of conduct which is either contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholders in their capacity as shareholder, or themselves in capacity other than as a shareholder.

(ii) Israeli law

In Israel, a right to apply to the court is also available to shareholders of a company where the affairs of the company are being conducted in a manner oppressive to all or some shareholders or there is a substantial risk that the affairs of the company will be conducted in such a manner.

(r) Rights of security holders to bring or intervene in legal proceedings

(i) Australian law

The Corporations Act permits a shareholder to apply to the court for leave to bring proceedings on behalf of the company, or to intervene in proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings.

(ii) Israeli law

Under the Companies Law, a shareholder of the Company is entitled, subject to the fulfilment of various pre-conditions, to bring or intervene in legal proceedings on behalf of the Company. Examples of the pre-conditions under the Companies Law include the requirement that prior notice of the application must be given to the Company and to the chairman of the board of directors, that the action must be brought in good faith and that the action must be in the interest of the Company.

(s) “Two strikes” rule

(i) Australian law

Under Australian law, an ASX listed company is required to hold a “spill vote” if its remuneration report receives a 25% “No” vote at two successive annual general meetings. If the spill vote receives a simple majority, the company must hold a general meeting within 90 days to vote on whether to keep the existing directors.

(ii) Israeli law

There is no equivalent rule under the laws of the State of Israel.

8.2 MATERIAL CONTRACTS

The Directors consider that the material contracts detailed below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

(a) Lead Manager Mandate

Way2Vat has entered into a mandate appointing Canaccord Genuity (Australia) Pty Ltd (**Canaccord Genuity** or **Lead Manager**) as its lead manager. Under the terms of the mandate, Canaccord Genuity will (amongst other matters):

- (i) assist in determining the final structuring and pricing of the Offer;
 - (ii) develop and manage the timetable in conjunction with the Company and its advisers;
 - (iii) develop a comprehensive marketing and distribution strategy and the marketing process of the Offer; and
 - (iv) establish and facilitate demand for the Offer,
- (together, the **Raising**).

The Company agrees to offer Canaccord Genuity the lead manager role to manage and/or participate in any future equity or quasi equity raisings on the ASX conducted within 12 months from the date of the mandate.

The consideration payable to Canaccord Genuity for its engagement is as follows:

- (i) a lead management fee of 2% of all funds raised under the Raising;
- (ii) a capital raising fee of 4% of the total gross raised under the Raising; and
- (iii) a monthly retainer of:
 - (A) \$8,000 plus GST per month if the Company raises above the Minimum Subscription but below the Maximum Subscription; or
 - (B) \$10,000 per month if the Company raises the Maximum Subscription,for a minimum of six (6) months from the date of Official Quotation.

Way2Vat or Canaccord Genuity may terminate the mandate with or without cause by giving seven (7) days' written notice to the other party.

(b) Corporate Adviser Mandate

Way2Vat has entered into a mandate appointing Sandton Capital Advisory Pty Ltd (**Sandton** or the **Corporate Advisor**) as its corporate advisor on a non-exclusive basis. Under the terms of the mandate, Sandton has been engaged to provide the following services:

- (i) assist with the drafting various documents;
 - (ii) coordinating and managing investor roadshows;
 - (iii) providing corporate advice including promotional activities and reviewing the Company's presentations and announcements;
 - (iv) investor and media relations;
 - (v) liaising with professional service providers including lawyers and accountants to ensure all legal and regulatory (including ASX) requirements are met such as audit, due diligence, disclosures requirements and restriction agreements.
- (together, the **Corporate Advisory Services**).

Upon receipt of conditional listing approval from the ASX, the Company will issue 8,330,000 options each with an exercise price of 150% of the Offer Price and an expiry date of three (3) years from the date of issue.

8. ADDITIONAL INFORMATION continued

Way2Vat or Sandton may terminate the mandate by giving 14 days' written notice if there is a material breach of the terms of the mandate or a warranty or representation is not complied with or proves to be untrue. The right to terminate the mandate is subject to 14 days' prior notice of the reason for the proposed termination and the matter being unrectified in that time.

Way2Vat or Sandton may terminate the mandate immediately if an insolvency event occurs with respect to the other party.

Way2Vat may terminate the mandate in its discretion by giving 14 days' notice to Sandton.

8.3 RIGHTS ATTACHING TO SHARES

A summary of the rights attaching to the Shares under the Offer is detailed below. This summary is qualified by the full terms of the Articles (a full copy of the Articles is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Articles with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meetings

An annual general meeting is required to be held once in every calendar year.

The Company is required to give Shareholders a notice of a meeting of Shareholders as required by the provisions of the Companies Law and other applicable laws. Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices required to be sent to Shareholders under the Companies Law, Articles and Listing Rules.

Under the Articles, Shareholders holding at least 1% of the voting rights of the Company may request, subject to the Companies Law, that the Directors include a matter on the agenda of a general meeting, provided that the matter is appropriate to be considered in a general meeting. The Articles detail the information that must be included in such a request, and the timing requirements.

In addition to the ability to request Directors to include a matter on the agenda of a convened general meeting, under the Companies Law, Shareholder(s) holding either (a) five percent or more of the outstanding issued shares and one percent of the outstanding voting power or (b) five percent or more of the outstanding voting power have the right to requisition a general meeting. Refer to 8.1 for further details.

(b) Voting rights

Subject to the Articles and the Companies Law, at a general meeting:

- (i) every holder of Shares shall have one vote for each Share held by such shareholder of record or in his name with an "exchange member" and held of record by a "nominees company" (as such terms are defined under Section 1 of the Companies Law), on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot or by any other means; and
- (ii) two or more Shareholders (not in default in payment of any sum referred to in the Articles), present in person or by proxy and holding Shares conferring in the aggregate at least 25% of the voting power of the Company, shall constitute a quorum at general meetings.

General meetings may be held telephonically or by any other means of communication, provided that each Shareholder participating in such meeting can hear all of the other Shareholders participating in such meeting.

(c) Dividend rights

Subject to the Companies Law, the Listing Rules, and the Articles, the Board may declare, and cause the Company to pay, such dividend as, in the opinion of the Board, the financial position of the Company justifies and as permitted by applicable law. Subject to the Companies Law, the Board of Directors shall determine the time for payment of such dividends, and the record date for determining the shareholders entitled thereto.

Subject to any special terms and conditions of issue, the amount which the Board from time to time determine to distribute by way of dividend are divisible among the shareholders in proportion to the amounts paid up on the Shares held by them. Interest is not payable by the Company in respect of any dividend.

(d) Winding-up

Subject to any special or preferential rights attaching to any class or classes of shares, shareholders will be entitled in a winding up to share in any surplus assets of the Company in proportion to the shares held by them, less any amounts which remain unpaid on these shares at the time of distribution. Any amount unpaid on a share is the property of the Company and may be required to be contributed to the Company in the event of a winding up.

(e) Shareholder liability

Subject to the Articles and the Companies Law, the liability of each shareholder for the Company's obligations is limited to the unpaid sum, if any, owing to the Company in consideration for the issuance of the shares held by such shareholder. If at any time the Company shall issue shares with no nominal value, the liability of the Shareholders shall be limited to the payment of the amount which the Shareholders should have paid the Company in respect of each share in accordance with the conditions of such issuance and was not paid to the Company.

(f) Transfer of Shares

Subject to the Articles, Companies Law, Listing Rules and ASX Settlement Rules, Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Rules, by a written instrument of transfer which complies with the Articles or by any other method permitted by the Companies Law, Listing Rules or ASX Settlement Rules as may be satisfactory to the Board, which has been submitted to the Company (or its transfer agent), together with such other evidence of title as the Board may reasonably require.

The Board may refuse to register a transfer of Shares where permitted to do so under the Articles, Listing Rules or ASX Settlement Rules. The Board must not refuse to register a transfer of Share when required by the Listing Rules or ASX Settlement Rules.

(g) Variation of rights

At present, the Company's only class of shares is ordinary shares. Subject to the Articles, the Companies Law, the Listing Rules and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled with:

- (i) an ordinary resolution passed by the Company's Shareholders;
- (ii) and approval by the holders of a simple majority of the shares of the affected class.

(h) Alteration of Articles

The Articles can only be amended by a simple majority of the votes cast at a general meeting. The Company must give a written notice of its intention to propose a resolution as a special resolution as required by the provisions of the Companies Law, related regulations and other applicable laws.

8.4 EMPLOYEE INCENTIVE PLAN

The key terms and conditions of the Way2Vat Employee Incentive Plan (**Plan**) is as follows:

- (a) The Board or an employee incentive plan committee will elect a person to have the power to administer the Plan (**Administrator**).
- (b) Persons eligible to participate under the Plan are employees, officers, directors, service providers and consultants of the Company and its Affiliates.
- (c) The total number of Shares reserved for issuance under the Plan and any modification thereof, shall be determined from time to time by the Board.
- (d) The exercise price of any Option, Share, restricted Share or restricted share unit (**Award**) issued under the Plan shall be determined by the Administrator.
- (e) Unless otherwise determined by the Administrator (at its sole discretion), all Awards Granted on a certain date shall, subject to continued employment with or service to the Company or Affiliate by the Participant, vest and become exercisable in accordance with the vesting schedule determined by the Administrator and specified in an agreement for an Award.
- (f) All Awards granted shall terminate on the earlier of:
 - (i) the date set forth in any option agreement; or
 - (ii) the date that is at 5:00pm Israel time on the tenth anniversary of the grant.

8. ADDITIONAL INFORMATION continued

- (g) Options issued under the Plan shall be separately designated as:
- (i) Options compliant with section 3(i) of the Israeli Tax Ordinance and the applicable rules thereto or under applicable regulations; or
 - (ii) Options granted under section 102 of the Israeli Income Tax Ordinance New Version 1961 and any regulations, rules, orders or other procedures promulgated thereunder as now in effect or as hereafter amended.
- (h) Restricted share units are shares which are issued subject to terms and conditions of the Plan and a holder of a restricted share unit will not possess or own any ownership rights in the Shares underlying the restricted share units until the satisfaction of the applicable milestone and the exercise by the holder. No payment of an exercise price is required.
- (i) Each Award shall be on such terms and conditions as determined by the Administrator.
- (j) The Plan is governed by the laws of Israel.
- (k) While the Company is admitted to the ASX, the provisions of the Listing Rules will apply to the Plan and to the extent that the Plan and the Listing Rules are inconsistent, the provisions of the Listing Rules will prevail.

8.5 TERMS AND CONDITIONS OF EXISTING OPTIONS

The existing Options were issued under the Company's previous employee incentive plan (**Existing Options**) and the terms of the Existing Options issued as at the date of this prospectus are as follows:

(a) Entitlement

Each Existing Option entitles the holder to subscribe for one Share upon exercise of the Existing Option.

(b) Exercise Price and Expiry Date

The exercise price and expiry date of the Existing Options are as follows:

NUMBER OF EXISTING OPTIONS	EXERCISE PRICE	EXPIRY DATE
60,414	NIS0.001	23 November 2023
241,632	US\$0.079	23 November 2023
381,956	NIS0.001	17 September 2024
56,908	NIS0.001	25 October 2024
615,530	NIS0.001	27 December 2024
205,177	NIS0.001	31 July 2025
410,353	US\$0.112	5 November 2025
28,454	NIS0.001	27 November 2025
205,177	US\$0.246	5 June 2026
113,816	US\$0.132	5 June 2026
113,816	NIS0.001	5 June 2026
820,707	NIS0.001	10 September 2026
2,395,832	US\$0.088	1 November 2027
1,821,061	NIS0.001	1 November 2027
3,557,577	US\$0.088	26 May 2028
3,715,839	NIS0.001	26 May 2028
341,448	US\$0.088	21 June 2028

An Existing Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) Vesting Period

The Existing Options may have an outstanding vesting period of up to three (3) years as detailed in a vesting schedule determined by the Board of Directors upon each respective grant and as specified in the respective option agreement which was executed by the Company and such Optionholder (**Vesting Period**).

(d) Exercise Period

The Existing Options that are vested are exercisable at any time on or prior to the Expiry Date, provided that the Optionholder is employed or providing services to the Company or any of its affiliates, at all times during the period beginning with the date of grant and ending upon the date of exercise (**Exercise Period**).

(e) Notice of Exercise

The Existing Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the relevant Exercise Price for each Existing Option.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the relevant Exercise Price for each Existing Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of Issue of the Shares on Exercise

Within five (5) business days after the later of the following:

- (i) receipt of a Notice of Exercise together with payment of the Exercise Price for each Existing Option being exercised; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of a Notice of Exercise as set out in paragraph 8.5(g)(i) above,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Existing Options and for which cleared funds have been received by the Company;
- (iv) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Existing Options.

(h) Shares Issued on Exercise

The Shares issued on exercise of the Existing Options rank equally with the then issued shares of the Company.

(i) Quotation of the Shares Issued on Exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Existing Options.

(j) Reconstruction of Capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(k) Participation in New Issues

There are no participation rights or entitlements inherent in the Existing Options and holders will not be entitled to participate in new issues of capital offered to the Company's shareholders during the currency of the Existing Options without exercising the Existing Options.

8. ADDITIONAL INFORMATION continued

(l) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Existing Option will be increased by the number of Shares which the holder would have received if the Existing Options held by the holder had been exercised before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(m) Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Existing Option will be reduced according to the following formula in Listing Rule 6.22 so that the holder does not suffer any detriment as a result of the pro rata issue.

(n) Unquoted

The Company will not apply for quotation of the Existing Options on ASX unless the Board resolves otherwise.

(o) Transferability

The Existing Options are transferable subject to (i) the limitations and restrictions set for by the Board pursuant to the Company's previous employee incentive plan, and (ii) any restriction or escrow arrangements imposed by ASX or under applicable securities laws.

8.6 TERMS AND CONDITIONS OF ADVISOR OPTIONS

The Company will issue 8,330,000 Options (to Sandton (and/or its nominee) in accordance with the Corporate Adviser Mandate (refer to Section 8.2(b)) (**Advisor Options**)). The terms of the Advisor Options are summarised below:

(a) Entitlement

Each Advisor Option entitles the holder to subscribe for one Share upon exercise of the Advisor Option.

(b) Exercise Price

Subject to Section 8.6(j) below, the amount payable upon exercise of the Advisor Options will be A\$0.30 each (**Advisor Exercise Price**).

(c) Expiry Date

Each Advisor Option will expire at 5:00pm on the date that is three (3) years from the date of issue (**Expiry Date**). An Advisor Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Advisor Options are exercisable at any time on or prior to the Expiry Date (**Advisor Exercise Period**).

(e) Notice of Exercise

The Advisor Options may be exercised during the Advisor Exercise Period by notice in writing to the Company (**Advisor Notice of Exercise**) and payment of the relevant Advisor Exercise Price for each Advisor Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

An Advisor Notice of Exercise is only effective on and from the later of the date of receipt of the Advisor Notice of Exercise and the date of receipt of the payment of the relevant Advisor Exercise Price for each Advisor Option being exercised in cleared funds (**Advisor Exercise Date**).

(g) Timing of Issue of the Shares on Exercise

Within five (5) business days after the later of the following:

- (i) receipt of an Advisor Notice of Exercise given in accordance with these terms and conditions and payment of the Advisor Exercise Price for each Advisor Option being exercised; and
- (ii) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of an Advisor Notice of Exercise as detailed in item 8.6(g)(i) above,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Advisor Options;
- (iv) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Advisor Options.

(h) Shares Issued on Exercise

The Shares issued on exercise of the Advisor Options rank equally with the then issued shares of the Company.

(i) Quotation of the Shares Issued on Exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Advisor Options.

(j) Reconstruction of Capital

If at any time the issued capital of the Company is reconstructed, all rights of an Advisor Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(k) Participation in New Issues

There are no participation rights or entitlements inherent in the Advisor Options and holders will not be entitled to participate in new issues of capital offered to the Company's shareholders during the currency of the Advisor Options without exercising the Advisor Options.

(l) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Advisor Option will be increased by the number of Shares which the holder would have received if the Advisor Options held by the holder had been exercised before the record date for the bonus issue; and
- (ii) no change will be made to the Advisor Exercise Price.

8. ADDITIONAL INFORMATION continued

(m) Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Advisor Exercise Price of an Advisor Option will be reduced according to the following formula in Listing Rule 6.22 so that the holder does not suffer any detriment as a result of the pro rata issue.

(n) Unquoted

The Company will not apply for quotation of the Options on ASX unless the Board resolves otherwise.

(o) Transferability

The Advisor Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable securities laws.

8.7 TERMS AND CONDITIONS OF DIRECTOR OPTIONS

The Company will issue an aggregate of 5,000,000 Options to Messrs Robert Edgley and David Buckingham and Ms Ayelet Nahmias Verbin, each a non-executive Director, in accordance with their non-executive appointment letters (**Director Options**). The terms of the Directors Options are summarised below:

(a) Consideration

Each Director Option is issued free for no consideration.

(b) Exercise Price

Subject to Section 8.7(k) below, the amount payable upon exercise of:

- (i) 2,500,000 Director Options issued to the Directors, will be A\$0.30 each; and
- (ii) 2,500,000 Director Options issued to the Directors, will be A\$0.40 each,

(**Director Exercise Price**).

(c) Vesting Period

The Director Options will be subject to a vesting period as follows:

- (i) 312,500 Director Options exercisable at A\$0.30 and 312,500 Director Options exercisable at A\$0.40 will vest 12 months from the date of issue; and
- (ii) 312,500 Director Options exercisable at A\$0.30 and 312,500 Director Options exercisable at A\$0.40 will vest every three (3) months thereafter,

provided that the optionholder remains a Director of the Company.

(d) Entitlement

Each Director Option entitles the holder to subscribe for or be transferred or allocated one Share on exercise.

(e) Expiry Date

The Director Options will lapse at 5.00pm (AEST) on a date that is four (4) years from the date of issue (**Director Options Expiry Date**).

(f) Exercise Period

Subject to the vesting conditions specified in 8.7(c) above, the Director Options may be exercised at any time until the Director Options Expiry Date.

(g) No Official Quotation of Director Options

The Director Options will not be listed for official quotation on the ASX.

(h) Transfer

The Director Options may not be transferred or assigned by an optionholder except that the optionholder may at any time transfer all or any of the Director Options to a spouse, family trust, or to a proprietary limited company, all of the issued Shares which are beneficially owned by the optionholder or the spouse of the optionholder.

(i) New Issues of Capital

There are no participating rights or entitlements inherent in these Director Options and holders of the Director Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Director Option.

However, optionholders have the right to exercise their Director Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the company made during the currency of the Director Options, and will be granted a period of at least five (5) business days before books closing date to exercise the Director Options.

(j) Pro-rata Issue

If there is a pro rata issue (except a bonus issue) to the holders of ordinary Shares, the exercise price of the Director Options may be reduced according to the formula detailed in Listing Rule 6.22.

(k) Re-organisation

In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Director Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.

(l) Notice of Exercise

The Director Options may be exercised during the Exercise Period by notice in writing to the Company and payment of the relevant Director Exercise Price for each Director Option being exercised in Australian currency by electronic funds transfer or other means of payment or currency acceptable to the Company.

An exercise of only some Director Options will not affect the rights of the optionholder to the balance of the Director Options held by them.

(m) Timing of Issue of the Shares on Exercise

Within five (5) business days after the later of the following:

- (i) receipt of a notice of exercise given in accordance with these terms and conditions and payment of the Director Exercise Price for each Director Option being exercised; and
- (ii) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of a notice of exercise as detailed in item 8.7(l) above,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Director Options;
- (iv) as soon as reasonably practicable and, if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Director Options.

8. ADDITIONAL INFORMATION continued

(n) Ranking

Shares allotted pursuant to an exercise of Director Options rank, from the date of allotment, equally with the existing ordinary Shares of the Company in all respects.

(o) Quotation

The Company will apply for official quotation with the ASX for all Shares issued, transferred or allocated upon exercise of any Director Option.

(p) Ceasing to be a Director

All unexercised Director Options will lapse upon the holder ceasing to be a Director or employee of the Company unless otherwise determined by the Board.

8.8 TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The Company will issue Performance Rights to the following persons:

- (a) 12,000,000 Performance Rights to Mr Amos Simantov, CEO and Managing Director;
- (b) 1,500,000 Performance Rights to Mr Adoram Ga'ash, Non-Executive Chairman; and
- (c) 1,000,000 Performance Rights to Mr Aviv Barshaf, VP of Finance.

The Performance Rights are being issued as a cost effective and efficient way to appropriately incentivise or remunerate the continued performance of Messrs Simantov, Ga'ash and Barshaf and are not ordinary course of business remuneration securities. Messrs Simantov, Ga'ash and Barshaf will play a central role in achieving the performance criteria, being the revenue and VWAP hurdles, as they will be part of the governing body of the Company (with the CEO and Managing Director, Mr Amos Simantov, being ultimately responsible for the execution of the Company's strategy). Details of Messrs Simantov, Ga'ash and Barshaf's remuneration and securities held in the Company are detailed in Section 4.8 (noting that Shares held by Messrs Simantov, Ga'ash and Barshaf were issued for nominal consideration).

The Company considers it appropriate to grant the Performance Rights in addition to the salaries of Messrs Simantov, Ga'ash and Barshaf, in order to incentivise them to outperform and further align their interests with Shareholders and conserve cash. The Company has determined that the number of Performance Rights to be issued was appropriate and equitable having regard to the experience, reputation, skillset and salary of Messrs Simantov, Ga'ash and Barshaf, the current and proposed capital structure of the Company and the level of risk involved in achieving the performance criteria.

A summary of the material terms and conditions of the Performance Rights to be issued is detailed below:

(a) Milestone Conversion

Each Performance Right will be satisfied by the issuance of one Share upon the achievement of the following performance milestones.

CLASS	NUMBER OF PERFORMANCE RIGHTS	PERFORMANCE CRITERIA	PERFORMANCE PERIOD
Class 1	4,800,000	Upon the Company achieving audited revenues (disregarding one off or extra-ordinary revenue items, revenue from government grants, allowances, rebates, or other handouts or 'manufactured' revenue to achieve this performance criteria) in the calendar year 2021 of two (2) times calendar year 2020.	CY 2021
Class 2	4,800,000	Upon the Company achieving audited revenues (disregarding one off or extra-ordinary revenue items, revenue from government grants, allowances, rebates, or other handouts or 'manufactured' revenue to achieve this performance criteria) in the calendar year 2022 of two (2) times calendar year 2021.	CY 2022
Class 3	4,900,000	20 day VWAP of at least A\$0.40	Within the first 12 months following Admission

(b) Vesting and Expiry Date

The Performance Rights will vest upon the satisfaction of the relevant Performance Criteria and will expire on a date that is three (3) months after the date the Company lodges its 2022 annual financial report on the ASX.

(c) Change in Control

Upon the occurrence of a Change of Control of the Company:

- (i) where, at the date of the Change of Control, the satisfaction of all Performance Rights will result in the issue of less than or equal to 10% of the total number of Shares on issue, each Performance Right will automatically entitle the holder to one Share; and
- (ii) where, at the date of the Change of Control, the satisfaction of all Performance Rights will result in the issue of greater than 10% of the total number of Shares on issue:
 - (A) the total number of Performance Rights to be satisfied through the issuance of Shares in exchange therefore must be equal to 10% of the total number of Shares on issue;
 - (B) the number of Shares to be issued with respect to each class of Performance Rights shall be on an equal basis between each such class; and
 - (C) any Performance Rights that are not satisfied through the issuance of Shares in accordance with paragraph 8.8(c)(i) and 8.8(c)(ii) above will continue to be held by the holder on the same terms and conditions set out herein.

(d) Lapse

If the Performance Rights have not been satisfied by 5.00pm (AWST) of the Expiry Date, the Performance Rights shall not be capable of satisfaction and shall immediately lapse.

(e) Shares issued on satisfaction of Performance Criteria

Shares issued upon satisfaction of a Performance Criteria rank equally with the then Shares of the Company.

(f) Escrow Restrictions

The holder of Performance Rights:

- (i) acknowledges that the Performance Rights and the Shares issued on satisfaction of Performance Rights may be escrowed or restricted for a period prescribed by ASX pursuant to the Listing Rules;
- (ii) agrees to be bound by any escrow period prescribed by ASX; and
- (iii) agrees to enter into any agreement as may be required by the Company and ASX to give effect to any escrow prescribed by ASX pursuant to the Listing Rules.

(g) Reconstruction

In the event of any reconstruction, consolidation or division of the issued capital of the Company, the Performance Rights and their terms of satisfaction through the issuance of Shares in exchange therefore will be reconstructed, consolidated or divided in the same manner such that no additional benefits are conferred on the holder by virtue of such reconstruction, consolidation or division.

(h) Winding up

If the Company is wound up before satisfaction of all of the Performance Rights by the issuance of Shares in exchange therefore, the holders will have no right to participate in surplus assets or profits of the Company on winding up in respect of their Performance Rights.

(i) Dividends

Holders of Performance Rights are not entitled to receive any dividends on their Performance Rights.

8. ADDITIONAL INFORMATION continued

(j) Return of capital

Holders of Performance Rights will not be entitled to a return of capital upon a reduction of capital, whether in a winding up, upon a reduction of capital or otherwise.

(k) Non-Transferable and No Quotation

The Performance Rights are non-transferable and are unquoted securities.

(l) Voting Rights

Holders of the Performance Rights will have no right to vote in respect of their Performance Rights.

(m) Participation in new issue

There are no participation rights or entitlements inherent in the Performance Rights and holders of the Performance Rights will not, in respect of their Performance Rights, be entitled to participate in new issues of capital offered to Shareholders.

8.9 ISRAELI INNOVATION GRANT

In 2015 and 2016, Way2Vat received participation in its research and development costs through grants from the State of Israel via the Israel Innovation Authority (IIA) in the total amount of NIS 200,000. In June 2021, the IIA approved the Company's application for an additional innovation grant for an amount of up to NIS 2,544,000. This grant will be made through participation in the Company's research and development costs for the period commencing 1 June 2020 and ending 31 May 2021 (this period was subsequently extended by the IIA to 31 August 2021). As at June 2021, the Company received approximately NIS 2.29 million under the second grant. Way2Vat is required to repay these grants through repayment of royalties at the rate of 3% of revenues received from products or services containing any know-how or technologies developed using IIA grants, up to the amount of the grants received plus interest. As of the end of June 2021, Way2Vat paid cumulative royalties of approximately US\$30,000. Upon full repayment of the grants from the IIA, Way2Vat will continue to be bound to comply with the requirements of Industrial Research and Development, 5744-1984 and related regulations (the **R&D Law**). The R&D Law imposes restrictions on the transfer outside of Israel of know-how or on the manufacture or manufacturing rights of products incorporating such know-how or technologies developed using IIA grants without the prior approval of IIA. Therefore, if aspects of Way2Vat's technologies are deemed to have been developed with IIA funding, the discretionary approval of an IIA committee will be required for any transfer to third parties outside Israel of the know-how or manufacturing or manufacturing rights related to those aspects of such technologies. If in the future Way2Vat wishes to sell such technologies or rights to a third party there is a risk that the IIA may refuse to provide consent or impose conditions to any consent. Furthermore, Way2Vat may be required to pay increased amounts to the IIA in the case of an intellectual property transfer outside Israel. Way2Vat has applied and received approval from the IIA in respect to the Admission.

8.10 ISRAELI TAX CONSIDERATIONS

The following is a discussion of Israeli tax consequences material to the Company's shareholders. To the extent that the discussion is based on tax legislation which has not been subject to judicial or administrative interpretation, the views expressed in the discussion might not be accepted by the tax authorities in question or by court. The discussion is not intended, and should not be construed, as legal or professional tax advice and does not exhaust all possible tax considerations.

Holders of the Company's ordinary shares should consult their own tax advisors as to the Australian, Israeli or other tax consequences of the purchase, ownership and disposition of ordinary shares, including, in particular, the effect of any foreign, state or local taxes.

(a) General Corporate Tax Structure

Israeli companies are generally subject to income tax on their taxable income. The regular corporate tax rate in Israel for 2020 is 23%. However, the effective rate of tax payable by a company which is qualified under Israeli law as an "Industrial Company" which derives income among others from a "preferred enterprise" (as further discussed below) may be lower.

(b) Tax Benefits under the Law for the Encouragement of Industry (Taxes), 5729-1969

Pursuant to the Law for the Encouragement of Industry (Taxes), 5729-1969, or the Industry Encouragement Law, a company qualifies as an “Industrial Company” if it is a resident of Israel, was incorporated in Israel and at least 90% of its income in any tax year (exclusive of income raising from certain governmental security loans) is derived from an “Industrial Enterprise” it owns, which is located in Israel. An “Industrial Enterprise” is defined for purposes of the Industry Encouragement Law as an enterprise whose principal activity in a given tax year is production.

An Industrial Company is entitled to certain tax benefits, including a deduction of the purchase price of patents or the right to use a patent or know-how used for the development or promotion of the Industrial Enterprise at the rate of 12.5% per annum, commencing the year in which such rights were first exercised.

Although at the date of this Prospectus, the Company was not qualified as an Industrial Company, it may qualify as such in the future and may be eligible for the benefits included in the Industry Encouragement Law, some of which are described above.

(c) Tax Benefits under the Law for the Encouragement of Capital Investments, 5719-1959

The Law for the Encouragement of Capital Investments, 5719-1959, or the Investment Law, provides certain benefits for income generated by a “Preferred Company” through its Preferred Enterprise (as such terms are defined in the Investment Law), if certain criteria are met. The tax benefits (described below) would be available, subject to certain conditions, to production facilities that generally derive more than 25% of their annual revenue from export, or that do not derive 75% or more of their annual revenue in a single market, or, to competitive facilities in the field of renewable energy. The incentives may be in the form of grants or tax benefits.

A “Preferred Company” is defined as either (i) a company incorporated in Israel and not wholly-owned by governmental entities; or (ii) a partnership (a) that was registered under the Israeli Partnerships Ordinance; and (b) all of its partners are companies incorporated in Israel which are in general not transparent for Israeli tax purposes and that not all of them are fully owned by governmental entities and such companies or partnerships own, among other conditions, Preferred Enterprises and are controlled and managed from Israel.

A Preferred Company is entitled to reduced corporate tax with respect to income derived by its Preferred Enterprise (and subject to certain conditions) at the rate of 16%, unless it is located in a certain development zone, in which case the rate will be 7.5%.

Dividends distributed out of income which is generally attributed to a Preferred Enterprise are subject to withholding tax at the rate of 20%. However, upon distribution of a dividend attributed to income generated in Israel, to an Israeli company, no withholding tax will apply.

The Company may elect to implement the Investment Law rates by May 31 of any year, and such an election shall apply as of the tax year following the year on which the Company’s tax return (and the election) was filed. Electing to implement the Investment Law is irreversible.

To date, the Company has not claimed tax benefits as a Preferred Company. However, the Company qualifies for the status of a “Preferred Company”. The Company contemplates the implementation of the Investment Law in future tax years.

(d) Taxation of Gains upon Disposition of, and Dividends Paid on, the Company’s Ordinary Shares

(i) Taxation of Israeli Resident Shareholders

Israeli law imposes a capital gains tax on the sale of capital assets. The law distinguishes between real gain and inflationary surplus. The inflationary surplus is a portion of the total capital gain that is equivalent to the increase of the relevant asset’s purchase price which is attributable to the increase in the CPI between the date of purchase and the date of sale. Foreign residents who purchased an asset in foreign currency may request that the inflationary surplus will be computed on the basis of the devaluation of the NIS against such foreign currency. The real gain is the excess of the total capital gain over the inflationary surplus. The inflationary surplus accumulated from and after December 31, 1993, is exempt from any capital gains tax in Israel while the real gain is taxed at the applicable rate discussed below.

Dealers in securities in Israel are taxed at regular tax rates applicable to business income.

The tax rate on capital gains, including capital gain from the sale of securities listed on a stock exchange and on dividends, is generally, for individuals 25% or 30% for substantial individual shareholders (that are, generally, holders of 10% or more of the shares of the company on the date of the sale of the shares or at any date during the 12 months period preceding such sale). Israeli corporations are subject to corporate tax rate (23% in 2020) with respect to capital gains. Dividends paid to an Israeli company by another Israeli company are not subject to tax, unless received or stems among others from income derived or accrued outside of Israel.

8. ADDITIONAL INFORMATION continued

On the distribution of dividends other than bonus shares (stock dividends) to individual Israeli residents shareholders or to individual non-Israeli shareholders, income tax applies at the rate of 25% or 30%, as described above, or the lower rate payable with respect to dividends received out of income derived from a preferred enterprise. As set forth above, dividends paid to an Israeli company by another Israeli company are not subject to corporate tax, unless the dividend stems from income produced or accrued abroad.

(ii) Taxation of Non-Israeli Resident Shareholders

Capital gain from the sale of shares by non-Israeli residents would be tax exempt as long as the shares of the Company are listed on the ASX or any other stock exchange recognized by the Israeli Ministry of Finance, and provided that certain other conditions are met.

The most relevant conditions are as follows:

- (A) the capital gain is not attributed to the foreign resident's permanent establishment in Israel; and
- (B) the shares were acquired by the foreign resident after the Company's shares had been listed for trading on the foreign exchange.

The purchaser of the shares of the Company may be required to withhold capital gains tax on all amounts paid by it for the purchase of shares of the Company, for so long as the capital gain derived by the seller is not exempt from Israeli capital gains tax.

In addition, non-residents of Israel are subject to income tax on income accrued or derived from sources in Israel. Such sources of income include passive income such as dividends, royalties and interest, as well as non-passive income from services rendered in Israel. Distributions of dividends other than bonus shares or stock dividends to individual shareholders of the Company are subject to income tax at the rate of 25% or 30% pursuant to Israeli domestic law as described above. Distributions of dividends to corporate shareholders are subject to Israeli corporate tax at the rate of 23% in 2020. However, under the Investment Encouragement Law, dividends generated by a preferred enterprise are subject to lower tax rates of 20% or 4% in certain events, as set forth above.

To date, Israel and Australia have yet to engage in a tax treaty for the relief from double taxation. However, authorized governmental representatives of Israel and Australia have been negotiating for purposes of signing a tax treaty between Israel and Australia.

8.11 EFFECT OF THE OFFER ON CONTROL AND SUBSTANTIAL SHAREHOLDERS

Prior to Admission, the substantial Shareholders of the Company are as follows:

SHAREHOLDER	NUMBER OF SHARES HELD	% OF SHARES HELD
Global Fintech Solutions S.C.A ¹	13,940,027	11.76%
Poalim Ventures	9,280,778	7.83%
Amos Simantov	8,536,221	7.20%
Moneta Seeds ²	7,651,979	6.45%

Notes:

1. Global Fintech Solutions S.C.A is an entity associated with Mr Andrey Yashunsky, a current and outgoing Director. Also includes 6,541,911 Shares held by Prytek Group CY Ltd, a wholly owned subsidiary of Global Fintech Solutions S.C.A.
2. Moneta Seeds is an entity associated with Mr Adoram Gaash, a Director.

Based on information known as at the date of this Prospectus, from Admission, the following persons will have an interest in 5% or more of the Shares on issue:

SHAREHOLDER	NUMBER OF SHARES HELD	% OF SHARES HELD ON MINIMUM SUBSCRIPTION	% OF SHARES HELD ON MAXIMUM SUBSCRIPTION ¹
Global Fintech Solutions S.C.A. ¹	13,940,027	9.38%	9.08%
CS Third Nominees Pty Ltd	11,374,485	7.66%	7.41%
Poalim Ventures	9,280,778	6.25%	6.04%
Amos Simantov	8,536,221	5.74%	5.56%
Dempsey Capital Pty Ltd	7,909,961	5.32%	5.15%
Moneta Seeds ²	7,651,979	5.15%	4.98%

Notes:

1. Global Fintech Solutions S.C.A is an entity associated with Mr Andrey Yashunsky, a current and outgoing Director. Also includes 6,541,911 Shares held by Prytek Group CY Ltd, a wholly owned subsidiary of Global Fintech Solutions S.C.A.
2. Moneta Seeds is an entity associated with Mr Adoram Gaash, a Director.

8.12 INTERESTS OF PROMOTERS, EXPERTS AND ADVISERS

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus (or entity in which they are a partner or director) holds, has, or has had in the two (2) years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offer, except as follows and as disclosed in this Prospectus:

- (a) Armada Capital and Equities Pty Ltd acted as lead manager in respect to the Company's capital raising, via convertible loan arrangements, in August 2019. As consideration for acting as lead manager to a capital raising, Armada Capital and Equities Pty Ltd was paid a fee of US\$210,000;
- (b) Canaccord Genuity has acted as Lead Manager to the Offer and the fees payable to Canaccord Genuity are detailed in Section 8.2(a). Canaccord Genuity previously acted as lead manager in respect to the Company's capital raising, via convertible loan arrangements, in August 2020, and was paid a fee of A\$65,272;
- (c) Sandton Capital Advisory Limited has acted as Corporate Adviser to the Offer and will be entitled to the Advisor Options detailed in Section 8.2(b);
- (d) BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which has been included in Section 5. The Company has paid, or has agreed to pay, the Investigating Accountant approximately A\$15,000 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid to the Investigating Accountant under time-based charges;
- (e) Thomson Geer has acted as Australian legal adviser to the Company in relation to the Offer. The Company has paid or agreed to pay an amount of approximately A\$60,000 (excluding disbursements and GST) in respect of these services up until the date of this Prospectus. Further amounts may be paid to Thomson Geer in accordance with its normal time-based charges;
- (f) Kafri Leibovich has acted as Israeli legal adviser to the Company in relation to the Offer. The Company has paid or agreed to pay an amount of approximately A\$25,000 (excluding disbursements and VAT) in respect of these services up until the date of this Prospectus based on time-based charges;
- (g) Atomic Pty Ltd is the Company's share registry, and will be paid for these services on standard industry terms and conditions; and
- (h) Yagod Morris & Associates has acted as intellectual property lawyers to the Company in relation to the Offer. The Company has paid or agreed to pay an amount of approximately A\$1,500 in respect to the preparation of the intellectual property report.

8. ADDITIONAL INFORMATION continued

8.13 CONSENTS

Each of the parties referred to in this Section:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

None of the parties referred to in this Section authorised or caused the issue of this Prospectus or the making of the Offer.

Canaccord Genuity has given its written consent to be named as Lead Manager to the Offer. Canaccord Genuity has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Sandton Capital Advisory Pty Ltd has given its written consent to be named as corporate adviser to the Offer. Sandton Capital Advisory Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

BDO Corporate Finance (WA) Pty Ltd has given its written consent to be named as the Investigating Accountant and to the inclusion of the Investigating Accountant's Report in Section 5 of the Prospectus in the form and context in which the report was included. BDO has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Thomson Geer has given its written consent to being named as Australian legal advisor to the Company. Thomson Geer has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Kafri Leibovich has given its written consent to being named as Israeli legal advisor to the Company. Kafri Leibovich has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

BDO Israel has given its written consent to be named an auditor to the Company. BDO Israel has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Automic Pty Ltd has given its written consent to being named as the Australian share registry to the Company. Automic Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Yagod Morris & Associates has given its written consent to being named as the Intellectual Property Advisor to the Company. Yagod Morris & Associates has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

8.14 REGULATORY RELIEF

On 26 July 2021, the Company received ASX in-principle approval from Listing Rule 1.1 Condition 12 to permit the Company to have on issue, at the time of Admission, Existing Options and Performance Rights with an exercise price of less than A\$0.20 each.

8.15 LITIGATION AND CLAIMS

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

8.16 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of Applications and bids under this Prospectus are governed by the law applicable in Western Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of Western Australia.

8.17 EXPENSES OF OFFER

The total expenses of the Offer payable by the Company are:

ITEM OF EXPENDITURE	MINIMUM SUBSCRIPTION (A\$)	MAXIMUM SUBSCRIPTION (A\$)
ASX fees	97,842	98,939
Lead Manager fees	360,000	420,000
Australian Legal Counsel Fees	60,000	60,000
Israeli Legal Counsel Fees	25,000	25,000
Investigating Accountant's Report	15,000	15,000
Intellectual Property Advisor's Report	1,500	1,500
Registry, Printing and Type Setting	12,500	12,500
TOTAL	572,142	633,239

8.18 CONTINUOUS DISCLOSURE OBLIGATIONS

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose to the market any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

8.19 ELECTRONIC PROSPECTUS

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

8.20 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at Level 5, 126 Phillip Street, Sydney NSW 2000:

- (a) this Prospectus;
- (b) the Articles; and
- (c) the consents referred to in Section 8.13 of this Prospectus.

8.21 STATEMENT OF DIRECTORS

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 5 there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

9.

AUTHORISATION



9. AUTHORISATION INFORMATION

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each Director and has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by

A handwritten signature in black ink, consisting of a series of loops and a horizontal line extending to the right.

Amos Simantov

Founder, CEO and Managing Director

Dated: 3 August 2021

10.

GLOSSARY OF TERMS



10. GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

13th EU VAT Directive	The Thirteenth Council Directive 86/560/EEC.
A\$	Australian dollars.
Administrator	Has the meaning given in Section 8.4.
Admission	Admission of the Company to the Official List, following completion of the Offer.
Advisor Exercise Date	Has the meaning given in Section 8.6(f).
Advisor Exercise Period	Has the meaning given in Section 8.6(d).
Advisor Exercise Price	Has the meaning given in Section 8.6(b).
Advisor Notice of Exercise	Has the meaning given in Section 8.6(e).
Advisor Options	Has the meaning given in Section 8.6.
AEST	Australian Eastern Standard Time.
AI	Has the meaning given in Section 2.1.
AIA	Has the meaning given in Section 2.1.
Allotment Date	The date, as determined by the Directors, on which the Shares offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable.
API	Has the meaning given in Section 2.1.
Applicant	A person who submits an Application Form.
Application	A valid application for Shares under the Offer made pursuant to an Application Form.
Application Form(s)	The application form attached to this Prospectus (including the electronic form provided by an online application facility).
Application Monies	Monies received from persons applying for Shares pursuant to the Offer under this Prospectus.
Articles	The articles of association of the Company from time to time.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
ASX Settlement Rules	ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).
Award	Has the meaning given in Section 8.4(d).
AWST	Australian Western Standard Time.
Board	The board of Directors of the Company.
Broker	Any ASX participating organisation selected by the Lead Manager and the Company to act as a broker for the Offer.
CDI	CHESS depositary interests.

10. GLOSSARY OF TERMS continued

Change of Control	Means: <ul style="list-style-type: none"> (i) the occurrence of: <ul style="list-style-type: none"> (A) the offeror (or group of offerors acting together) under a tender offer in respect of Shares announcing that it has achieved acceptances in respect to 50.1% or more of the Shares; and (B) the takeover bid has become unconditional; or (ii) the announcement by the Company that: <ul style="list-style-type: none"> (A) Shareholders have at a duly convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement or merger under which all Shares are to be either: <ul style="list-style-type: none"> (1) cancelled; or (2) transferred to a third party; and (B) the proposed scheme of arrangement is consummated.
CHES	Clearing House Electronic Subregister System.
Closing Date	The date the Offer closes.
Companies Law	Israeli Companies Law, 5759-1999.
Company, Way2Vat or W2V	Way 2 Vat Ltd (ARBN 637 709 114) is a foreign company registered in its original jurisdiction of Israel with registration number 515043982.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director Exercise Price	Has the meaning given in Section 8.7(b).
Director Options	Has the meaning given in Section 8.7.
Director Options Expiry Date	Has the meaning given in Section 8.7(e).
Directors	The directors of the Company.
Electronic Prospectus	The electronic copy of this Prospectus located at the Company's website at http://www.way2vat.com .
EMS	Has the meaning given in Section 2.1.
ERP	Has the meaning given in Section 2.1.
Escrow Period	The periods for which Shares are subject to voluntary escrow arrangements as detailed in Section 3.11.
EU	The European Union.
EUR	Euro.
Existing Options	Has the meaning given in Section 8.5.
Existing Shareholders	The Shareholders as at the date of this Prospectus.
Expiry Date	Has the meaning given in Section 8.6(c).

Exposure Period	In accordance with section 727(3) of the Corporations Act, the period of seven (7) days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.
External Directors	Has the meaning given in Section 4.5.
Financial Information	Has the meaning given in Section 5.
GBP	British pound sterling.
Group	The Company and its subsidiaries.
GST	Goods and Services Tax.
HIN	Holder Identification Number.
Independent Accountant	BDO Corporate Finance WA Pty Ltd.
Independent Account's Report	The report contained in Section 5.
Indicative Timetable	The indicative timetable for the Offer on page (ii) of this Prospectus.
Lead Manager or Canaccord Genuity	Canaccord Genuity (Australia) Pty Ltd.
Listing Rules	The listing rules of ASX.
Maximum Subscription	Has the meaning given in Section 3.3.
Minimum Subscription	Has the meaning given in Section 3.2.
NIS	Israeli new shekels.
OECD	The Organisation for Economic Co-operation and Development.
Offer	The offer under this Prospectus of 30,000,000 Shares to be issued by the Company at an issue price of A\$0.20 to raise A\$6,000,000. Oversubscriptions of up to 5,000,000 Shares to raise an additional A\$1,000,000 may be accepted by the Company.
Offer Period	Means the period commencing on the Opening Date and ending on the Closing Date.
Offer Price	A\$0.20 per Share.
Official List	The official list of ASX.
Official Quotation or Quotation	Official quotation by ASX in accordance with the Listing Rules.
Opening Date	The date the Offer opens.
Options	An option to subscribe for a Share.
Prospectus	This prospectus dated 3 August 2021.
Raising	Has the meaning given in Section 8.2(a).
Recommendations	ASX Corporate Governance Principals and Recommendations (4th ed).

10. GLOSSARY OF TERMS continued

Refund Directive	The Council Directive 2008/9/EC.
Relevant Interest	Has the meaning given in the Corporations Act.
Corporate Advisor or Sandton	Sandton Capital Advisory Pty Ltd.
Section	A section of this Prospectus.
Security	A Share or Option, as the context requires.
Share	A fully paid ordinary shares in the capital of the Company.
Share Registry	Automic Pty Ltd.
Shareholder	Any person holding Shares.
Sixth Council Directive	The Sixth Council Directive 77/388/EEC.
SMBs	Small Medium Businesses.
SRN	Security holder Reference Number.
T&E	Has the meaning given in Section 2.1.
US\$	United States dollars.
US Securities Act	The U.S. Securities Act of 1933.
VAT	Value Added Tax.
W2V Group	Has the meaning given in Section 2.1(b).
W2V Platform	Has the meaning given in Section 2.1(c).
W2V Romania	Has the meaning given in Section 2.1(b)(i).
W2V UK	Has the meaning given in Section 2.1(b)(ii).
W2V US	Has the meaning given in Section 2.1(b)(iii).



W2V
WAY2VAT