

ASX release

28 February 2022

Way2VAT increases transaction volume 87% percent in milestone year

28 February 2022 – Way2VAT Ltd (ASX: W2V) (the “Company” or “Way2VAT”), a global leader in integrated VAT claim and return solutions, today announced its financial results for the 12 months ended 31 December 2021 (FY21).

Highlights

(all financial numbers are in USD unless otherwise stated)

- Transaction volume up 87% to \$9.86million (pcp: \$5.26million)
- Revenue up 28% to \$1.32 million on pcp
- Cost of revenue in FY21 is 20.8% (\$275K), showing the strength of our technology and automation to support and scale our substantial growth in the next years
- SMB clients increased 250% from 200 to 700 during the year, through indirect sales with key new and existing partnerships through Xero, Sage, Zoho, WebExpense and Allocate
- Signed 20 new multinational enterprise customers including Playmobil, Bang & Olufsen across a broad range of industries, growing the enterprise client base to 200
- Successful ASX listing following over-subscribed A\$7 million initial public offering (IPO) with strong support from sophisticated and professional investors, as well as institutional and cornerstone investors
- Cash balance of \$3.13 million as at 31 December 2021

Commenting on the Company’s achievements in FY21, Way2VAT Founder & CEO, Amos Simantov, said:

“This year, which included our first few months as a listed company has been filled with many achievements, making significant progress on our goals set out in our IPO prospectus. We signed 20 new multinational enterprises to take that client base to 200 and grew our SMB clients significantly from 200 to 700. We continued to focus our efforts on growing to a position that allows us to leverage ourselves into new and profitable sectors.

“This growth in enterprise and SMB clients is displayed in the transaction volume levels which increased to \$9.86 million – up 87% on the prior year. These are a key indicator of future revenue levels, which this year increased 28% to \$1.32 million, showing that through leveraging enterprise clients and partnerships that tap into the SMB market, we can rapidly increase our volumes in the market. Further, our cost of revenue in the period reflects the investments being made in our technology to support future growth opportunities.



“Countries are now beginning to reopen across Europe, the UK and North America, with travel cautiously returning with promising signs of the Covid pandemic waning. We are already beginning to see strong tailwinds in our data, representing a resurgence of business and leisure travel across key markets.

“As countries and businesses revitalise their tax systems, our technology is proving an essential tool for organisations and individuals moving towards full digitisation and automation of GST/VAT return solutions, making claiming all amounts an effortless and transparent task.”

Operational Highlights

Way2VAT listed on the ASX with an oversubscribed initial public offering (IPO or Offer) that raised A\$7 million, with several institutions joining the register. The listing allowed the Company to accelerate its plans into the global market and implement its strategy and strengthen its product and team.

Funds from the IPO went towards ongoing platform development with auto supplier creation, allowing easier job allocation and onboarding; commission and fees automation to auto calculate WAY2VAT fees per invoice and claim, based on customer agreement; and claim compliance to manage claim related documents in the post-submission phase for audit.

The company signed several key partnership agreements as it continued to grow its SMB channel. As previously disclosed the signing of Allocate, Elmo, Xero, Yokoy, and Zoho allowed Way2VAT to make significant inroads, growing the channel from 200 to 700 clients during a half, a 250% increase. These partnerships and integrations enable Way2VAT to strengthen its presence as a leader of automated VAT recovery software for the SMB market.

Additionally, as part of its ongoing sales operation of its Enterprise VAT recovery and compliance solution, Way2VAT has signed twenty new enterprise customers across a broad range of industries over the period including Playmobil and Bang & Olufsen, representing a total of over 125,000 employees across all the organisations. The Company does not consider that these commercial agreements are material however, the agreements do establish key strategic partners for Way2Vat.

As part of our growth strategy to expand the company product line, we moved further to finalising a complementary product for our VAT/GST automated platform based on AIA (W2V Patented technology) AI and computer vision technology which will increase the potential of VAT reclaim globally and the revenue of the company.

The Company also filed several patents during the period to further advance and protect its technology. The first for “Systems and Methods for Document Image Analysis by Alignment of Document Image Sets to Spreadsheets” which outlines a new method for automatically matching tabular expense report sheets and document image sets, eliminating the need for manual processing. The second is a patent application for Automated Invoice Analysis (AIA) for the full automation of VAT ID. This will allow suppliers to use Way2VAT’s platform to identify the unique VAT ID of a supplier, regardless of country, ensuring compliance with multiple jurisdiction VAT regulations.

Additionally, Way2VAT received a new patent from the US Patent and Trademark Office for its application for “Systems and Methods for Document Image Analysis with Cardinal Graph Convolutional Networks”. The patent will support improvements to the technology for improved efficiency, speed and fraud detection and further advances Way2VAT’s platform as a leader in the VAT reclaim market. Way2VAT has also recently submitted two additional patent applications during the reporting period for Systems and Methods for Document Image Analysis by Alignment of Document Image Sets to Spreadsheets’ and ‘Automated Invoice Analysis (AIA) for the full automation of VAT ID’.

Corporate

Way2VAT reinforced its Board with three new Directors joining upon listing on the ASX:

- **David Buckingham** - has over thirty years of experience as a corporate leader in telecommunications, media, technology, IT and education. This includes Chief Executive Officer and Chief Financial Officer roles at both Navitas Limited (ASX:NVT) and iiNet (ASX:IIN). He 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).
- **Robert Edgley** - has served multiple board roles throughout his career. Previously serving as a founding non-executive director for Praemium Limited (ASX:PPS), he is currently a non-executive director for EVZ Limited (ASX:EVZ) and SelfWealth Limited (ASX:SWF) and non-executive chairman for DataMesh Limited.
- **Ayelet Nahmias Verbin** specialises in corporate law and the capital markets and is considered a leading expert in corporate governance. She serves as the chairman of the Israeli Export institute. As a Member of the Israeli Parliament, “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. She is a board member in several companies.

Way2VAT bolstered its senior executive team with the key hiring of Ms Smadar Noy as Chief Financial Officer (CFO) during the last half. Ms Noy has more than 25 years’ experience as a consultant, board member or CFO in the security, defence, and telecommunications sectors. She brings a multitude of experience and knowledge, already making an impact in several key functions throughout the Company.

Outlook

Way2VAT Founder & CEO, Amos Simantov, said: “We have achieved record results for the 12-month period ending 31 December 2021, driven by continued strong demand for our services in the SMB and enterprise space. Today we are seeing strong transaction volumes, a key indicator of future revenues and directly correlated to business and domestic travel returning to more normal levels. Looking ahead, we believe we are well positioned to continue to grow the business and invest in our strategic initiatives.

“We are examining organic and inorganic ways to grow the business for our increasing customer base and to gain additional market share.



“We continue to focus on our investment in research and development, developing new products that meet the evolving needs of our customers. In the coming months we expect to release a new product that will add to our portfolio of customer solutions. The “Smart Spend Card” will offer smart management of corporate expenses, including subscriptions, accounts payable travel related expense and VAT Reclaim. We are the only vendor in the world today that presents an end-to-end solution from payment to online recovery of VAT/GST. Way2Vat’s patented technology has provided many multinational clients throughout the COVID period, with an automated solution for both their local and foreign VAT/GST account payable claims at the same time. This pivot away from a reliance predominantly on travel-related claims ensures the company is well placed to integrate more deeply into our clients’ operations and benefit from both revenue streams into the future.”

Notwithstanding this pivot, the company will certainly benefit from a world opening up to increased travel as countries start to normalise in a post covid scenario.

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

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About Way2VAT

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

Established in 2014, Way2VAT is headquartered in Tel Aviv with offices in the United Kingdom, the United States, Russia and Romania and has over 50 employees.

Used by more than 180 enterprise companies including Amdocs, EY Israel, MasterCard, eToro, Kimberly-Clark, Hitachi ABB, Mobileye Intel, RB, Willis Towers, Siemens-Israel, Daily Mail Group, Sage, Falck, Boston Red Sox, and Foot Locker Europe with customer retention over 97%. www.way2vat.com