

ASX release

28 November 2022

Market Update: Strong Q3 FY22 operating performance leads to annualised gross transaction volume run rate of \$19.47m for FY22

- **Annualised gross transaction volume run rate equates to over \$19.47 million – an increase of 43% on previous 12 months**
- **Transaction volume and revenue now including DevoluIVA after successful integration**
- **Expansion of full product rollout through Spain**

Global leader in automated VAT claim and return solutions, Way2VAT (**ASX:W2V**), is experiencing a strong finish to the financial year leading to an annualised gross transaction volume run rate of \$19.47 million¹.

This annualised gross transaction volume run rate of \$19.47 million includes transactions coming from its recent acquisition of DevoluIVA and is a 43% increase on the previous 12 months (FY21 \$13.57 million), and up 169% on FY20 (FY20 \$7.24 million).

This was mainly due to operating conditions for business travel returning to pre-COVID levels, increasing usage through platform partners and enterprise customers, successful integration of the recent DevoluIVA acquisition and the broadening of the product suite with the introduction of the Smart Spend Debit Mastercard.

Way2VAT CEO and Founder, Amos Simantov, said, “Way2VAT is expecting a strong finish to FY22, traditionally a strong time of year, with business travel beginning to normalise. Importantly, we expect to see a reduction in the time tax authorities take to process our claims, returning to the pre-COVID average of 7.5 months over time. This processing time, from when we submit our claims to tax authorities (and recognise our fee as revenue) to when we receive it (and it appears in our cash receipts) had blown out to 15 months in several jurisdictions during COVID lockdown periods.

“We are now operating at an annualised gross transaction volume rate of \$19.47 million – a jump of 43% above last year. We have seen a significant increase in transaction volume through business travel expenses and accounts payable and VAT claims following the European summer.

“Finally, our integration of DevoluIVA is progressing well. We are already recognising significant transaction volume and revenue through their national network and looking to fully harness the full product suite into Spanish-speaking markets with similar accounts payable, expense and VAT structures”

See the ‘Market update November 2022’ presentation released in conjunction with this ASX announcement for further information.

¹ Estimate based on 9 month actual annualised



WAY2VAT Global VAT Refunds

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

ENDS

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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 2016, Way2VAT is headquartered in Tel Aviv with offices in the United Kingdom, Barcelona and Romania and has over 70 employees.

Way2VAT is used by more than 220 enterprise companies including TicToc, Duracell, Playmobil, 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%.

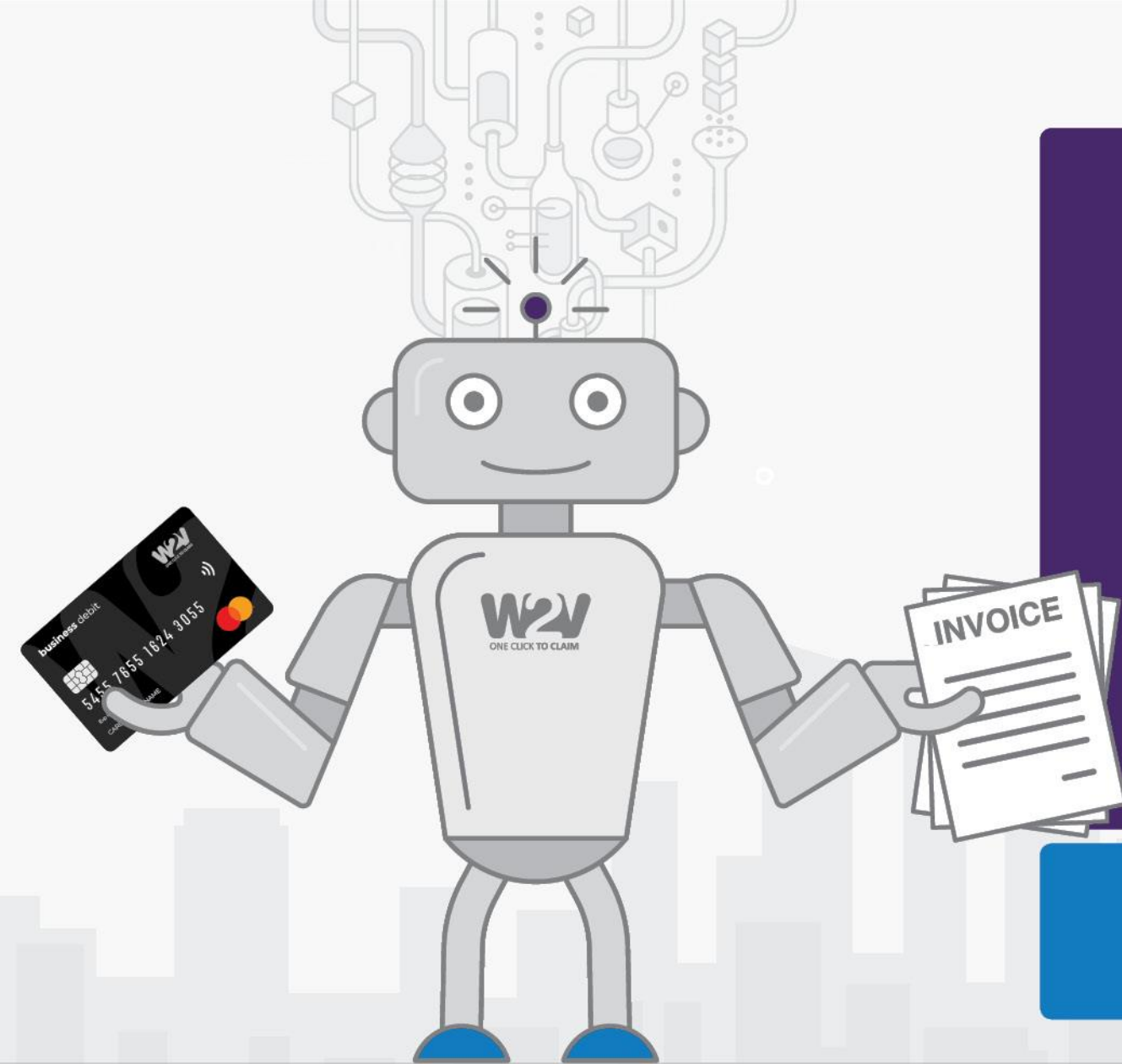
www.way2vat.com

ASX: W2V

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Market update November 2022

WAY2VAT



Business Model: The Process

- Client completes transaction leading to "Gross transaction value"
- Claims submitted to tax authorities and recognised as "Revenue"
- Tax authorities process claims
- Refund received by W2V and passed to client
- W2V receives commission and recorded as "Cash receipt"
- *Smart Spend Card/Mastercard business model:*

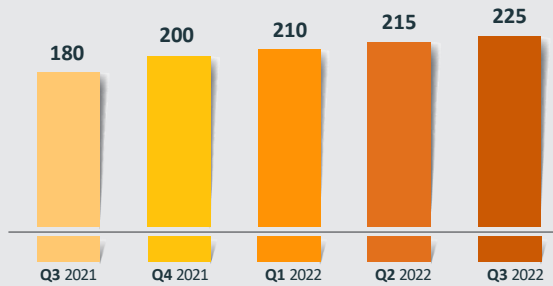
Monthly SaaS fee per card/employee

Monthly SaaS fee per admin user/company

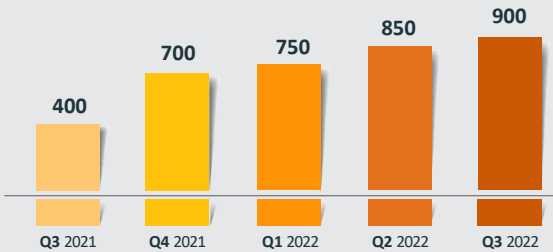
Quarterly fees for VAT reclaim/company

Growing our client base increasing gross transaction value

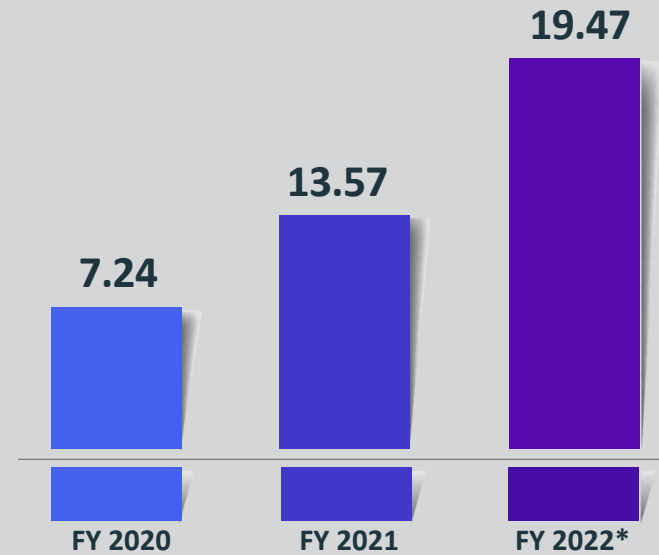
No of Enterprise Clients



No of SMB Clients

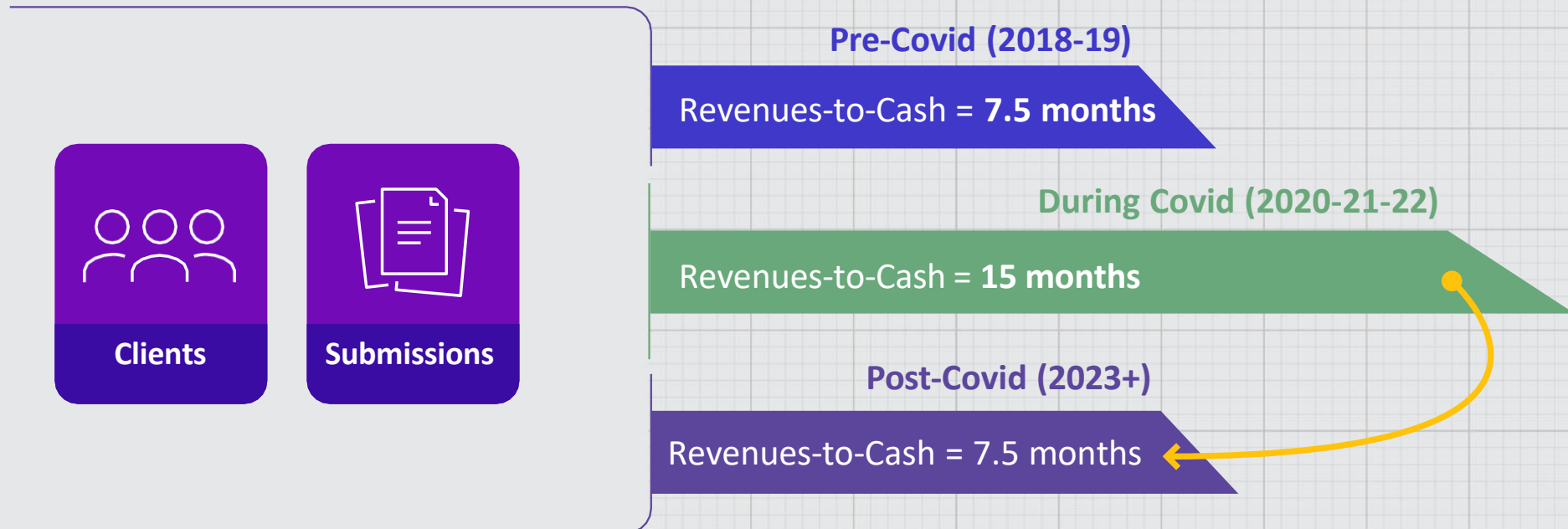


Gross Transaction Value (A\$m)



* Estimate based on 9 month actual annualised

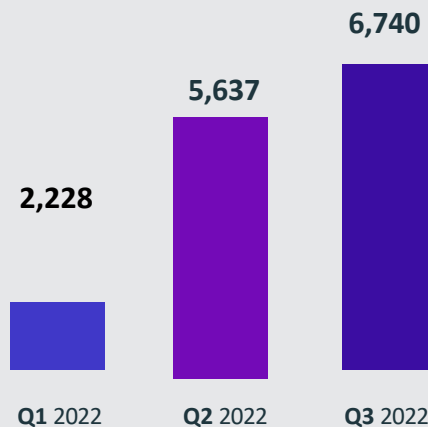
During Covid years the revenue-to-cash latency doubled



We believe that over time, the Rev-to-cash latency, will revert to pre-covid standards

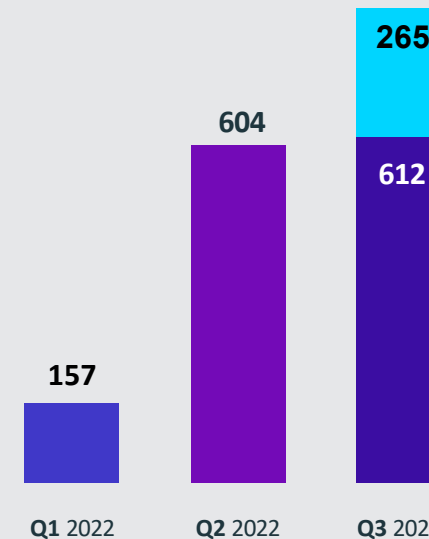
Accelerating our client refund claims and our fee revenues

Refund Submissions to Tax Authorities
for Clients (A\$'000s)



- Foreign & Local submission of Travel and Expenses and Accounts Payable VAT/GST refund claims by quarter

W2V Fee Revenue (A\$'000s)



(\$612k+\$265k) = \$ 877k pro-forma if **DevoluIVA** was counted

- Excludes additional revenue from DevoluIVA acquisition date of 21st September 2022 – this was approximately US\$175,000
- Excludes new revenue stream recently launched new Smart Spend Debit Mastercard product

A few factors will reshape our future performance

Post Covid VAT authorities' response time expected to shorten back to normal

02

Our new combined Smart card with Mastercard, and VAT reclaim, is a unique technology-driven advantage in enterprise clients

04

Post Covid international business travel is soaring [Higher submissions]

01

Acquisition of DevoluIVA opens the Spanish speaking markets for us

03

THANK YOU

