

ASX release

27 February 2025

Way2VAT increases revenue by 48% in FY24 with strong momentum flowing into FY25

FY24 Highlights (all figures A\$ unless otherwise stated)

- Reported revenue of \$4.6 million, up 48% on pcp (FY23: \$3.1 million)
- Enterprise clients increased 14% from 345 to 395, including PACT Group, SGS, Hipra, Randstad, Fever, Acciona, Bulk Tainer Group, Objective Media Group, Solarig, Mahou San Miguel and Sungrow.
- During 2024 the Company launched a new AI-driven automated accounts payable auditing product, AP AI Compliance, to complement Way2VAT's existing suite of AI-powered VAT/GST claim and return solutions
- Raised \$5.5 million during 2024 via convertible notes issuance and a strongly supported placement combined with a Share Purchase Plan.
- Cash balance of \$117k at 31 December 2024 with Accounts Receivable balance of \$4.5 million, being fees associated with client VAT reclaims due mostly from various government tax authorities
- Significant reductions in operating expenses of approximately 20% on an annual run rate basis have been implemented as of December 2024. The full impact of these cost reductions will be reflected in Q1 2025 onwards.
- Additional developments subsequent to the end of the reporting period:
 - An additional \$2.6 million raised via the issue of Convertible Notes to certain key shareholders

Global fintech leader in automated VAT claim and return solutions, Way2VAT Ltd (**ASX:W2V**, **Way2VAT** or the **Company**), today announced its full-year financial results for the 12 months ended 31 December 2024 (FY24).

Commenting on the Company's achievements in FY24, Way2VAT Founder & CEO, Amos Simantov, said:

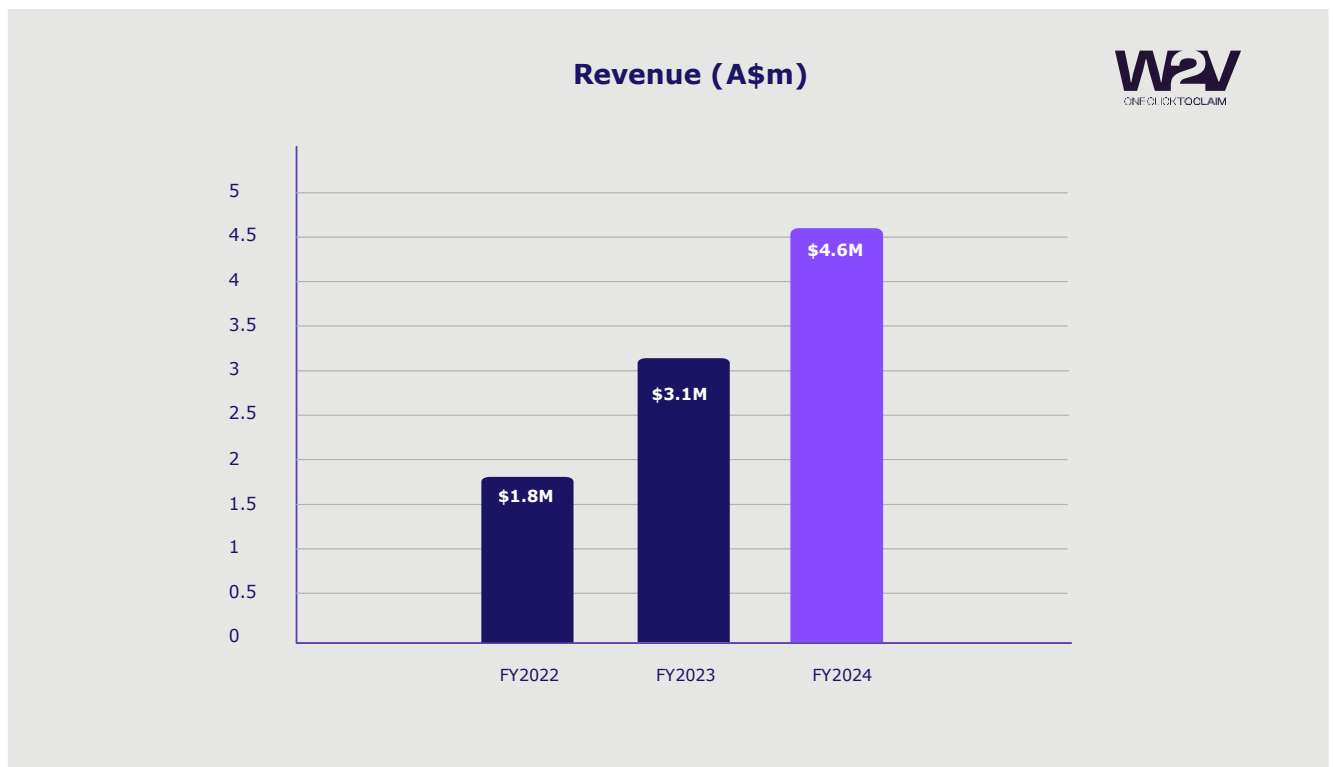
"2024 saw continued growth to our business with the addition of many new clients, some of which have already contributed to record revenues in Q3 and Q4 of FY24. Revenue steadily increased throughout the year, culminating in a record annual revenue of \$4.6 million for FY24.

"In an effort to fast track our pathway to an operational profit and a positive cashflow, we implemented a number of cost saving initiatives that were phased in over Q4 FY24. This includes headcount reductions, salary reductions and other cost saving measures effective from December 2024 onwards, collectively resulting in a 20% decrease in ongoing operating expenses.

“ Despite a healthy increase in cash collections from various government tax offices and clients in the December quarter we have redoubled our efforts to improve collections further in 2025. Delays in processing of reclaims submissions in two large European countries have affected our collections and the amounts outstanding from these tax offices have grown with our Accounts Receivable balance. These funds will eventually be processed clearing the way for payment and Way2VAT is closely monitoring the situation to assist the tax offices in expediting these payments for our clients.”

Financial Highlights

Reported revenue increased significantly by 48% to \$4.6 million on pcp (FY23: \$3.1 million).



Operational Highlights

Enterprise clients

In FY2024, Way2VAT secured many new multinational clients increasing the enterprise client count to 395, a 14% increase over 12 months. Significant clients include PACT Group (Industrial), SGS (Swiss Multinational), Hipra (Pharmaceutical), Randstad (Recruitment), Fever (Entertainment), Acciona (Infrastructure), Bulk Tainer Group (Global Logistics), Objective Media Group (Media Production), Solarig (Renewable Energy), Mahou San Miguel (Beer) and Sungrow (Renewable Energy).

\$5.5 million raised to accelerate growth opportunities for expanding product suite

During FY24, Way2VAT secured \$5.5 million (before costs) to accelerate growth opportunities and provide working capital. The \$5.5 million was made up of a \$4.25 million Placement with attaching options which was strongly supported by new and existing institutional, professional and sophisticated investors together with a Share Purchase Plan conducted on the same terms as the placement. An additional \$1.1 million in Convertible Notes was supported by cornerstone investor Thorney Investment Group and was subsequently converted to equity during the year.

Launch of new AI-driven automated auditing product, APAI Compliance

During 2024 the Company launched a new AI-driven automated accounts payable auditing product, APAI Compliance, to complement Way2VAT's existing suite of AI-powered VAT/GST claim and return solutions. Pilots were conducted with a number of new and existing clients to fine tune this product during the year in readiness for a commercial roll out in 2025. After some delays this product is now being contracted with clients and we look forward to it contributing revenues in 2025. APAI Compliance verifies proper submission of AP expenses to tax authorities. Aimed at large and multinational companies looking to maximise VAT/GST returns, APAI Compliance creates a new revenue stream for Way2VAT based on fixed costs per audited invoice.

Outlook

Way2VAT Founder & CEO, Amos Simantov, said: *"We are starting 2025 with considerable momentum as a result of the number of larger clients onboarded particularly in the second half of 2024. We have a strong pipeline of further opportunities and are involved in numerous tenders for prospective clients. Recent successes have validated our technology and product suite so we look forward to the outcome of a number of these tenders early in 2025."*

"In conjunction with key clients we completed a number of pilots of our new APAI Compliance product during 2024. In response to client feedback further development work has now been completed and we expect a healthy uptake of compliance-based AI-driven product as it is rolled out across the client base."

"We continue to assess possible acquisition opportunities, where it adds shareholder value, where we can take advantage of our ability to scale much quicker than competitors, due to our AI-powered process and platform."

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

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About Way2VAT

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



ONE CLICK TO CLAIM

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

It is used by more than 395 global enterprise companies.

www.way2vat.com