



**WAY2VAT LTD**

**ARBN 637 709 114**

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## **PROSPECTUS**

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For an offer to Eligible Shareholders of up to 45,454,545 SPP Shares at an issue price of A\$0.022 per SPP Share under a share purchase plan, together with two free attaching SPP Options for every three SPP Shares issued (**SPP Offer**).

Also offered under this Prospectus are the offers of:

- (a) up to 128,787,878 of the Placement Options to the Placement Investors, on the basis of two free attaching Placement Options for every three Shares issued under the Placement (**Placement Options Offer**); and
- (b) up to 42,297,087 Convertible Note Options to the Convertible Note Investors, on the basis of two free attaching Convertible Note Options for every three Convertible Note Shares issued (**Convertible Note Options Offer**).

The issue of the New Securities offered under this Prospectus is subject to the Company obtaining Shareholder approval. If Shareholder approval is not obtained, the Company will not be able to proceed with the issue of those New Securities and the Company will refund all Application Monies (if applicable) to Applicants without interest.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A HIGHLY SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

***Not for release to US wire services or distribution in the United States***

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# IMPORTANT INFORMATION

## General

This Prospectus is dated 20 March 2024 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply to ASX for Official Quotation of the New Securities offered under this Prospectus within seven days of the date of this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at C/ - Automic Group Pty Ltd, Level 5, 126 Philip Street, Sydney NSW 2000 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to Section 5.3).

No person or entity is authorised to give any information or to make any representation in connection with the Offers which is not detailed in this Prospectus. Any information or representation not detailed in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

This Prospectus will be made available in electronic form. Eligible persons having received a copy of this Prospectus in its electronic form may, subject to applicable laws, obtain an additional paper copy of this Prospectus (free of charge) from the Company's principal place of business by contacting the Company. The Offers are only available in electronic form to eligible persons receiving an electronic version of this Prospectus within Australia (unless otherwise determined by the Board, subject to applicable laws).

## Application Form

Applications for New Securities under any Offers can only be made on an Application Form that is attached to, or provided by the Company with a copy of, this Prospectus in either paper or electronic form (or alternatively, in the case of the SPP Offer, by paying the aggregate Issue Price for the relevant SPP Shares by BPAY® or EFT payment without lodging the Application Form). The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

Please read the instructions in this Prospectus and on the accompanying Application Forms regarding the acceptance of an Offer.

By completing an Application Form, lodging an Application Form with the Company or a stockbroker or otherwise arranging for payment of SPP Shares in accordance with the instructions on the Application Form, an Applicant acknowledges that they have received and read this Prospectus, acted in accordance with the terms of the Offer to which the Application Form relates and agree to all of the terms and conditions as detailed in this Prospectus and in the relevant Application Form.

## Foreign Jurisdictions

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of securities in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

Shareholders in the United States are not eligible to participate in the SPP Offer. Similarly, Shareholders (including trustees, nominees and custodians) who are acting for the account or benefit of persons in the United States, are not eligible to participate in the SPP Offer on behalf of those persons.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The SPP Securities to be offered and sold under the SPP Offer have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or

to any person acting for the account or benefit of a person in the United States except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. Refer to Section 2.21 for further details.

### **Notice to nominees and custodians**

Shareholders resident in Australia, New Zealand, Israel, Hong Kong, Singapore and Thailand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that applying for and receiving any SPP Securities does not breach regulations in the relevant jurisdiction.

### **Continuously Quoted Securities**

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and Options over continuously quoted securities, and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

### **ASIC Instrument**

In certain circumstances, a listed company may undertake a security purchase plan in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC Instrument)*. The ASIC Instrument allows a security purchase plan to be conducted without the use of a prospectus provided that certain requirements are met.

The Company is unable to rely on the ASIC Instrument as (without limitation) the ASIC Instrument only applies to the issue of SPP Shares (and not SPP Options). Accordingly, the Company is conducting the SPP Offer pursuant to this Prospectus.

### **TMD**

In accordance with the product design and distribution obligations under the Corporations Act, the Company has determined the target market for the SPP Options, Placement Options and Convertible Note Options offered under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website at <https://way2vat.com/>. By making an Application for SPP Options, Placement Options and/or Convertible Note Options under an Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

### **Exposure period**

No exposure period applies to the Offers. The Offers are being made pursuant to *ASIC Corporations (Exposure Period) Instrument 2016/74* which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that that section prohibits the Company from issuing securities in the seven-day period after the date of lodgement of a prospectus with ASIC.

### **Important information on price risk to consider**

Before deciding whether to apply for New Securities, you should refer to the current market price of the Shares, which can be obtained from your stockbroker, your financial adviser or via the ASX website.

Subscription for New Securities is a highly speculative investment and the market price of Shares may change between the date you apply for New Securities and the issue of New Securities to you (if the Company elects to issue New Securities to you). Accordingly, the value of New Securities applied for is likely to rise or fall. Importantly, there is a risk that during the period between the time of the Offers and when any

New Securities are issued to you (if any), the price at which Shares are traded on ASX may decrease (and it may continue to be less than the issue price of A\$0.022 per SPP Share). You must rely on your own knowledge of the Company and previous disclosures made by the Company to ASX (including disclosure regarding risks of making an investment in the Company). In determining whether you wish to apply to participate in an Offer (if eligible) and the extent to which you apply to participate, you should seek your own personal financial and/or taxation advice referable to your personal circumstances.

### **Speculative investment**

An investment in any of the New Securities should be considered highly speculative. Refer to Section 4 for a non-exhaustive list of key risks applicable to an investment in the Company.

These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Persons wishing to apply for New Securities should read this Prospectus in its entirety and the Company's ASX announcements.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for highly speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Securities have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

No representation, forecast or guarantee is given of whether the New Securities will make a return on the capital invested, whether dividends will be paid on Shares or whether there will be an increase in the value of the New Securities in the future.

### **Forward-looking statements**

This Prospectus contains forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', '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. Past performance is not a guide to future performance. Key risks associated with an investment in the Company are detailed (non-exhaustively) in Section 4. 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, regardless of whether new information, future events or any other factors affect the information detailed 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 detailed in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

### **No advice**

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor. 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.

**No cooling off rights**

Cooling off rights do not apply to an investment in New Securities offered under this Prospectus. This means that, unless required by applicable law, you cannot withdraw your Application. The Directors may at any time decide to withdraw this Prospectus and/or any one or more of the Offers.

**No incorporation by reference**

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

**Risk factors**

There a number of risks associated with investing in the Company and in the share market generally. The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can affect the value of an investment in the Company.

An investment in the Company is highly speculative in nature and investors should be aware that they may lose some or all of their investment. Prospective investors should read this Prospectus in its entirety, and in particular, consider the risk factors detailed in Section 4, and also read the announcements released by the Company to the ASX.

**Currency**

All financial amounts detailed in this Prospectus are expressed as Australian dollars unless otherwise stated.

**Rounding**

Any discrepancies between totals and sums and components in tables detailed in this Prospectus are due to rounding. Any potential fractional entitlements to New Securities will be disregarded (i.e., rounding down to the relevant whole number of New Securities), without refunding any relevant Application Monies in relation to such fractions.

**Time**

All references to time in this Prospectus are references to AEST, unless otherwise stated.

**Glossary**

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 7.

# CHAIRMAN'S LETTER

20 March 2024

Dear Investor

Way2VAT Ltd (ARBN 637 709 114) (the **Company**) is pleased to offer Eligible Shareholders (as defined below) the opportunity to apply to participate in the Company's share purchase plan to raise up to approximately A\$1.0 million (before costs).

The SPP Offer provides each Eligible Shareholder the opportunity to apply for up to A\$30,000 worth of fully paid ordinary shares in the Company (being up 1,363,636 SPP Shares) at an Issue Price of A\$0.022 for each SPP Share, without incurring brokerage or other transaction costs. Eligible Shareholders whose Application pursuant to the SPP Offer is successful will be issued two free attaching SPP Options (on the terms and conditions in Section 5.2) for every three SPP Shares issued under the SPP Offer.

The Company reserves the right in its sole discretion to scale back applications (in whole or in part) pursuant to the SPP Offer (or withdraw the SPP Offer). Any scale back will be applied to the extent and in the manner the Company sees fit, which may include taking into account a number of factors such as those detailed in Section 2.12.

The Company intends to apply the proceeds of the SPP Offer towards:

- fund general working capital to continue the Company's growth trajectory – noting that the Company continues to sign up new enterprise clients and enters into contracts with those clients to perform VAT/GST reclaim services;
- accelerate recent initiatives undertaken to expedite the pathway to profitability, in particular, the Company has announced that it has launched an AI driven automated auditing product, 'AI-AP Compliance' for use in 80 countries; and
- explore and undertake due diligence activities on any potential growth opportunities.

The proposed uses of funds are indicative only. The Board reserves the right to reallocate funds for alternative purposes, as may be deemed necessary by the Board.

Participation in the SPP Offer is optional. The issue of SPP Securities is expected to take place on or around Wednesday, 17 April 2024 and is subject to Shareholder approval and the Board's discretion.

## Participation and important dates in relation to the SPP Offer

Eligible Shareholders will be those Shareholders that satisfy all of the below:

- who were registered as a holder of Shares as at 7:00pm (AEDT) on Tuesday, 27 February 2024, being the Record Date;
- who were recorded on the Register with an address in Australia, New Zealand, Israel, Hong Kong, Singapore or Thailand;
- who are not resident or located in the United States, and not acting for the account or benefit of persons in the United States; and
- who are not resident or located in any other jurisdiction in or into which an offer of SPP Securities would be unlawful.

The Offers open on Wednesday, 20 March 2024 and close at 7:00pm (AEST) on Friday, 12 April 2024.

Late applications will not be accepted. However, the Directors reserve their right, subject to the Corporations Act and the Listing Rules, to vary the Closing Date without prior notice including closing the Offers early or extending the Closing Date. If the Closing Date is varied, subsequent dates may also be varied accordingly. The Directors therefore encourage any Eligible Shareholders (including Eligible



Shareholders who are Custodians) wishing to participate in the SPP Offer to remit their Application Monies as soon as possible.

#### **Additional Offers**

In addition to the SPP Offer, the Placement Options Offer (as defined in Section 2.2) and the Convertible Note Options Offer (as defined in Section 2.3) are also being offered pursuant to this Prospectus.

#### **Shareholder approval**

The issue of, and any agreement to issue, the New Securities offered under this Prospectus is subject to, and conditional upon, the Company obtaining Shareholder approval at the General Meeting, scheduled to be held on Wednesday, 10 April 2024. If Shareholder approval is not obtained for the issue of specific New Securities, the Company will not be able to proceed with the issue of those particular New Securities and Applicants would not be issued any New Securities under that particular Offer and the Company will refund any relevant Application Monies in relation to those particular New Securities (if applicable) without interest.

#### **Further details**

Further information and application instructions for the Offers, as well as the risks associated with investing in Offers are detailed in this Prospectus which you should read carefully and, in its entirety, (along with the Company's ASX announcements).

If you have any questions in respect of the SPP Offer, please contact the Company's share registry, Automic Group Pty Ltd on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8:30am and 7:00pm (AEDT) Monday to Friday (excluding public holidays) during the offer period for the Offers or via email at [corporate.actions@automicgroup.com.au](mailto:corporate.actions@automicgroup.com.au). For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

On behalf of the Board, I would like to thank you for your continued support of the Company.

Yours faithfully



**Adoram Ga'ash**  
**Non-Executive Chair**

## PROPOSED TIMETABLE

Event	Date*
Record Date to identify Eligible Shareholders entitled to participate in the SPP Offer	7:00pm (AEDT) on Tuesday, 27 February 2024
Announcement of Placement and SPP Offer	Wednesday, 28 February 2024
Lodgement of Prospectus with ASIC and ASX	Wednesday, 20 March 2024
Opening Date of Offers	Wednesday, 20 March 2024
General Meeting to approve (amongst other matters) the issue of the New Securities, Convertible Note Shares and Shares under Tranche 2 Placement	Wednesday, 10 April 2024
Closing Date for the Offers	7:00pm (AEST) on Friday, 12 April 2024
Announcement of SPP Offer results (conditional upon Shareholder approval at the General Meeting)	Monday, 15 April 2024
Issue of New Securities, Convertible Note Shares and Shares under Tranche 2 Placement (to the extent approved at the General Meeting)	Wednesday, 17 April 2024
Official Quotation of SPP Shares and Convertible Note Shares on ASX	Wednesday, 17 April 2024
Subject to satisfying ASX requirements, Official Quotation of SPP Options, Placement Options and Convertible Note Options under the Offers	Wednesday, 17 April 2024

*\*These dates are indicative only and subject to change (and assume that relevant resolutions approving the issue of the New Securities are approved at the General Meeting). Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice.*

## 1 Frequently asked questions in relation to the SPP Offer

About the SPP Offer	
<b>What is the SPP Offer?</b>	The SPP Offer provides Eligible Shareholders with an opportunity to apply for up to A\$30,000 of SPP Shares (and free attaching SPP Options) without paying brokerage or other transaction costs.
<b>What is the Issue Price of SPP Shares?</b>	<p>The Issue Price for each SPP Share is A\$0.022, being a discount of:</p> <ul style="list-style-type: none"> <li>• 18.5% discount to A\$0.0270, being the closing price of Shares on ASX on 23 February 2024 (being the last day on which trades of Shares occurred before the Company announced the Placement and SPP Offer); and</li> <li>• 74% discount to the 5-day VWAP of Shares up to and including 23 February 2024.</li> </ul>
<b>Why is the Company making the SPP Offer?</b>	<p>The SPP Offer is part of a capital raising being implemented in conjunction with a Placement to institutional, professional and sophisticated investors, which was announced to the ASX on 28 February 2024.</p> <p>The SPP Offer gives Eligible Shareholders the opportunity to apply to invest in the Company at the same issue price per Share as the Placement.</p> <p>The Company presently intends to use funds raised under the SPP Offer for the purposes set out in Section 3.1.</p>
<b>Who is eligible to participate in the SPP Offer?</b>	Only Eligible Shareholders (as defined in Section 2.9) may apply to participate in the SPP Offer. Shareholders that are not Eligible Shareholders are not eligible to apply to participate in the SPP Offer.
<b>Do I have to participate in the SPP Offer?</b>	<p>No, participation is entirely voluntary. If you do not wish to apply for SPP Securities in the SPP Offer, no action is required on your part.</p> <p>Please note that Eligible Shareholders who do not participate will have their percentage shareholding in the Company reduced, for example as a result of any issue of SPP Shares to participating Eligible Shareholders.</p>
<b>How long is the SPP Offer period?</b>	The SPP Offer opens for acceptances on Wednesday, 20 March 2024 and all Applications and payments of Application Monies must be received by no later than 7:00pm (AEST) on Friday, 12 April 2024, subject to any variation of the Closing Date by the Directors.
<b>Will the SPP Options be quoted?</b>	<p>The Company proposes to seek quotation of the SPP Options subject to satisfying the quotation requirements of the ASX. The SPP Options will only be admitted to Official Quotation by the ASX if the conditions for quotation of a new class of securities are satisfied.</p> <p>Failure to obtain Official Quotation of the SPP Options will not prevent the issue of the SPP Options and will not cause any such issue to be void pursuant to the Corporations Act, as the SPP Offer is not conditional upon Official Quotation of the SPP Options being granted. However, the SPP Offer is conditional on the relevant SPP Shares which are issued pursuant to the SPP Offer being admitted to Official Quotation by the ASX.</p>

	<p>before the expiration of three months after the date of issue of this Prospectus (or within such longer period as may be permitted by law).</p> <p>If Official Quotation of the SPP Options is not granted, the SPP Options issued pursuant to the SPP Offer will not be able to be traded on the ASX.</p>																																
<b>What are the key risks of an investment in the Company?</b>	<p>The SPP Securities offered should be considered highly speculative because of the nature of the business activities of the Company and no assurances can be made that the Company's particular business activities will be successful. Potential investors should consider whether the SPP Securities offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors detailed in Section 4.</p>																																
<b>How do I apply under the SPP Offer?</b>	<p>If you are an Eligible Shareholder and you wish to subscribe for SPP Securities under the SPP Offer, please pay your Application Monies in accordance with the instructions in this Prospectus (including in Sections 2.11 and 2.13) and the SPP Application Form.</p> <p>Pursuant to the SPP Offer, Eligible Shareholders may apply for a maximum of A\$30,000 worth of SPP Shares (being 45,454,545 SPP Shares and the corresponding 30,303,030 SPP Options). Eligible Shareholders may participate by selecting one of the following options to make an Application for SPP Securities under the SPP Offer:</p> <table><tr><th>Parcel</th><th>Application Monies</th><th>Number of SPP Shares</th><th>Number of attaching SPP Options</th></tr><tr><td>A</td><td>A\$30,000</td><td>1,363,636</td><td>909,090</td></tr><tr><td>B</td><td>A\$25,000</td><td>1,136,363</td><td>757,575</td></tr><tr><td>C</td><td>A\$20,000</td><td>909,090</td><td>606,060</td></tr><tr><td>D</td><td>A\$15,000</td><td>681,818</td><td>454,545</td></tr><tr><td>E</td><td>A\$10,000</td><td>454,545</td><td>303,030</td></tr><tr><td>F</td><td>A\$5,000</td><td>227,272</td><td>151,514</td></tr><tr><td>G</td><td>A\$2,500</td><td>113,636</td><td>75,757</td></tr></table> <p>The above table details the number of SPP Securities that would be issued for different amounts of Application Monies (assuming there is no scale back of applications) and assuming the Company accepts the Application and elects to issue those SPP Securities (which election is in the Company's sole discretion). Where the amount applied for results in a fraction of a SPP Security, the number of SPP Securities issued will be rounded down to the nearest whole number.</p> <p>If you do not provide the exact amount of Application Monies, the Company reserves its right to return your Application Monies or round your Application Monies down to the next valid parcel. If the Company returns all your Application Monies, no SPP Securities will be issued to you.</p> <p>If an Eligible Shareholder applies for an amount which is not exactly divisible by the Issue Price, in calculating the number</p>	Parcel	Application Monies	Number of SPP Shares	Number of attaching SPP Options	A	A\$30,000	1,363,636	909,090	B	A\$25,000	1,136,363	757,575	C	A\$20,000	909,090	606,060	D	A\$15,000	681,818	454,545	E	A\$10,000	454,545	303,030	F	A\$5,000	227,272	151,514	G	A\$2,500	113,636	75,757
Parcel	Application Monies	Number of SPP Shares	Number of attaching SPP Options																														
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G	A\$2,500	113,636	75,757																														

	<p>of SPP Shares to be issued, all fractional entitlements will be rounded down to the nearest whole number of Shares. The Company will not refund any resulting small excess in subscription monies (i.e., A\$5 or less) which will be deemed to form part of the aggregate Issue Price for the SPP Shares.</p> <p>The SPP Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to apply for any SPP Securities under the SPP Offer.</p> <p>SPP Application Forms and payments under the SPP Offer are irrevocable and may not be withdrawn once the Company receives it. Applications may be scaled back or rejected, at the absolute discretion of the Company.</p>
<b>When will the SPP Securities be allotted?</b>	<p>It is expected that the SPP Securities will be issued on Wednesday, 17 April 2024. However, if the Closing Date is extended or accelerated by the Company, the date for issue may also alter.</p>

## 2 Details of the Offers

### 2.1 The SPP Offer

The share purchase plan, is an offer to each Eligible Shareholder to apply for:

- (a) up to A\$30,000 worth of Shares each, at an issue price of A\$0.022 per Share to raise up to approximately A\$1 million (before costs) via the issue of up to 45,454,545 Shares (**SPP Shares**); and
- (b) two free attaching Options (on the terms and conditions in Section 5.2) for every three SPP Shares issued under the share purchase plan, exercisable at A\$0.033 per Option and expiring on 28 February 2026 (**SPP Options**),

(**SPP Offer**).

The issue price for an SPP Share is A\$0.022 (**Issue Price**). The method used to calculate the Issue Price was to match it to the issue price per Share offered pursuant to the Placement.

Eligible Shareholders may apply for SPP Securities under the SPP Offer, but are not required to do so.

SPP Shares issued under the SPP Offer will, from their time of issue, rank equally in all respects with the Company's existing Shares on issue. Refer to Section 5.1 for a description of the rights and liabilities attaching to the SPP Shares.

The SPP Options offered under the SPP Offer will (if they are issued) be issued on the terms and conditions detailed in Section 5.2. If the SPP Options are exercised, the Shares to be issued upon such exercise will be of the same class and will, from their time of issue, rank equally in all respects with the Company's existing Shares on issue.

### 2.2 Placement Options Offer

On 28 February 2024, the Company announced that it had received firm commitments for a placement of new Shares to raise approximately A\$4.25 million (before costs) at an issue price of A\$0.022 per Share to be issued by the Company together with two free attaching Options (on the terms and conditions in Section 5.2) for every three Shares issued under the placement, exercisable at A\$0.033 per Option and expiring on 28 February 2026 (**Placement Options**) (**Placement**). The Placement comprises:

- (a) 95,312,242 Shares which have been issued to the Placement Investors using the Company's existing Listing Rule 7.1 and 7.1A placement capacity, and, subject to Shareholder approval, the proposed issue of up to 63,541,494 Placement Options (**Tranche 1 Placement**); and
- (b) subject to Shareholder approval, a further 97,869,576 Shares and 65,246,384 Placement Options to the Placement Investors (**Tranche 2 Placement**);

The Shares under the Tranche 1 Placement were issued on Wednesday, 6 March 2024.

The Company is offering pursuant to this Prospectus, up to 128,787,878 of the Placement Options to the Placement Investors, on the basis of two free attaching Placement Options for every three Shares issued under the Placement (**Placement Options Offer**).

Only the Placement Investors may apply for Placement Options under the Placement Options Offer.

The Placement Options offered under the Placement Options Offer will (if they are issued) be issued on the terms and conditions detailed in Section 5.2. If the Placement Options are exercised, the Shares to be issued upon such exercise will be of the same class and will, from their time of issue, rank equally in all respects with the Company's existing Shares on issue.

A Placement Options Application Form in relation to the Placement Options Offer will be sent to the Placement Investors together with a copy of this Prospectus. See Section 2.11 for further details.

No funds will be raised as a result of the issue of Placement Options under the Placement Options Offer as they are offered on a free attaching basis to the Shares issued (in the case of the Tranche 1 Placement), or to be issued (in the case of the Tranche 2 Placement), under the Placement.

## 2.3 Convertible Note Options Offer

On 31 January 2024, the Company announced that it had entered into subscription agreements to raise A\$1.1 million (before costs) from certain professional and sophisticated investors, being the Convertible Note Investors, pursuant to which the Company agreed to issue, and the Convertible Note Investors agreed will subscribe for, an aggregate of 22 convertible notes each with a face value of A\$50,000 per convertible note (**Convertible Notes**). The Company issued the Convertible Notes on 1 and 29 February 2024, respectively.

In accordance with the terms and conditions of the Convertible Notes, the Convertible Notes will convert into Shares (among other events) following the announcement of a transaction, or series of transactions, resulting in the Company receiving aggregate gross proceeds of at least A\$2.0 million via the issue of Shares (**Financing Conversion**). The announcement of the Placement and the SPP Offer constitutes a Financing Conversion. Accordingly, the Company proposes to issue up to 63,445,626 Shares to the Convertible Note Investors on conversion of the Convertible Notes pursuant to the Financing Conversion (**Convertible Note Shares**), subject to Shareholder approval.

In addition, the Company is proposing to also issue to the Convertible Note Investors two free attaching Options (on the terms and conditions in Section 5.2) for every three Convertible Note Shares issued pursuant to the Financing Conversion (**Convertible Note Options**), subject to Shareholder approval (notwithstanding that this was not part of the terms of the subscription agreements). Refer to the notice of meeting announced to the ASX on or around the date of this Prospectus for further details of the Convertible Note Options.

The Company is offering pursuant to this Prospectus, up to 42,297,087 Convertible Note Options to the Convertible Note Investors who will be issued Convertible Note Shares, on the basis of two free attaching Convertible Note Options for every three Convertible Note Shares issued pursuant to the Financing Conversion (**Convertible Note Options Offer**).

Only the Convertible Note Investors (and/or their nominee(s)) may apply for Convertible Note Options under the Convertible Note Options Offer.

The Convertible Note Options offered under the Convertible Note Options Offer will (if they are issued) be issued on the terms and conditions detailed in Section 5.2. If the Convertible Note Options are exercised, the Shares to be issued upon such exercise will be of the same class and will, from their time of issue, rank equally in all respects with the Company's existing Shares on issue.

A Convertible Note Options Application Form in relation to the Convertible Note Options Offer will be sent to the Convertible Note Investors (and/or their nominee(s)) together with a copy of this Prospectus. See Section 2.11 for further details.

No funds will be raised as a result of the issue of Convertible Note Options under the Convertible Note Options Offer as they are offered on a free attaching basis to the Convertible Note Shares issued pursuant to the Financing Conversion.

## 2.4 Shareholder approval

The Company is seeking Shareholder approval for (amongst other matters) the issues of the SPP Securities, the Shares under the Tranche 2 Placement, the Placement Options, the Convertible Note Shares and the Convertible Note Options, which approval is to be sought at a general meeting of the Company, scheduled to be held on Wednesday, 10 April 2024 (**General Meeting**). The Company proposes to seek quotation of the SPP Options, Placement Options and Convertible Note Options subject to satisfying the quotation requirements of ASX.

The Company will announce the results of the General Meeting to the ASX following the General Meeting on Wednesday, 10 April 2024.

The SPP Offer is being made subject to Shareholders approving the issue of SPP Securities pursuant to the SPP Offer for the purposes of Listing Rule 7.1, which approval will be sought at the

upcoming General Meeting. Shareholder approval is required for the proposed issue of SPP Shares under the SPP Offer because Listing Rule 7.2, exception 5 (that would otherwise permit the SPP Shares to be issued under a share purchase plan without Shareholder approval) is not satisfied in this instance, for example due to the ASIC Instrument not applying to the SPP Offer and the Issue Price being lower than the discount permitted by Listing Rule 7.2, exception 5.

If Shareholder approval is not obtained for the issue of SPP Securities under the SPP Offer, then the Company will not be able to proceed with the issue of the SPP Securities and Applicants for SPP Securities will not be issued any SPP Securities and the Company will refund all Application Monies without interest.

It is not proposed for any related party of the Company to participate in the SPP Offer (noting that Listing Rule 10.12, exception 4 (that would otherwise permit the SPP Shares to be issued to related parties under a share purchase plan without Shareholder approval) is not satisfied in this instance, for the same reasons as detailed above in relation to Listing Rule 7.2, exception 5).

In addition, if Shareholder approval is not obtained for the issue of the Placement Options and/or the Convertible Note Options, the issue of those Options will not be able to proceed as the Company does not have the available placement capacity to issue those Options without Shareholder approval under Listing Rule 7.1.

None of the Offers are conditional upon the completion of any other Offer.

## **2.5 Purpose of this Prospectus**

The purpose of this Prospectus is to:

- (a) make the Offers;
- (b) facilitate any potential secondary trading of the New Securities; and
- (c) facilitate any potential secondary trading of the Shares to be issued upon exercise of the SPP Options, Placement Options and Convertible Note Options. Issuing the SPP Options, Placement Options and Convertible Note Options under this Prospectus will enable persons who are issued SPP Options, Placement Options and/or Convertible Note Options to on-sell the Shares issued upon exercise of those Options, pursuant to ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.

However, the Company is not specifically proposing to issue the New Securities for the purpose of the persons to whom they are issued selling or transferring their New Securities, or granting, issuing or transferring interests in, or options or warrants over, their New Securities.

## **2.6 Minimum subscription**

There is no minimum subscription in relation to the SPP Offer.

## **2.7 Oversubscriptions**

The Company will not accept any oversubscriptions in relation to the SPP Offer.

## **2.8 Not underwritten**

The SPP Offer is not underwritten.

## **2.9 Shareholders eligible to apply to participate in the SPP Offer**

Eligible Shareholders will be those Shareholders that satisfy all of the below:

- (a) who were registered as a holder of Shares as at 7:00pm (AEDT) on 27 February 2024 (**Record Date**);
- (b) who were recorded on the Register with an address in Australia, New Zealand, Israel, Hong Kong, Singapore or Thailand;
- (c) who are not resident or located in the United States, and not acting for the account or benefit of persons in the United States; and



- (d) who are not resident or located in any other jurisdiction in or into which an offer of SPP Securities would be unlawful,

**(Eligible Shareholder).**

The SPP Offer to each Eligible Shareholder is made on the same terms and conditions.

Your rights under the SPP Offer are personal to you and the SPP Offer is non-renounceable (i.e., you may not transfer your right to apply for SPP Securities to anyone else).

To apply to participate in the SPP Offer, follow the instructions in this Prospectus (including in Sections 2.11 and 2.13) and the SPP Application Form.

If you are the only registered Eligible Shareholder of a holding of Shares, but you receive more than one SPP Offer (for example, because you hold Shares in more than one capacity), you may only apply for one parcel of SPP Shares with a value of up to A\$30,000 (which may be subject to scale back in accordance with Section 2.12).

If two or more persons were registered on the Register at 7:00pm (AEDT) on the Record Date as jointly holding Shares, then they are taken to be a single registered holder of Shares and a certification given by any of them is taken to be a certification given by all of them. If a joint holder receives more than one SPP Offer due to multiple holdings, then the joint holder may only apply in aggregate for up to the maximum amount of A\$30,000 in total (however, please refer to Section 2.15 for information on Custodians).

The Company reserves the right to reject any Application for SPP Securities under this Prospectus for any reason, such as to the extent it considers that the Application (whether alone or in conjunction with other Applications) does not comply with these requirements.

## **2.10 Opening Date and Closing Date of the Offers**

The opening date for the Offers is Wednesday, 20 March 2024 (**Opening Date**).

The closing date for the Offers is 7:00pm (AEST) on Friday, 12 April 2024 (**Closing Date**).

Late applications will not be accepted. However, the Directors reserve their right, subject to the Corporations Act and the Listing Rules, to vary the Closing Date without prior notice including closing any one or more of the Offers early or late. If the Closing Date is varied, subsequent dates may also be varied accordingly.

## **2.11 Application Forms**

The Company will send this Prospectus, together with the Application Form, to selected persons whom the Directors determine are eligible to participate in an Offer.

Applications must comply with this Prospectus and the instructions on the relevant Application Form. An Application is an offer by the Applicant to the Company to apply for the amount of New Securities specified in the Application Form (or, in the case of the SPP Offer, the number of SPP Shares the subject of the relevant Application Monies paid to the Company by BPAY® or EFT payment with or without lodging the Application Form), or any lesser number of New Securities determined by the Company, on the terms set out in this Prospectus.

The Company's decision on the number of New Securities to be issued to an Applicant under any of the Offers (or whether to refuse to issue New Securities) will be final.

### **(a) SPP Offer**

If you wish to subscribe for SPP Securities under the SPP Offer, please pay your Application Monies in accordance with the instructions in the SPP Application Form and Section 2.13.

Pursuant to the SPP Offer, Eligible Shareholders may apply for a maximum of A\$30,000 worth of SPP Shares (being 45,454,545 SPP Shares and the corresponding 30,303,030 SPP Options). Eligible Shareholders may participate by selecting one of the following options to make an Application for SPP Securities under the SPP Offer:

Parcel	Application Monies	Number of SPP Shares	Number of attaching SPP Options
A	<b>A\$30,000</b>	1,363,636	909,090
B	<b>A\$25,000</b>	1,136,363	757,575
C	<b>A\$20,000</b>	909,090	606,060
D	<b>A\$15,000</b>	681,818	454,545
E	<b>A\$10,000</b>	454,545	303,030
F	<b>A\$5,000</b>	227,272	151,514
G	<b>A\$2,500</b>	113,636	75,757

The above table details the number of SPP Securities that would be issued for different amounts of Application Monies (assuming there is no scale back of applications) and assuming the Company accepts the Application and elects to issue those SPP Securities (which election is in the Company's sole discretion). Where the amount applied for results in a fraction of a SPP Security, the number of SPP Securities issued will be rounded down to the nearest whole number.

If you do not provide the exact amount of Application Monies, the Company reserves its right to return your Application Monies or round your Application Monies down to the next valid parcel. If the Company returns all your Application Monies, no SPP Securities will be issued to you.

If an Eligible Shareholder applies for an amount which is not exactly divisible by the Issue Price, in calculating the number of SPP Shares to be issued, all fractional entitlements will be rounded down to the nearest whole number of Shares. The Company will not refund any resulting small excess in subscription monies (i.e., A\$5 or less) which will be deemed to form part of the aggregate Issue Price for the SPP Shares.

The SPP Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to apply for any SPP Securities offered under the SPP Offer.

SPP Application Forms and payments under the SPP Offer are irrevocable and may not be withdrawn once the Company receives it. Applications may be scaled back or rejected, at the absolute discretion of the Company.

If the SPP Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the SPP Application Form as valid and how to construe, amend or complete it is final.

Payment by the Applicant (who is an Eligible Shareholder) to the Company of Application Monies (whether with or without lodgement of a SPP Application Form) and subsequent allocation of SPP Securities by the Company to that Applicant (which decision is in the sole discretion of the Company) together create a legally binding contract between the Applicant and the Company for the number of SPP Securities accepted by, and allocated by, the Company.

An SPP Application Form does not need to be lodged, as payment of the Application Monies in accordance with the procedures set out in the SPP Application Form and Section 2.13 constitute an Application for SPP Securities. Any SPP Application Form which is lodged with the Company or the Company's share registry does not need to be signed to be a binding application for SPP Securities.

(b) **Placement Options Offer**

Applications for Placement Options under the Placement Options Offer may only be submitted by the Placement Investors and must be made using the Placement Options Application Form that accompanies this Prospectus and is provided directly to the Placement Investors. The Placement Options Application Form must be completed in accordance with instructions provided in the Placement Options Application Form.

No monies are payable for the Placement Options offered pursuant to this Prospectus as the Placement Options are being issued on the basis of two free attaching Placement Options for every three Shares issued under the Placement.

Where the amount applied for results in a fraction of a Placement Option, the number of Placement Options issued will be rounded down to the nearest whole Placement Option.

Acceptance of a completed Placement Options Application Form by the Company and subsequent allocation of Placement Options by the Company (which decision is in the sole discretion of the Company) together create a legally binding contract between the Applicant and the Company for the number of Placement Options accepted by, and allocated by, the Company. The Placement Options Application Form does not need to be signed to be a binding application for Placement Options.

If the Placement Options Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Placement Options Application Form as valid and how to construe, amend or complete it is final.

(c) **Convertible Note Options Offer**

Applications for Convertible Note Options under the Convertible Note Options Offer may only be submitted by the Convertible Note Investors (and/or their nominee(s)) and must be made using the Convertible Note Options Application Form that accompanies this Prospectus and is provided directly to the Convertible Note Investors. The Convertible Note Options Application Form must be completed in accordance with instructions provided in the Convertible Note Options Application Form.

No monies are payable for the Convertible Note Options offered pursuant to this Prospectus as the Convertible Note Options are being issued on the basis of two free attaching Convertible Note Options for every three Convertible Note Shares issued pursuant to the Financing Conversion.

Where the amount applied for results in a fraction of a Convertible Note Option, the number of Convertible Note Options issued will be rounded down to the nearest whole Convertible Note Option.

Acceptance of a completed Convertible Note Options Application Form by the Company and subsequent allocation of Convertible Note Options by the Company (which decision is in the sole discretion of the Company) together create a legally binding contract between the Applicant and the Company for the number of Convertible Note Options accepted by, and allocated by, the Company. The Convertible Note Options Application Form does not need to be signed to be a binding application for Convertible Note Options.

If the Convertible Note Options Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Convertible Note Options Application Form as valid and how to construe, amend or complete it is final.

2.12 **Scale back, oversubscriptions or refusal of Application pursuant to the SPP Offer**

The Company may raise up to a total of A\$1 million (before costs) pursuant to the SPP Offer. The Company reserves the right to scale back applications (in whole or in part) pursuant to the SPP Offer (or withdraw the SPP Offer). Consequently, the Directors reserve the right to reject any Application or to allocate any Applicant fewer SPP Shares (and fewer corresponding SPP Options) under the SPP Offer than the number applied for.

Factors which the Directors may take into account in determining any scale back include, but are not limited to:

- (a) the size of an Eligible Shareholder's shareholding at the Record Date;
- (b) the extent to which the Eligible Shareholder has sold or purchased Shares since the Record Date;
- (c) whether the Eligible Shareholder may have multiple registered holdings;
- (d) the amount applied for by each Eligible Shareholder;
- (e) the date on which the Application was made;
- (f) the total Applications received from Eligible Shareholders; and
- (g) any other such criteria as determined by the Directors in their absolute discretion.

If there is a scale back, you may not receive all the SPP Securities for which you have applied. If a scale back produces a fractional number when applied to the number of SPP Securities for which you have applied, the number of SPP Securities issued to you will be rounded down to the nearest whole number of SPP Securities.

If there is a scale back, the difference between the Application Monies received from you, and the number of SPP Shares issued to you multiplied by the Issue Price, will be refunded to you in full (in A\$ and without interest and at your sole risk).

The Directors reserve their right (in their absolute discretion) to refuse an Application (in whole or in part), such as if they consider that:

- (a) it is reasonable and prudent to do so;
- (b) the Applicant is not an Eligible Shareholder;
- (c) the issue of those SPP Securities may contravene any applicable law, rule or regulation in any jurisdiction (including without limitation the Corporations Act or the Listing Rules) or the requirements of any regulatory or governmental body or may require further action to be taken by the Company including, without limitation, registration of Shares or the preparation of a prospectus in any jurisdiction; or
- (d) the Applicant has not otherwise complied with the terms and conditions in this Prospectus.

If an Application is refused in whole or in part, the relevant Application Monies will be returned to the Applicant (in A\$ and without interest and at the Applicant's sole risk). The Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

All Directors' decisions in connection with a scale back or refusal of an Application are final.

## 2.13 **Payment of Application Monies**

The Issue Price of SPP Shares under the SPP Offer is A\$0.022 per SPP Share.

For Eligible Shareholders participating in the SPP Offer, Application Monies must be received by the Company by 7:00pm (AEST) on the Closing Date.

### (a) **Payment by BPAY® (Australian Applicants)**

For payment by BPAY®, please follow the instructions on the SPP Application Form.

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the SPP Application Form, but are taken to have made the declarations in the SPP Application Form; and
- (ii) if you do not pay an amount equal to one of the amounts of Application Monies detailed in the table in Section 2.11(a), you will be deemed to have applied for the

number of SPP Securities which correspond to the amount of Application Monies in that table that is the next lowest compared to your payment. In this event, the additional Application Monies will be refunded promptly, and without interest, following Friday, 12 April 2024 (or such other date as the Board determines).

It is your responsibility to ensure that your BPAY® payment is received by the Company's share registry by no later than 7:00pm (AEST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with respect to electronic payment and you should therefore take this into consideration when making payment. No interest will be paid on any Application Monies received or refunded.

**(b) Payment by EFT (Overseas Applicants)**

If you are an Eligible Shareholder located in New Zealand, Israel, Hong Kong, Singapore or Thailand, you may elect to make payment by EFT. Please follow the instructions on the SPP Application Form for details on how to pay via EFT. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the SPP Application Form but are taken to have made the declarations on that SPP Application Form;
- (ii) if you do not pay an amount equal to one of the amounts of Application Monies detailed in the table in Section 2.11(a), you will be deemed to have applied for the number of SPP Securities which correspond to the amount of Application Monies in that table that is the next lowest compared to your payment. In this event, the additional Application Monies will be refunded promptly, and without interest, following Friday, 12 April 2024 (or such other date as the Board determines); and
- (iii) if you have multiple holdings, you will have multiple EFT unique reference numbers. You must use the unique reference number shown on a particular personalised SPP Application Form when paying for any SPP Shares that you wish to apply for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be refunded to the Applicant without interest. If you receive more than one SPP Offer (for example, because you hold Shares in more than one capacity), you may only apply for one parcel of SPP Shares with a value of up to A\$30,000 (which may be subject to scale back in accordance with Section 2.12).

If you make a BPAY® or EFT payment to apply for SPP Shares, you do not need to return the SPP Application Form. However, you must quote your reference number provided on your personalised SPP Application Form which will process your payment to your Application. Please ensure you make a payment for the exact amount of the SPP Share parcel for which you wish to subscribe. You will be deemed to have applied for such parcel of SPP Shares for which you have paid.

**2.14 Effect of making an application under the SPP Offer**

If you apply for SPP Securities (including (without limitation) by submitting payment by BPAY® or EFT), you:

- (a) will be deemed to have represented and warranted to the Company that you:
  - (i) are an Eligible Shareholder and are eligible to participate in the SPP Offer;
  - (ii) have read and understood the terms and conditions of the SPP Offer detailed in this Prospectus and the accompanying SPP Application Form and read them both in their entirety and have applied for SPP Securities in accordance with those terms and conditions;
  - (iii) have read and understood the TMD and that you fall within the target market set out in the TMD; and
  - (iv) agree to be bound by the Articles as in force from time to time;
- (b) irrevocably and unconditionally agree to the terms and conditions of the SPP Offer detailed in this Prospectus and the terms of the SPP Application Form;

- (c) acknowledge that once any payment of Application Monies via BPAY® or EFT is made, you may not withdraw your Application or funds provided except as allowed by law;
- (d) accept the risk associated with any refund that may be dispatched to you at your address as shown on the Register;
- (e) are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
- (f) acknowledge that this Prospectus does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to the ASX;
- (g) acknowledge the statement of risks in Section 4 and that investments in the Company are subject to risk;
- (h) acknowledge that you have not been provided with investment advice or financial product advice by the Company or its Directors and have made your own enquiries before making an investment decision;
- (i) acknowledge and agree that if you are acting as a trustee, nominee or Custodian:
  - (i) each beneficial holder on whose behalf you are participating is resident in Australia, New Zealand, Israel, Hong Kong, Singapore or Thailand; and
  - (ii) you have not sent this Prospectus, the SPP Application Form or any other material relating to the SPP Offer to any person in the United States;
- (j) certify and represent to the Company that you have not applied for more than A\$30,000 worth of SPP Shares (subject, if applicable, to any valid Custodian Certificate (which is acceptable to the Company) which you have provided to the Company pursuant to Section 2.15 in your capacity as a Custodian);
- (k) certify and represent to the Company that the total of the Application Monies for the following does not exceed A\$30,000 (irrespective of whether you may have received more than one SPP Offer or received SPP Offers in more than one capacity):
  - (i) the SPP Shares the subject of your Application under the SPP Offer;
  - (ii) any other SPP Shares which you have applied for under the SPP Offer; and
  - (iii) any other SPP Shares which you have instructed a Custodian to acquire on your behalf under the SPP Offer,

(subject, if applicable, to any valid Custodian Certificate (which is acceptable to the Company) which you have provided to the Company pursuant to Section 2.15 in your capacity as a Custodian); and
- (l) will be deemed to have made the following declarations and representations to the Company:
  - (i) you acknowledge that the SPP Securities have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly the SPP Securities may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
  - (ii) you are purchasing SPP Shares outside the United States in an "offshore transaction" (as defined in Rule 902(h) under the US Securities Act);
  - (iii) you represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States;

- (iv) you agree not to send this Prospectus, the SPP Application Form or any other material relating to the SPP Offer to any person in the United States or elsewhere outside of Australia, New Zealand, Israel, Hong Kong, Singapore or Thailand;
- (v) you agree that if in the future you decide to sell or otherwise transfer the SPP Shares or SPP Options (or Shares on exercise of the SPP Options) you will only do so in "regular way" transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;
- (vi) if you are acting as a nominee or Custodian, each beneficial holder on whose behalf you are making an Application is resident in Australia, New Zealand, Israel, Hong Kong, Singapore or Thailand (except, with the written consent of the Company, in another country in compliance with the applicable laws), and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent and will not send, this Prospectus, the SPP Application Form or any other material relating to the SPP Offer to any person outside of Australia, New Zealand, Israel, Hong Kong, Singapore or Thailand (except, with the written consent of the Company, in another country in compliance with the applicable laws);
- (vii) you are in compliance with all relevant laws and regulations (including, without limitation, section 1043A of the Corporations Act (insider trading) and sections 241 to 243 of the Financial Markets Conduct Act 2013 (insider trading) and laws and regulations designed to restrict terrorism financing and/or money laundering);
- (viii) you are not a "designated person" or "designated entity" (or other like term) for the purpose of any domestic or international law or regulation implementing United Nations sanctions; and
- (ix) acknowledge that the market price of Shares may rise or fall between the Opening Date of the SPP Offer and the date when SPP Securities are allotted and issued under the SPP Offer and that the Issue Price you pay per SPP Share pursuant to the SPP Offer may exceed the price of Shares at the time the SPP Securities are allotted and issued under the SPP Offer.

## 2.15 Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a Custodian, you may apply for up to the maximum of 1,363,636 SPP Shares and 909,090 SPP Options for each beneficiary for whom you, as an Eligible Shareholder, acted as Custodian at 7:00pm (AEDT) on the Record Date and continue to act as their Custodian, provided you provide a certificate to the Company (**Custodian Certificate**) with the following information:

- (a) that you held Shares in the Company on behalf of one or more other persons (each a **Participating Beneficiary**) at 7:00pm (AEDT) on the Record Date who have subsequently instructed you to apply for SPP Shares (and free attaching SPP Options) under the SPP Offer on their behalf;
- (b) the number of Participating Beneficiaries and their names and addresses;
- (c) the number of Shares that you hold on behalf of each Participating Beneficiary;
- (d) the dollar amount of SPP Shares (and free attaching SPP Options) that each Participating Beneficiary has instructed you, either directly or indirectly through another Custodian, to apply for on their behalf;
- (e) that the amount of Application Monies for SPP Shares applied for under the SPP Offer for each Participating Beneficiary for whom you act does not exceed A\$30,000;
- (f) that a copy of this Prospectus was given to each Participating Beneficiary; and
- (g) where you hold Shares on behalf of a beneficiary indirectly through one or more interposed Custodians, the name and address of each interposed Custodian.

By making payment of Application Monies on behalf of a Participating Beneficiary, you certify that you are the Custodian for the Participating Beneficiary and that the above information in this Section 2.15 (as you provide via a Custodian Certificate) and the information detailed in the SPP Application Form is true and correct as at the date of the Application.

Custodians should request a Custodian Certificate when making an Application on behalf of Participating Beneficiaries. Custodian Certificates must be provided via email to [custodialcertificates@automicgroup.com.au](mailto:custodialcertificates@automicgroup.com.au) before the Closing Date. To request a Custodian Certificate and if you would like further information on how to apply, you should contact the Company Secretary via email at [emily.austin@automicgroup.com.au](mailto:emily.austin@automicgroup.com.au) before the Closing Date.

The Company reserves the right to reject any Application for SPP Securities under this Prospectus, such as to the extent that it considers that the Application (whether alone or in conjunction with other applications) does not comply with these requirements.

## **2.16 Powers of the Company in relation to Applications**

There is no assurance that any Applicant will be allocated any New Securities, or the number of New Securities for which the Applicant has applied. The Board may (without limitation) in its absolute discretion, without notice to any Applicant and without giving any reason:

- (a) withdraw any one or more of the Offers at any time before the issue of New Securities to successful Applicants;
- (b) decline an Application;
- (c) accept an Application for its full amount or any lower amount;
- (d) determine a person to be eligible or ineligible to participate in one or more of the Offers;
- (e) waive or correct any errors made by an Applicant in completing their Application Form;
- (f) amend or waive the Offers application procedures or requirements in compliance with applicable laws; or
- (g) aggregate any Applications that they believe may be multiple Applications from the same person.

The Company may settle any dispute in connection with the Offers in any manner it thinks fit, whether generally or in relation to any Applicant, Application or New Securities. The Company's decision will be final and binding.

The Company reserves its right to waive strict compliance with any terms and conditions of any one or more of the Offers.

## **2.17 ASX Quotation**

Application will be made to the ASX no later than seven days after the date of this Prospectus for Official Quotation of the New Securities offered under this Prospectus.

The SPP Options, Placement Options and Convertible Note Options will only be admitted to Official Quotation by ASX if the conditions for quotation of a new class of securities are satisfied.

Failure to obtain Official Quotation of the SPP Options, Placement Options and/or Convertible Note Options will not prevent the issue of the SPP Options, Placement Options and Convertible Note Options and will not cause any such issue to be void pursuant to the Corporations Act, as the Offers are not conditional upon Official Quotation of the SPP Options, Placement Options and Convertible Note Options being granted.

If Official Quotation of the SPP Options, Placement Options and/or Convertible Note Options is not granted, the SPP Options, Placement Options and/or Convertible Note Options issued pursuant to the Offers will not be able to be traded on the ASX.

However, the SPP Offer is conditional on the relevant SPP Shares which are issued pursuant to the SPP Offer being admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus (or within such longer period as may be permitted by law).



If the SPP Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus (or within such longer period as may be permitted by law) any issue of SPP Securities will be void and the Company will repay all Application Monies for the SPP Shares within the time prescribed under the Corporations Act, without interest.

ASX takes no responsibility for the contents of this Prospectus. The fact that the ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company, the SPP Securities, the Placement Options or the Convertible Note Options to be issued.

#### **2.18 Refunds**

Refunds pursuant to the SPP Offer may be paid under various circumstances detailed in this Prospectus. If a refund is made, payment will be made by EFT to your nominated Australian bank account. Please note that you can update your bank details at <https://investor.automic.com.au/#/home>. You will not receive interest on any funds refunded to you.

#### **2.19 Costs of participation**

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the Application for, and allotment of SPP Securities under the SPP Offer.

#### **2.20 CHESS**

The Company participates in the Clearing House Electronic Sub-Register System, known as CHESS, operated by ASX Settlement (a wholly owned subsidiary of the ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to holders of SPP Shares (nor, assuming ASX grants Official Quotation of the SPP Options, Placement Options and/or Convertible Note Options, to holders of those Options). Rather, holding statements (similar to bank statements) would be dispatched to holders of New Securities as soon as practicable after issue. Holding statements would be sent either by CHESS (for New Security holders who elect to hold New Securities on the CHESS sub-register) or by the Company's share registry (for New Security holders who elect to hold their New Securities on the issuer sponsored sub-register). The statements would set out the number of New Securities issued under this Prospectus and the Holder Identification Number (for New Security holders who elect to hold New Securities on the CHESS sub register) or Shareholder Reference Number (for New Security holders who elect to hold their New Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each New Security holder following the month in which the balance of their New Securities holding changes, and also as required by the Listing Rules and the Corporations Act.

Alternatively, if the ASX does not grant Official Quotation of the SPP Options, Placement Options and/or Convertible Note Options, the Company will instead issue certificates to the holders of those Options.

#### **2.21 Applicants outside Australia**

Applicable laws may restrict the distribution of this Prospectus outside of Australia. The Offers under this Prospectus do not, and the Company does not intend them to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of all overseas jurisdictions in which Shareholders resided as at 7:00pm (AEDT) on the Record Date, having regard to the number of such overseas Shareholders, the number and value of those SPP Securities in which those overseas Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the SPP Offer is not being extended, and no SPP Securities will be issued to Shareholders with a registered address that is outside of Australia, New Zealand, Israel, Hong Kong, Singapore or Thailand or any other jurisdiction where the Company is not satisfied that it is lawfully able to make such an offer or issue this Prospectus without being required to take any further action in the relevant jurisdiction concerned.

### *New Zealand*

The SPP Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of the SPP Securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### *Israel*

The SPP Securities have not been registered, and no prospectus will be issued, under the Israeli Securities Law, 1968 (**Securities Law**). Accordingly, the SPP Securities will only be offered and sold in Israel pursuant to private placement exemptions, namely to no more than 35 offerees who fall within a category of sophisticated investor as described in the First Addendum of the Securities Law.

Neither this Prospectus nor any activities related to the SPP Offer shall be deemed to be the provision of investment advice. If any recipient of this Prospectus is not the intended recipient, such recipient should promptly return this Prospectus to the Company. This Prospectus has not been reviewed or approved by the Israeli Securities Authority in any way.

### *Hong Kong*

**WARNING:** This Prospectus 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 (**SFO**). Accordingly, this Prospectus may not be distributed, and the SPP Securities may 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 SPP Securities 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 SPP Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted SPP Securities 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 Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the SPP Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

### *Singapore*

This Prospectus and any other materials relating to the SPP Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of SPP Securities, may not be issued, circulated or distributed, nor may such securities 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 13 of the Securities and Futures Act 2001 of Singapore (**SFA**) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

The SPP Offer is not made to you with a view to the SPP Securities being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire SPP Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

#### *Thailand*

This Prospectus is not intended to be an offer, sale or invitation (directly or indirectly) for subscription or purchase of securities to the public in Thailand. This Prospectus has not been registered as a prospectus and registration statement with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this Prospectus and any other document relating to the offer, sale or invitation for subscription or purchase, of the SPP Securities may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public of Thailand.

This Prospectus may be distributed in Thailand solely to existing Shareholders and in compliance with any applicable rule, notification and regulation regarding filing requirements.

#### **2.22 Withdrawal**

The Directors may at any time decide to withdraw this Prospectus or any Offer at any time prior to the issue of New Securities pursuant to that Offer.

If the Directors withdraw the SPP Offer, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

#### **2.23 Risk factors**

An investment in New Securities under this Prospectus should be regarded as highly speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company, which are detailed (non-exhaustively) in Section 4.

#### **2.24 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Securities under this Prospectus (nor of exercising any SPP Options, Placement Options and/or Convertible Note Options into Shares). The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for New Securities under this Prospectus.

#### **2.25 Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing that Application and, if the Application is successful, to administer the Applicant's security holding in the Company. Such information may be used to assess your Application, service your needs as a holder of securities, provide facilities and services that you request and carry out appropriate administration.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Company's share registry, the Company's or its subsidiaries' agents, contractors and third party service providers, including mailing houses and professional advisers, and to the ASX and regulatory authorities, or as otherwise permitted under the *Privacy Act 1988* (Cth).

The information may also be used from time to time by, and disclosed to, persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

If you do not provide the information required on the Application Form (or otherwise requested by the Company), the Company may not be able to accept or process your Application.

Shareholders can access, correct and update the personal information the Company holds about them by contacting the Company or its share registry at the relevant contact numbers detailed in this Prospectus. A fee may be charged for access. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

## **2.26 Enquiries concerning Prospectus**

Enquiries relating to this Prospectus or the Offers should be directed to the Company's share registry, Automic Group Pty Ltd on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8:30am and 7:00pm (AEDT) Monday to Friday (excluding public holidays) during the offer period for the Offers or via email at [corporate.actions@automicgroup.com.au](mailto:corporate.actions@automicgroup.com.au).

### 3 Purpose and Effect of the Offers

#### 3.1 Effect of the Offers on the Company and Use of Funds

The Placement and SPP Offer are being undertaken for the Company to raise up to approximately A\$5.25 million (before costs). Of that total amount which may be raised, approximately A\$2,096,869 has already been received by the Company as the aggregate issue price for the Tranche 1 Placement.

The above amounts exclude any funds which may be raised in future from any exercise of the SPP Options, Placement Options and Convertible Note Options issued pursuant to this Prospectus.

Funds raised from issue of Shares pursuant to the Placement and from the issue of SPP Shares, and any exercise of the SPP Options, Placement Options and Convertible Note Options, are indicatively proposed to be used towards:

- (a) fund general working capital to continue the Company's growth trajectory – noting that the Company continues to sign up new enterprise clients and enters into contracts with those clients to perform VAT/GST reclaim services;
- (b) accelerate recent initiatives undertaken to expedite the pathway to profitability, in particular, the Company has announced that it has launched an AI driven automated auditing product, 'AI-AP Compliance' for use in 80 countries; and
- (c) explore and undertake due diligence activities on any potential growth opportunities.

As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied.

To the extent the SPP Offer is not fully subscribed, the Company will seek to appropriately scale back and or delay its discretionary spending, while it seeks alternative sources of funding (as required).

No funds will be raised from the issue of the SPP Options, Placement Options or Convertible Note Options (other than funds which may be raised if those Options are subsequently exercised) as the SPP Options, Placement Options and the Convertible Note Options are free-attaching to Shares issued under the SPP Offer, the Placement and the Financing Conversion, respectively, on a two for three basis.

#### 3.2 Effect on the Capital Structure

The effect of the Offers on the capital structure of the Company, assuming the maximum numbers of New Securities are issued pursuant to the Offers (and assuming the Shares pursuant to the Tranche 2 Placement and Convertible Note Shares) are issued, is as follows (actual figures may vary, for example due to rounding):

	Shares	Options
Securities on issue as at the date of this Prospectus	747,211,213 <sup>1</sup>	99,892,651
Shares to be issued under the Tranche 2 Placement <sup>2</sup>	97,869,576	-
SPP Securities to be issued under the SPP Offer (assuming maximum number of SPP Shares are issued) <sup>3</sup>	45,454,545	30,303,030
Placement Options to be issued under the Placement Options Offer <sup>4</sup>	-	128,787,878

	Shares	Options
Convertible Note Shares to be issued to the Convertible Note Investors	63,445,626 <sup>5</sup>	-
Convertible Note Options to be issued under the Convertible Note Options Offer <sup>6</sup>	-	42,297,087
<b>TOTAL<sup>7</sup></b>	<b>953,980,960</b>	<b>301,280,646</b>

**Notes:**

- This figure comprises the following:
  - 95,312,242 Shares that were issued under the Tranche 1 Placement on 6 March 2024; and
  - 290,539 Shares that are subject to escrow.
- The Shares under the Tranche 2 Placement are anticipated to be issued on or around Wednesday, 17 April 2024 (subject to Shareholder approval at the General Meeting).
- This assumes the maximum amount of A\$1 million is raised pursuant to the SPP Offer. The SPP Securities under the SPP Offer are subject to Shareholder approval at the General Meeting.
- The Placement Options to be issued under the Placement Options Offer are subject to Shareholder approval at the General Meeting. The terms and conditions of the Placement Options are detailed in Section 5.2.
- The Convertible Note Shares are anticipated to be issued on or around Wednesday, 17 April 2024 (subject to Shareholder approval at the General Meeting). Refer to the Company's ASX announcement on 31 January 2024 for further details.
- The Convertible Notes Options to be issued under the Convertible Notes Options Offer are subject to Shareholder approval at the General Meeting. The terms and conditions of the Convertible Notes Options are detailed in Section 5.2.
- On a fully diluted basis, assuming all of the Options detailed above convert into Shares, the Company's issued capital detailed above would equate to 1,255,261,606 Shares. No forecast is made of whether any Options will be exercised or converted into Shares.

### 3.3 Effect of the Offers on control of the Company

The Company is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of its shares (including substantial holdings and takeovers), as it is a company incorporated in Israel. However, the Company does not anticipate that the participation under the Offers will result in any of the Shareholders having a holding of more than 25% (being the applicable takeovers threshold under the Companies Law).

### 3.4 Pro Forma Statement of Financial Position

The pro forma statement of financial position of the Company as at 31 December 2023 has been prepared by the Company based on the unaudited statement of financial position as at 31 December 2023, and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the SPP Offer, Placement and the issue of Convertible Notes had occurred by 31 December 2023.

The pro-forma financial information has not been audited or reviewed and, other than the estimated costs of the SPP Offer, Placement and the issue of Convertible Notes, it does not include the indicative expenditure of the proceeds of the SPP Offer, Placement or the issue of Convertible Notes.

The pro forma financial information is presented in an abbreviated form, in so far as it does not include all of the disclosure statements or comparative information required by IFRS applicable to the Company's annual financial statements.

The financial information should be read in conjunction with the risk factors described in Section 4, and other information detailed within or referred to in this Prospectus, including the Company's other periodic and continuous disclosure announcements referred to in Section 5.4.

	31 December 2023 US\$ (thousands)	Placement	Pro-forma Adjustments US\$ (thousands)		Pro-forma 31 December 2023 US\$ (thousands)
			SPP	Convertible Notes	
<b>Current Assets</b>					
Cash and cash equivalents	493	2,715	613	704	4,525
Trade Receivables	2,369				2,369
Other accounts receivable	131				131
<b>Total Current Assets</b>	<b>2,993</b>	<b>2,715</b>	<b>613</b>	<b>704</b>	<b>7,025</b>
<b>Non-Current Assets</b>					
Property, plant and equipment, net	33				33
Right-of-use assets	220				220
Intangible Assets	900				900
<b>Total Non-Current Assets</b>	<b>1,153</b>				<b>1,153</b>
<b>TOTAL ASSETS</b>	<b>4,146</b>	<b>2,715</b>	<b>613</b>	<b>704</b>	<b>8,178</b>
<b>LIABILITIES AND EQUITY (DEFICIT)</b>					
<b>Current Liabilities</b>					
Bank Loans	1,005				1,005
Governmental Loans	19				19
Trade payables	220				220
Lease liabilities	125				125
Contingent consideration	55				55
Liability for royalties payable	98				98
Other accounts payable	2,207				2,207
<b>Total Current Liabilities</b>	<b>3,729</b>				<b>3,729</b>
<b>Non-Current Liabilities</b>					
Bank Loans	385				385
Governmental Loans	270				270
Contingent consideration	82				82
Lease liabilities	99				99
Liability for royalties payable	378				378
Other liabilities	208				208
<b>Total Non-Current Liabilities</b>	<b>1,422</b>				<b>1,422</b>

	31 December 2023 US\$ (thousands)	Placement	Pro-forma Adjustments US\$ (thousands)		Pro-forma 31 December 2023 US\$ (thousands)
			SPP	Convertible Notes	
<b>EQUITY (DEFICIT)</b>					
Share Capital	1,857	533	125	175	2,690
Additional paid in capital	21,587	2,182	488	508	24,765
Share based payment reserve	3,304				3,304
Adjustment due to currency translation	(566)				(566)
Accumulated deficit	(27,187)				(27,187)
<b>TOTAL EQUITY (DEFICIT)</b>	<b>(1,005)</b>				<b>3,006</b>
<b>Total Liabilities and Equity (DEFICIT)</b>	<b>4,146</b>	<b>2,715</b>	<b>613</b>	<b>683</b>	<b>8,157</b>

The figures stated in this pro forma statement of financial position are based on a USD/AUD foreign exchange rate of 1.465 (unless otherwise stated). Adjustments as follows:

- 1 the issue of 193,181,818 Shares at A\$0.022 per Share under the Placement to raise gross proceeds of A\$4,250,000 (US\$2,901,024) less the cost of the Placement (including brokerage, lead manager and quotation fees) of approximately A\$272,000 (US\$186,301) (excluding GST);
- 2 the issue of 45,454,545 SPP Shares at A\$0.022 per SPP Share to raise gross proceeds of A\$1,000,000 (US\$682,594) (assuming the SPP Offer is fully subscribed) less the cost of the SPP Offer as detailed in Section 5.15 (being US\$68,780); and
- 3 the issue of Convertible Notes on 1 and 29 February 2024, respectively, to raise gross proceeds of A\$1,100,000 (US\$750,853) less the cost of the Convertible Notes Options Offer (including lead manager, legal and quotation fees) of approximately A\$70,000 (US\$47,782) (excluding GST).



## 4 Risk Factors

The New Securities offered under this Prospectus should be considered highly speculative because of the nature of the business activities of the Company and no assurances can be made that the Company's business operations will be successful. Potential investors should consider whether the New Securities offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors detailed below.

Potential investors should be aware of the risks specific to an investment in the Company, which may include, but are not limited to those risks detailed below.

This list is not exhaustive and potential investors should read this Prospectus in its entirety and the Company's ASX announcements and if in any doubt consult their professional adviser before deciding whether to participate in the Offers.

### 4.1 Specific Risks Associated with Way2VAT

#### (a) Future Capital Needs and Additional Funding

At present, Way2VAT is not operating on a cash flow positive basis, meaning it is reliant on raising additional funds from investors to continue to fund its operations and development of its platform. Way2VAT intends to continue to spend significant funds to develop its platform, expand its sales and marketing and grow its operations as well as meet the compliance obligations, resulting in further net losses in the future.

The Directors consider that the Placement and the SPP Offer will provide Way2VAT with sufficient capital to continue to operate as a going concern and progress and grow its operations. However, Way2VAT may require additional funding in the future to finance ongoing operations and realise its growth strategy. The future capital requirements of Way2VAT (both in respect to timing and quantum) will depend on many factors, including whether Way2VAT can grow existing revenues and achieve its business strategy/plan, as the Company targets operating on a breakeven basis.

No assurances can be given that Way2VAT will be able to raise additional funding and Way2VAT's ability to obtain additional funding will depend on investor demand, its performance and reputation, market conditions and other factors. Way2VAT may seek to raise further funds through equity or debt financing or other means. Failure to obtain sufficient financing for Way2VAT's activities and business may have a material adverse effect on Way2VAT's business and its financial condition and performance. 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 Way2VAT continues to incur losses in the future, the net losses and negative cash flows may have an adverse effect on shareholder equity and Way2VAT's working capital.

#### (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.

(c) **Failure to increase reclaim volumes, number of clients or establish its brand**

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.

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) **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, anti-money laundering procedures, data protection laws and contractual conditions, including:

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

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.

(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. Way2VAT 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 Way2VAT 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 Way2VAT to find adequate replacements on a timely basis, or at all, could have a material effect on Way2VAT'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 its 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) Risks of an Israeli company**

Way2VAT 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 Way2VAT'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 Way2VAT's Israeli-based Directors and key management and scientific personnel) could materially and adversely affect Way2VAT's business and make it more difficult for Way2VAT 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 Way2VAT's ability to sell its products, its business operations and financial performance.

**(j) Global conflicts**

The current evolving conflict between Ukraine and Russia and Israel and Palestine (**Ukraine and Gaza Conflicts**) is impacting global economic markets. The nature and

extent of the effect of the Ukraine and Gaza Conflicts on the performance of Way2VAT remains unknown. Way2VAT's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine and Gaza Conflicts. The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the potential of cyber activity impacting governments and businesses.

Further, any governmental or industry measures taken in response to the Ukraine and Gaza Conflicts, including limitations on travel and changes to import/export restrictions and arrangements involving the relevant countries may adversely impact Way2VAT's operations and are likely to be beyond the control of Way2VAT. Way2VAT is monitoring the situation closely and considers the impact of the Ukraine and Gaza Conflicts on Way2VAT's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

**(k) 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 Way2VAT'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 Way2VAT until a suitable successor can be found. There are limited persons with the requisite competencies to serve in these positions, and Way2VAT cannot provide any assurance that Way2VAT would be able to locate or employ such qualified personnel in a timely manner, on terms acceptable to Way2VAT 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.

**(l) 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.

**(m) Employee recruitment risk and retention**

Way2VAT's 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.

(n) **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.

(o) **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 automatic invoice analyser 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.

(p) **Way2VAT technology may be superseded by other technology or changes in business practice**

Way2VAT participates in a competitive environment. Information technology 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.

(q) **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.

(r) **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.

(s) **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 Way2VAT's financial performance and reputation.

(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.

## 4.2 **General 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 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 may 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 Issue Price. There is no assurance that the price of the Shares will increase following the quotation on ASX.

(b) **Liquidity of Shares**

There can be no guarantee that there will be an active trading market for Shares quoted on ASX. There may be relatively few potential buyers or sellers of Shares on ASX at any given time.

(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 Way2VAT'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 ASX at a price below the

Issue Price for a wide variety of reasons, not all of them related to the financial performance of Way2VAT.

**(d) 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 SPP Shares may differ for each Shareholder. Each prospective investor is encouraged to seek professional tax advice in connection with any investment in Way2VAT.

**(e) Insurance risks**

Way2VAT intends to insure its operations in accordance with industry practice. However, in certain circumstances, Way2VAT's insurance may not be of a nature or level to provide adequate insurance cover or insurers may decline to continue to insure Way2VAT'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 Way2VAT.

**(f) 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 Way2VAT's financial statements, results or condition.

**(g) 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.

#### **4.3 Investment Highly Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the New Securities offered under this Prospectus. Therefore, no assurances or guarantees of future profitability, distributions, payment of dividends, return of capital or performance of the Company or its securities can be, or is, provided by the Company.

Before deciding to invest in the Company, potential investors should read this Prospectus in its entirety and the Company's ASX announcements and, in particular, should consider the risk factors that could affect the financial performance of the Company. Applicants should carefully consider these factors in light of their personal circumstances and should consult their professional advisers (for example, their accountant, stockbroker, lawyer or other professional adviser) before deciding whether to invest.

Neither the Company nor its officers, employees, agents and advisers guarantee that any specific objectives of the Company will be achieved or that any particular performance of the Shares and Options, including the New Securities offered under this Prospectus, will be achieved.

The SPP Options, Placement Options and Convertible Note Options offered under this Prospectus carry no entitlement to dividends or returns of capital and no guarantee with respect to the value of, nor availability of a market to transfer, those Options.

Shares carry no guarantee with respect to the payment of dividends, returns of capital or the value of, nor availability of a market to transfer, Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Securities. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.



## **5 Additional Information**

### **5.1 Rights and Liabilities Attaching to Shares**

A summary of the rights attaching to Shares is detailed below (noting that the SPP Shares would, from their time of issue, be subject to the same terms and conditions as other Shares). 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 that attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

#### **(a) General Meetings**

Subject to the provisions of the Companies Law, the Company is required to hold an annual general meeting once each 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 1% or more of the outstanding voting rights in the Company may request, subject to the Companies Law, that the Directors include a proposal on the agenda of a general meeting to be held in the future, provided that the Shareholder gives timely notice of such request to the Company and the request complies with the requirements of the Articles, applicable law and stock exchange rules. 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 proposal on the agenda of a general meeting, under the Companies Law, Shareholder(s) holding either:

- (i) 5% or more of the outstanding share capital and 1% or more of the voting rights in the Company; or
- (ii) 5% or more of the outstanding voting rights in the Company,

have the right to requisition a special general meeting, provided the request complies with the requirements of the Articles, applicable law and stock exchange rules.

#### **(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.

Any Shareholder entitled to vote may vote either personally or by proxy (who need not be a Shareholder), or, if the Shareholder is a company or other corporate body, by a representative authorised pursuant to the Articles.

If two or more persons are registered as joint holders of any Share, the vote of the senior who tenders a vote, in person or by proxy, shall be accepted to the exclusion of the vote of

the other joint holder; and for this purpose seniority shall be determined by the order in which the names stand in the Register.

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**

The Board may from time to time declare, and cause the Company to pay, such interim or final dividend as, in the opinion of the Board, the profits of the Company justifies and as permitted by applicable law. The Board 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. No unpaid dividend or interest shall bear interest against the Company.

(d) **Shareholder liability**

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.

(e) **Transfer of Shares**

Subject to the Articles, Companies Law, the 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.

(f) **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 by:

- (i) an ordinary resolution passed by Shareholders; and
- (ii) subject to (i) above, any right or limitation expressly provided for a benefit or protection of a specifically named Shareholder or class of Shares may not be modified, abrogated or waived without the prior written consent of such Shareholder, or majority holders of such class of shares (on an as converted basis).

(g) **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.

## 5.2 Rights and Liabilities Attaching to the SPP Options, Placement Options and Convertible Note Options

The terms and conditions of (including the rights and liabilities attaching to) the proposed SPP Options, Placement Options and Convertible Note Options being offered under the Offers are as follows:

(a) **Entitlement**

Each Option entitles the holder of the Option (**Holder**) to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

Exercise Price per Option	Expiry Date
A\$0.033	28 February 2026

(c) **Exercise Period**

Each Option is exercisable at any time prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

(d) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company (in a form acceptable to the Company), (**Option Exercise Form**) and payment to the Company of the applicable Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Any Option Exercise Form for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(e) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests. Upon issue of the Shares, the Holder agrees to become a member of the Company and to be bound by the Articles.

(f) **Quotation of Shares**

If admitted to the official list of the ASX at the time, the Company will apply to the ASX for Official Quotation of the Shares issued upon the exercise of the Options.

(g) **Timing of Issue of Shares and Quotation of Shares on Exercise**

Within five (5) Business Days after receipt of an Option Exercise Form given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Option being exercised, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Option Exercise Form and for which cleared funds have been received by the Company; and
- (ii) if admitted to the official list of the ASX at the time, apply for Official Quotation on the ASX of Shares issued pursuant to the exercise of the Options.

(h) **Participation in new issues**

A Holder who holds Options is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the Shareholders;
- (ii) receive any dividends declared by the Company; or

- (iii) participate in any new issues of securities offered to Shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

**(i) Adjustment for bonus issue of Shares**

If the Company makes a bonus issue of Shares or other Securities to existing Shareholders (other than an issue in lieu of, 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 Option will be increased by the number of Shares which the Holder would have received if the Holder of an Option had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

**(j) Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

**(k) Adjustment for reorganisation**

If there is any reorganisation of the capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

**(l) Quotation of Options**

The Company will apply for Official Quotation of the Options on the ASX. Subject to satisfying the ASX requirements for quotation as an additional class and subject to ASX granting Official Quotation, the Options would be quoted on the ASX. If the ASX requirements are not satisfied, then the Options will not be quoted on the ASX.

**(m) Options transferable**

The Options are transferrable subject to compliance with the Corporations Act.

### **5.3 Company is a Disclosing Entity**

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose 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 Company's securities. The SPP Options, Placement Options and Convertible Note Options are options over the Shares. The Shares have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus (and the SPP Shares will, upon their issue, be in the same class as existing the Shares on issue).

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or options to acquire securities, in a class which has been continuously quoted by the ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the Offers on the Company and the rights attaching to the New Securities (and the rights attaching to underlying Shares upon exercise of the SPP Options, Placement Options and Convertible Note Options). It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX, and does not include all of the

information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of the ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify the ASX of information about specified events or matters as they arise for the purpose of the ASX making that information available to the stock market conducted by the ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report for the year ended 30 December 2022 as lodged with ASX on 31 March 2023 (**Annual Report**), being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus;
  - (ii) the Company's financial report for the half year ended 30 June 2023 lodged with ASX on 30 August 2023 (**Half Year Report**), and
  - (iii) any continuous disclosure notices announced by the Company to the ASX after the lodgement of the Annual Report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at an ASIC office (refer to Section 5.4 below).

#### 5.4 Copies of Documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers, a copy of:

- (a) the Annual Report;
- (b) the Half Year Report; and
- (c) the continuous disclosure notices announced by the Company to the ASX since the Company lodged its Annual Report and before the lodgement of this Prospectus with ASIC, which are as follows:

Date Lodged	Subject of Announcement
19 March 2024	Update – Proposed issue of securities – W2V
19 March 2024	Updated Share Purchase Plan Timetable
19 March 2024	Change of Principal Place of Business Address
18 March 2024	Application for quotation of securities – W2V

Date Lodged	Subject of Announcement
18 March 2024	Notice of General Meeting/Proxy Form
15 March 2024	Change in substantial holding
14 March 2024	Investor Presentation
8 March 2024	Change in substantial holding from TEK
8 March 2024	Change in substantial holding from Tiga Trading Pty Ltd
7 March 2024	Investor Webinar Announcement - Correction
7 March 2024	1H FY24 Results and Business Update Webinar
6 March 2024	Cleansing Notice
6 March 2024	Application for quotation of securities - W2V
6 March 2024	Notice under ASX Listing Rule 3.10A
6 March 2024	Resignation of Joint Company Secretary
29 February 2024	Notification regarding unquoted securities - W2V
28 February 2024	Capital Raising Presentation
28 February 2024	Proposed issue of securities - W2V
28 February 2024	Way2VAT completes \$4.25M Placement and launches \$1M SPP
26 February 2024	Way2VAT increases revenue by 64% as business starts to scale
26 February 2024	Preliminary Final Report
26 February 2024	Trading Halt
15 February 2024	Response to ASX Price Query
15 February 2024	Trading Halt
15 February 2024	Pause in Trading
15 February 2024	Launch of world first AI driven automated auditing product
2 February 2024	Notification regarding unquoted securities - W2V
31 January 2024	Quarterly Activities/Appendix 4C Cash Flow Report
31 January 2024	Way2VAT undertakes A\$1.1 million convertible notes raising
31 January 2024	Proposed issue of securities - W2V
23 January 2024	Application for quotation of securities - W2V
4 December 2023	Cleansing Notice

Date Lodged	Subject of Announcement
4 December 2023	Application for quotation of securities - W2V
1 November 2023	Notification regarding unquoted securities - W2V
30 October 2023	Quarterly Activities/Appendix 4C Cash Flow Report
20 October 2023	Way2VAT operations continue unaffected by current situation
12 October 2023	Israel Situation Update - Way2Vat Operations Unaffected
11 October 2023	Notification of cessation of securities - W2V
9 October 2023	Change of Director's Interest Notice - A Ga'ash
9 October 2023	Change of Director's Interest Notice - A Simantov
3 October 2023	Notification regarding unquoted securities - W2V
20 September 2023	Cleansing Notice
20 September 2023	Application for quotation of securities - W2V
19 September 2023	Results of Meeting
18 September 2023	Notification regarding unquoted securities - W2V
5 September 2023	Becoming a substantial holder
4 September 2023	Investor Presentation
30 August 2023	Half Year Results Announcement
30 August 2023	Half Yearly Report and Accounts
24 August 2023	1HFY23 Results and Business Update Webinar
21 August 2023	Notice of General Meeting/Proxy Form
15 August 2023	Notice under ASX Listing Rule 3.10A
14 August 2023	Notification regarding unquoted securities - W2V
28 July 2023	Quarterly Activities/Appendix 4C Cash Flow Report
27 July 2023	Way2VAT appoints new Chief Financial Officer
18 July 2023	Notification regarding unquoted securities - W2V
17 July 2023	Cleansing Notice
17 July 2023	Application for quotation of securities - W2V
13 July 2023	Change in substantial holding
13 July 2023	Notification of cessation of securities - W2V
13 July 2023	Update - Proposed issue of securities - W2V

Date Lodged	Subject of Announcement
12 July 2023	Proposed issue of securities - W2V
12 July 2023	Way2VAT increases recent Placement by an additional A\$500k
11 July 2023	Trading Halt
28 June 2023	Change in substantial holding from Tiga Trading Pty Ltd
28 June 2023	Change in substantial holding from TEK
23 June 2023	Cleansing Notice
23 June 2023	Notification regarding unquoted securities - W2V
23 June 2023	Application for quotation of securities - W2V
23 June 2023	Way2VAT granted a new patent
19 June 2023	Final Director's Interest Notice - A Verbin
19 June 2023	Amended Articles of Association
19 June 2023	Results of Annual General Meeting
19 June 2023	Chairman's Address and CEO Presentation at 2023 AGM
13 June 2023	Director Resignation
29 May 2023	Becoming a substantial holder
23 May 2023	Corrected Hdr: Becoming a substantial holder from TEK
23 May 2023	Change in substantial holding from TEK
23 May 2023	Change in substantial holding from TEK
22 May 2023	Becoming a substantial holder
22 May 2023	Change of Director's Interest Notice - R Edgley
22 May 2023	Change of Director's Interest Notice - D Assia
22 May 2023	Change of Director's Interest Notice - A Simantov
19 May 2023	Notice of Annual General Meeting/Proxy Form
18 May 2023	Application for quotation of securities - W2V
15 May 2023	Entitlement Offer Results
28 April 2023	Quarterly Activities/Appendix 4C Cash Flow Report
27 April 2023	Despatch of Offer Booklet and Entitlement Offer Opens
20 April 2023	Letter to Ineligible Shareholders



Date Lodged	Subject of Announcement
20 April 2023	Letter to Optionholders
20 April 2023	Entitlement Offer Booklet
20 April 2023	Notification of cessation of securities - W2V
17 April 2023	Proposed issue of securities - W2V
17 April 2023	Updated Entitlement Offer Timetable
17 April 2023	Investor Presentation
17 April 2023	Cleansing Notice
17 April 2023	Appendix 3B
17 April 2023	Proposed issue of securities - W2V
17 April 2023	Proposed issue of securities - W2V
17 April 2023	Way2VAT to undertake A\$3.544 million Capital Raising
13 April 2023	Trading Halt
31 March 2023	Corporate Governance Statement and Appendix 4G

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company at C/- Automic Group Pty Ltd, Level 5, 126 Philip Street, Sydney NSW 2000:

- (a) this Prospectus;
- (b) the Articles; and
- (c) the consents referred to in Sections 5.16 and 6.

The announcements are also available through the Company's website at <https://way2vat.com/>.

#### 5.5 Information Excluded from Continuous Disclosure Notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and which is required to be set out in this Prospectus.

#### 5.6 Determination by ASIC

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing New Securities under this Prospectus.

#### 5.7 Market Price of Shares

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: A\$0.032 per Share on 20 February 2024

Lowest: A\$0.009 per Share on 19 December 2024

On 19 March 2024, being the last practicable date prior to the date of lodgement of this Prospectus with ASIC, the closing market sale price of the Shares on the ASX was A\$0.016 per Share.

## 5.8 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company and no forecast is made of any of those matters.

## 5.9 Substantial Shareholders

Based on information available to the Company, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue as at the date of this Prospectus are detailed below:

Entity	Shares	Voting Power
Thorney Investment Group (and its associates)	113,211,865	15.15%
Absolute Investments Australia Pty Ltd	34,000,000	5.28%

## 5.10 Directors' Interests

Except as disclosed in this Prospectus, no Director (or entity in which they are a director, partner and/or a shareholder):

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the Offers, the formation or promotion of the Company, the New Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her (or by an entity in which they are a director, partner and/or a shareholder) in connection with the formation or promotion of the Company or the Offers.

## 5.11 Directors' Interests in Securities

The Directors' relevant interests in securities as at the date of this Prospectus, are detailed below:

Director	Shares	Options
Mr Adoram Ga'ash <sup>1</sup>	13,534,332	11,355,577
Mr Amos Simantov <sup>2</sup>	17,928,378	46,890,319
Mr Robert Edgley <sup>3</sup>	2,689,860	2,000,000
Mr David Assia <sup>4</sup>	5,450,937	Nil
Mr David Buckingham <sup>5</sup>	476,114	2,000,000

### Notes:

1. Held indirectly as follows:
  - (a) 13,534,332 Shares held indirectly via Moneta Seeds LP; and
  - (b) 11,355,577 Options held indirectly via AMGH Synergia 2014 Ltd.
2. Held directly and indirectly as follows:
  - (a) 17,928,378 Shares and 30,000,000 Options held directly; and
  - (b) 16,890,319 Options held indirectly via Performance Systems Ltd.
3. Held directly and indirectly as follows:
  - (a) 2,689,860 Shares held directly; and
  - (b) 2,000,000 Options held indirectly via Rangeworthy Pty Ltd as trustee for The Edgley Family Trust.
4. Held directly and indirectly as follows:
  - (a) 1,496,269 Shares held directly; and
  - (b) 3,954,668 Shares held indirectly via iAngels Technologies LP.
5. Held directly and indirectly as follows:
  - (a) 476,114 Shares held directly via David Buckingham as trustee for <Buckingham Family A/C>; and
  - (b) 2,000,000 Options held indirectly via David Buckingham and Karina Jane Buckingham <Buckingham Family A/C>.

### 5.12 Remuneration of Directors

The remuneration of executive Directors is determined by the Board, subject to the provisions of any contract between each of them and the Company.

The Articles provides that the Directors may be paid any remuneration by the Company for their services as Directors, provided that such remuneration has been approved pursuant to the provisions of the Companies Law. The Directors shall also be entitled to the reimbursement for out-of-pocket and travel expenses incurred in connection with the performance of their services to the Company.

The Directors' remuneration for the past two financial years is detailed in the below table:

Director		Short Term Benefits	Superannuation	Share Based Payments	Total
Mr Adoram Ga'ash	2023	A\$54,240	-	A\$22,841	A\$77,081
	2022	A\$51,842	-	A\$32,660	A\$84,502
Mr Amos Simantov	2023	A\$406,707	-	A\$211,992	A\$618,699
	2022	A\$427,159	-	A\$232,672	A\$659,832
Mr Robert Edgley	2023	A\$60,000	-	A\$35,299	A\$95,299
	2022	A\$60,000	-	A\$74,818	A\$134,818
Mr David Assia	2023	-	-	-	-
	2022	-	-	-	-
Mr David Buckingham	2023	A\$60,000	-	A\$35,299	A\$95,299
	2022	A\$60,000	-	A\$74,818	A\$134,818

### 5.13 Related party transactions

There will be no participation of related parties of the Company in the Offers.

### 5.14 Interests of Other Persons

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the Offers, the formation or promotion of the Company, the New Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (b) has been paid or given or will be paid or given any amount or benefit for services rendered in connection with the formation or promotion of the Company or the Offers.

Automic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to issue of the New Securities under the Offers, and will be paid for these services on standard industry terms and conditions.

## 5.15 Expenses of SPP Offer

The estimated expenses of the SPP Offer are detailed below:

Estimated expenses of the SPP Offer <sup>1</sup>	Amount (A\$)
ASIC lodgement fee	3,206
ASX quotation fees	32,556 <sup>2</sup>
Legal fees	50,000
Other expenses	15,000
<b>TOTAL</b>	<b>100,762</b>

**Notes:**

1. The SPP Offer is not underwritten and there is no commitment for a broker or advisor fee to be payable in relation to the SPP Offer.
2. Assuming the SPP Offer is fully subscribed.

## 5.16 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the New Securities), the Directors, persons named in this Prospectus with their consent as proposed Directors of the Company, persons named in this Prospectus with their consent as having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading or deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the following parties:

Name	Role
Thomson Geer	Australian Lawyers
Kafri Leibovich	Israeli Lawyers
Automic Group Pty Ltd	Share Registry

- (a) has given its consent to be named in this Prospectus as set out above and has not withdrawn its consent at the date of lodgement of this Prospectus with ASIC;
- (b) makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offers;
- (c) has not made or purported to have made any statement in this Prospectus or statement on which a statement in this Prospectus is based, except as described in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for this Prospectus other than a reference to its name and any statement or report included in this Prospectus with the consent of that party as described in this Section.
- (e) None of the parties referred to in this Section 5.16 has authorised or caused the issue of this Prospectus or the making of the Offers.

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.

#### 5.17 **Governing law**

This Prospectus and the Offers 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 and of the Commonwealth of Australia.

### **6 Authorisation**

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act. Each of the Directors 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 long horizontal stroke, representing the signature of Mr Amos Simantov.

**Mr Amos Simantov**  
**Managing Director**  
Dated: 20 March 2024

## 7 Glossary

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**13th EU VAT Directive** means the Thirteenth Council Directive 86/560/EEC.

**A\$** means Australian dollars.

**AEDT** means Australian Eastern Daylight Time, being the time in Sydney, New South Wales.

**AEST** means Australian Eastern Standard Time, being the time in Sydney, New South Wales.

**Annual Report** means the annual financial report of the Company for the period ending 30 December 2022 as lodged with ASX on 31 March 2023.

**Applicant** means a person who submits an Application Form (with, in the case of the SPP Offer, payment to the Company of the relevant Application Monies (or who otherwise applies for SPP Securities via making a BPAY® or EFT payment of the Application Monies to the Company without lodging the Application Form)).

**Application** means a valid application for New Securities under an Offer made pursuant to an Application Form (with, in the case of the SPP Offer, payment to the Company of the relevant Application Monies (or who otherwise applies for SPP Securities via making a BPAY® or EFT payment of the Application Monies to the Company without lodging the Application Form)).

**Application Form** means an SPP Application Form, a Placement Options Application Form or a Convertible Note Options Application Form (as the context requires).

**Application Monies** means monies paid (at the Issue Price per SPP Share) to the Company by Eligible Shareholders in respect of SPP Shares the subject of an Application pursuant to the SPP Offer.

**Articles** means the Company's articles of association, as amended from time.

**ASIC** means the Australian Securities and Investments Commission.

**ASIC Instrument** means the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* issued by ASIC (as amended from time to time).

**ASX** means ASX Limited ACN 008 624 691 and where the context permits, the securities exchange operated by it.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**ASX Settlement Operating Rules** means the operating rules of the facility provided by ASX Settlement.

**Board** means the board of Directors.

**Business Day** has the same meaning as in the Listing Rules.

**CHESS** means the Clearing House Electronic Subregister System operated by ASX Settlement.

**Closing Date** has the meaning given in Section 2.10.

**Companies Law** means the Israel Companies Law, 5759-1999 and all the regulations promulgated under it as shall be in effect from time to time.

**Company** or **Way2VAT** means Way2VAT Ltd ARBN 637 709 114.

**Convertible Notes** has the meaning given in Section 2.3.

**Convertible Note Investors** means Thorney Technologies Limited, TIGA Trading Pty Ltd, Ice Cold Investments Pty Ltd, Jindabyne Capital Pty Ltd and Davsam Pty Ltd.

**Convertible Note Options** has the meaning given in Section 2.3.

**Convertible Note Options Application Form** means the Application Form attached to, or accompanying this Prospectus, to be used for the purposes of applying for Convertible Note Options under the Convertible Note Options Offer.

**Convertible Note Options Offer** has the meaning given in Section 2.3.

**Convertible Note Shares** has the meaning given in Section 2.3.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Custodian** means a person that provides a custodial or depository service in relation to Shares and who:

- (a) holds an Australian financial services licence covering the provision of a custodial or depository service;
- (b) is exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service;
- (c) holds an Australian financial services licence covering the operation of an investor directed portfolio service (IDPS) or is a responsible entity of an IDPS-like scheme;
- (d) is a trustee of a self-managed superannuation fund or a superannuation master trust; or
- (e) is a registered holder of Shares and is noted on the Register as holding the Shares on account of another person.

**Custodian Certificate** has the meaning given in Section 2.15.

**Directors** mean the directors of the Company as at the date of this Prospectus.

**EFT** means electronic funds transfer.

**Eligible Shareholder** has the meaning given in Section 2.9.

**EU** means the European Union.

**Exercise Price** has the meaning given in Section 5.2.

**Expiry Date** has the meaning given in Section 5.2.

**Financing Conversion** has the meaning given in Section 2.3.

**GDPR** means the General Data Protection Regulation (EU) 2016/679.

**General Meeting** has the meaning given in Section 2.4.

**GST** means goods and services tax.

**Half Year Report** means the half year report of the Company for the period ending 30 June 2023 as lodged with ASX on 30 August 2023.

**Holder** has the meaning given in Section 5.2.

**Issue Price** has the meaning given in Section 2.1.

**Listing Rules** means the official listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

**New Securities** means the securities offered pursuant to this Prospectus, being any one or more of the following, as the context requires:

- (a) the SPP Securities under the SPP Offer;
- (b) the Placement Options under the Placement Options Offer; and
- (c) the Convertible Note Options under the Convertible Note Options Offer.

**Offer** means the SPP Offer, Placement Options Offer or Convertible Note Options Offer, as the context requires, and **Offers** means all of them.

**Official Quotation** means official quotation by ASX in accordance with the Listing Rules.

**Opening Date** has the meaning given in Section 2.10.

**Option** means an option to acquire a Share.

**Option Exercise Form** has the meaning given in Section 5.2.

**Participating Beneficiary** has the meaning given in Section 2.15.

**Placement** has the meaning given in Section 2.2.

**Placement Investors** means the institutional, professional and sophisticated investors who were, or will be, issued Shares under the Placement.

**Placement Options** has the meaning given in Section 2.2.

**Placement Options Application Form** means the Application Form attached to, or accompanying this Prospectus, to be used for the purposes of applying for Placement Options under the Placement Options Offer.

**Placement Options Offer** has the meaning given in Section 2.2.

**Prospectus** means this prospectus dated 20 March 2024.

**Record Date** has the meaning given in Section 2.9.

**Refund Directive** means The Council Directive 2008/9/EC.

**Register** means the share register maintained by or on behalf of the Company in Australia.

**Section** means a section of this Prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of one or more Shares.

**Sixth Council Directive** means The Sixth Council Directive 77/388/EEC.

**SMB** means small medium businesses.

**SPP Application Form** means the Application Form attached to, or accompanying this Prospectus, to be used for the purposes of applying for SPP Securities under the SPP Offer.

**SPP Offer** has the meaning given in Section 2.1.

**SPP Options** has the meaning given in Section 2.1.

**SPP Securities** means the SPP Shares and the SPP Options under the SPP Offer offered pursuant to this Prospectus.

**SPP Shares** has the meaning given in Section 2.1.

**TMD** means target market determination.

**Tranche 1 Placement** has the meaning given in Section 2.2.

**Tranche 2 Placement** has the meaning given in Section 2.2.

**US Securities Act** means the US Securities Act of 1933.

**USD** means United States dollars.

**VAT** means value added tax.

**VWAP** means Volume Weighted Average Price.



## **CORPORATE DIRECTORY**

### **Directors**

Mr Amos Simantov – Chief Executive Officer and Managing Director

Mr Adoram Ga'ash – Non-Executive Chairman

Mr David Assia – Non-Executive Director

Mr David Buckingham – Non-Executive Director

Mr Robert Edgley – Non-Executive Director

### **Company Secretary**

Ms Emily Austin

### **Registered and Principal Office (Israel)**

3 Tozeret Haaretz St. (Y Building 3rd floor)  
Petah Tikva, Israel, 4951703

Telephone: +972-3-5080022  
Website: <https://way2vat.com/>

### **Registered Office (Australia)**

C/ - Automic Group Pty Ltd  
Level 5, 126-130 Philip Street  
Sydney NSW 2000

### **ASX Code: W2V**

### **Legal Adviser (Australia)**

Thomson Geer  
Level 29, Central Park Tower  
152-158 St Georges Terrace  
Perth WA 6000

### **Legal Adviser (Israel)**

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

### **Share Registry\***

Automic Group Pty Ltd  
Level 5, 126 Philip Street  
Sydney NSW 2000

Phone (within Australia): 1300 288 664  
Phone (outside Australia): +61 2 9698 5414

### **Lead Manager\***

Bell Potter Securities Limited  
Level 29, 101 Collins Street  
Melbourne VIC 3000

\*This party is named for informational purposes only and was not involved in the preparation of this Prospectus.

