



Appendix 4E

Preliminary Final Report For The Year Ended 31 December 2021

Details of the Reporting Period

Name and entity	WAY 2 VAT LTD and Controlled Entities
ARBN	637 709 114
Reporting period	12 months ended 31 December 2021 (FY21)
Previous Corresponding Period (pcp)	12 months ended 31 December 2020 (FY20 and pcp)
Currency	All figures are in USD in thousands

Results Announcement to the market:

	<u>2021</u>	<u>2020</u>	<u>Movement %</u>
Revenues from ordinary activities	1,321	1,034	28%
Loss from ordinary activities			
After tax attributable to owners	(6,731)	(2,301)	193%
Net Loss for the period			
attributable to owners	(6,731)	(2,301)	193%

Commentary on the Results for the Year

Results for FY21 included the following key movements:

- Transaction volume up 87% to \$9.86m (pcp: \$5.26m)
- Sales revenue increased by 28% to \$1.32m on pcp
- Cost of revenue in FY21 is 20.8% (\$275K), demonstrating the strength of Way2Vat technology and automation to support and scale the expected growth in the future years
- Net loss after tax of \$(6.73)m increased 193% on the net loss in the pcp mainly due to non-cash and non-recurring expenses attributed to share based payments of \$2.01m as well as a \$1.25m expense related to the conversion of prior Convertible Loan Notes upon IPO. In total, these items contributed \$3.26m to net loss increase.

Statement of Profit or Loss and Other Comprehensive Income with Notes to the Statement

Refer to the 31 December 2021 attached financial statements and accompanying notes for Way2Vat Limited.

Statement of Financial Position with Notes to the Statement

Refer to the 31 December 2021 attached financial statements and accompanying notes for Way2Vat Limited.

Statement of cash flows with Notes to the Statement

Refer to the 31 December 2021 attached financial statements and accompanying notes for Way2Vat Limited.

Statement of retained earnings and change in equity

Refer to the 31 December 2021 attached financial statements and accompanying notes for Way2Vat Limited.

Dividends

No dividends have been paid during the year and the company does not propose to pay any final dividend.

Details of dividend reinvestment plans

The Company does not have a dividend reinvestment plan.

Net Tangible Assets Per Security

	<u>2021</u>	<u>2020</u>
	\$/share	\$/share
Net tangible assets per ordinary share	0.018	(0.174)

Details of Controlled Entities:

Entity name	Country of incorporation	Proportion of ownership interest on December 31		Held by
		2021	2020	
WAY2VAT SRL	Romania	100%	100%	WAY2VAT Ltd.
WAY2VAT UK Limited	UK	100%	100%	WAY2VAT Ltd.
WAY2VAT SASU	France	100%	100%	WAY2VAT Ltd.
WAY2VAT Inc.	USA	100%	100%	WAY2VAT Ltd.

There were no acquisition or disposal of controlled entities during the financial year and the Group does not have any investments in Associates or Joint Ventures.

Status of Audit

This report is based on accounts which are in the process of being audited. The Audited Annual Report is expected to be released by 31 March 2022.

Signed



Date 28 February 2022

Chairman

WAY2VAT LTD.

ARBN 637 709 114

Appendix 4E Preliminary Report

PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

(USD in thousands, except for loss per share)

		Year ended	
		December 31,	
	Note	2021	2020
Revenues		1,321	1,034
Cost of revenues		275	177
Gross profit		1,046	857
Research and development expenses	4	1,565	1,406
Selling and marketing expenses	5	1,521	1,183
General and administrative expenses	6	3,039	1,553
Operating loss		(5,079)	(3,285)
Finance expenses		(1,661)	(63)
Finance income		9	1,047
Loss before tax		(6,731)	(2,301)
Taxes on income			
Loss for the year		(6,731)	(2,301)
Other comprehensive income (loss), net of tax:			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange gains arising on translation to reporting currency		174	(505)
Total comprehensive loss for the year		(6,557)	(2,806)
Loss for the year attributable to:			
Owners of the Company			
Total comprehensive loss attributable to:			
Owners of the Company			
Loss per share			
Basic and diluted loss per share (\$)		(0.0953)	(0.0617)

WAY2VAT LTD.

ARBN 637 709 114

Appendix 4E Preliminary Report

PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

(USD in thousands)

		As of December 31,	
	Note	2021	2020
ASSETS			
Current Assets:			
Cash and cash equivalents		3,132	1,912
Trade receivables		1,466	984
Other accounts receivable		219	150
		4,817	3,046
Non-Current Assets:			
Right-of-use assets		201	316
Property, plant and equipment, net		167	195
		368	511
Total Assets		5,185	3,557

		As of December 31,	
	Note	2021	2020
LIABILITIES AND DEFICIT			
Current Liabilities:			
Credit line		857	333
Trade payables		135	207
Convertible loans		-	3,110
Lease liabilities		154	129
Other accounts payable	3	896	1,014
		2,042	4,793
Non-Current Liabilities:			
Convertible loans		-	4,787
Lease liabilities		81	177
Liability for royalties payable		238	268
		319	5,232
Equity attributable to the owners of the Company			
Share capital		371	8
Additional paid in capital		18,517	4,969
Share based payment reserve		2,996	1,058
Adjustments arising from translation to reporting currency		(336)	(510)
Accumulated losses		(18,724)	(11,993)
Total Equity		2,824	(6,468)
Total Liabilities and Equity		5,185	3,557

This statement should be read in conjunction with the notes to the financial statements

PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021 (USD in thousands)

	Share capital	Additional paid in capital	Shares based payment reserve	Adjustments arising from translation to reporting currency	Accumulated deficit	Total
Balance on January 1, 2020	8	4,923	617	(5)	(9,692)	(4,142)
Changes during 2020:						
Loss for the year	-	-	-	-	(2,301)	(2,301)
Other comprehensive income	-	-	-	(505)	-	(505)
Total comprehensive loss for the year	-	-	-	(505)	(2,301)	(2,806)
Exercise of options to ordinary shares	*	39	(38)	-	-	1
Share based payment	-	-	479	-	-	479
Balance on December 31, 2020	<u>8</u>	<u>4,969</u>	<u>1,058</u>	<u>(510)</u>	<u>(11,993)</u>	<u>(6,468)</u>
Changes during 2021:						
Loss for the year	-	-	-	-	(6,731)	(6,731)
Other comprehensive income	-	-	-	174	-	174
Total comprehensive loss for the year	-	-	-	174	(6,731)	(6,557)
Issuance of IPO shares, net of Issuance expenses	109	4,497	-	-	-	4,606
Issuance of shares upon conversion of convertible loans	254	8,980	-	-	-	9,234
Exercise of options to ordinary shares	-	71	(71)	-	-	-
Share based payment	-	-	2,009	-	-	2,009
Balance on December 31, 2021	<u>371</u>	<u>18,517</u>	<u>2,996</u>	<u>(336)</u>	<u>(18,724)</u>	<u>2,824</u>

WAY2VAT LTD.

ARBN 637 709 114

Appendix 4E Preliminary Report

PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS

(USD in thousands)

	Year ended	
	December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the year	(6,731)	(2,301)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	225	211
Change in fair value of convertible loans	1,247	(502)
Financial expenses (income), net	(5)	(536)
Share based payment	2,009	479
Change in liability for royalties payable	23	20
Changes in operations assets and liabilities:		
Change in trade receivables	(583)	(471)
Change in other accounts receivable	(84)	(2)
Change in trade payables	(58)	63
Change in other accounts payable	(108)	396
Cash from operations	(4,065)	(2,643)
Interest paid	(11)	(40)
Net cash used in operating activities	(4,076)	(2,683)

WAY2VAT LTD.

ARBN 637 709 114

Appendix 4E Preliminary Report

PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS (CONT.)

(USD in thousands)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property, plant, and equipment	(29)	(56)
Net cash used in operating activities	(29)	(56)

CASH FLOWS FROM FINANCING ACTIVITIES:

Exercise of share options	*	1
Net Proceeds from issuance of shares upon IPO	4,607	-
Credit line, net	549	333
Principal paid on lease liabilities	(146)	(178)
Receipt of IIA grant	247	257
Royalties paid to the IIA	(11)	(7)
Receipt of convertible loans, net	50	1,590
Net cash provided by financing activities	5,296	1,996
Net increase (decrease) in cash and cash equivalents	1,191	(743)
Cash and cash equivalents at the beginning of the year	1,912	2,510
Effects of exchange rate changes on cash and cash equivalents	29	145
Cash and cash equivalents at the end of the year	3,132	1,912

This statement should be read in conjunction with the notes to the financial statements

WAY2VAT LTD.

ARBN 637 709 114

Appendix 4E Preliminary Report

PRELIMINARY CONSOLIDATED NOTES

(USD in thousands)

NOTE 1 – BASIS OF PREPARATION:

The preliminary report has been prepared in accordance with ASX listing rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the Corporations Act 2001. The consolidated financial statements have been prepared on an actuals basis and are based on historical cost convention.

NOTE 2 - SUBSIDIARIES:

The principal subsidiaries of Company, all of which have been consolidated in these consolidated financial statements, are as follows:

Entity name	Country of incorporation	Proportion of ownership interest on December 31		Held by
		2021	2020	
WAY2VAT SRL	Romania	100%	100%	WAY2VAT Ltd.
WAY2VAT UK Limited	UK	100%	100%	WAY2VAT Ltd.
WAY2VAT SASU	France	100%	100%	WAY2VAT Ltd.
WAY2VAT Inc.	USA	100%	100%	WAY2VAT Ltd.

NOTE 3 - OTHER ACCOUNTS PAYABLE:

	As of December 31,	
	2021	2020
Employees, salaries, and related liabilities	104	89
Accrued expenses	173	368
Payroll Institutions	83	56
Provision for vacation	95	49
Balances due to customers	314	385
Liability for royalties payable	127	67
	<u>896</u>	<u>1,014</u>

NOTE 4 - RESEARCH AND DEVELOPMENT EXPENSES:

	Year ended December 31,	
	2021	2020
Salary and related expenses	1,527	1,069
Share based payment expenses	17	78
Subcontractors and consultants costs	194	228
Patents and legal expenses	18	19
Government Grants received and changes in liability, net	(297)	(172)
Other	<u>106</u>	<u>184</u>
	<u>1,565</u>	<u>1,406</u>

NOTE 5 - SELLING AND MARKETING EXPENSES:

	Year ended December 31,	
	2021	2020
Salary and related expenses	907	833
Share based payment expenses	353	102
Marketing fees	261	224
Travel expenses	-	24
	<u>1,521</u>	<u>1,183</u>

NOTE 6 - GENERAL AND ADMINISTRATIVE EXPENSES:

	Year ended December 31,	
	2021	2020
Salary and related expenses	498	276
Professional fees	756	436
Share based payment expenses	1,263	299
Travel expenses	34	12
Depreciation and amortization	181	145
Other	<u>308</u>	<u>385</u>
	<u>3,039</u>	<u>1,553</u>