



ASX release

30 August 2023

**Way2VAT increases revenue 79% in strong half as corporate travel activity returns to pre-COVID conditions**

1H FY23 Highlights (all figures are translated from USD to \$A<sup>1</sup>):

- Transaction volume A\$11.93 million, up 51% on pcp (1HFY22: A\$7.86 million)
- Reported Revenue of A\$1.36 million up 79% on pcp (1HFY22: A\$0.76 million)
- Enterprise clients increased 30% from 250 to 325, including Eli Lilly, Nestlé Spain, Camper, Serveo, Sony Spain, SecuritasDirect, PGIM, Globalia Handling, Marine Harvest ASA, Lion Television and Lime Pictures
- Raised A\$3.54 million via a combined rights issue and oversubscribed share placement to execute growth opportunities and accelerate the pathway to profitability, with strong support from sophisticated, institutional and cornerstone investors
- Received an R&D funding loan of \$412k (€250k) from the Spanish Innovation Authority to support new product line technologies in T&E (travel and expense) claim automation
- Cash balance of A\$1.79 million as at 30 June 2023
- Accounts receivable including fees on client VAT claims already submitted to tax authorities remains a healthy A\$3.3 million
- Mr Evyatar Cohen was appointed as the new Chief Financial Officer
- New patent by US patent office granted for unique Image-2-Line solution fully automating VAT reclaim submissions based on W2V's proprietary AI technology

Global fintech leader in automated VAT claim and return solutions, Way2VAT Ltd (**ASX:W2V**, **Way2VAT** or the **Company**), today announced its financial results for the six months ended 30 June 2023 (1HFY23).

Commenting on the Company's achievements in 1HFY23, Way2VAT Founder & CEO, Amos Simantov, said, "We've had a tremendous first half with revenue up 79% over the same period last year. This substantial increase is due to operating conditions returning to pre-COVID levels for existing clients, new client growth and the additional revenue contributed by the DevoluVA acquisition. At the same time our strategy to create cost efficiencies saw operating expenses reduced by 25% on a like-for-like basis compared to the first half of FY22, with an increase of only 2% on a consolidated basis after the acquisition of DevoluVA.

<sup>1</sup> Conversion AUD 1.509

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“Our enterprise client base has grown to 325 now including DevoluIVA enterprise clients, and will contribute to new revenue sources in the second half of the year as recent client wins are onboarded. The enterprise client growth also includes new contracts with PGIM, a UK-based global asset management company formerly known as Prudential Investment Management, SecuritasDirect, one of Spain’s largest home security companies and ICL Group, an Israel-based global specialty minerals and chemicals company.”

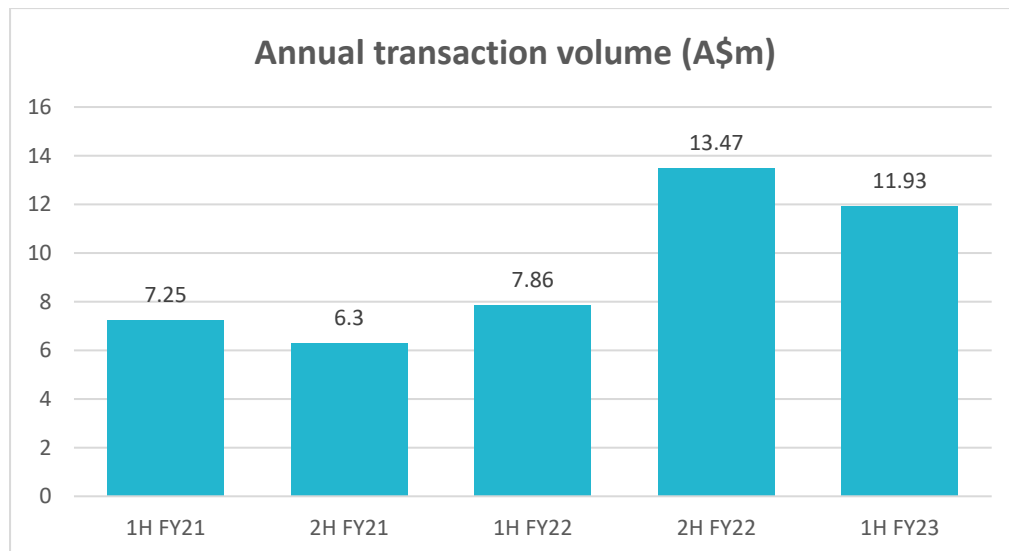
“The robust sales pipeline and recent wins are indicative of significant revenue growth potential in the second half of fiscal year 2023. Additionally, we are focusing on increasing VAT recovery for both new and existing clients and cross selling our product across the combined customer sets.

“Our growth in Spain in particular continues as we harness DevoluIVA partners, and shift operational functions to Romania, a move designed to enhance efficiency. We’ve made strides in reducing the onboarding process time for new clients by half, further supporting an agile response to market demands.

“We also secured another patent, marking the sixth for our technology platform. This addition bolsters the protection of our unique technology platform for automating VAT reclaim submission processes. Our AI capabilities not only eliminate labour-intensive tasks, but also cut down costs and can boost reclaimed VAT by as much as 30%.”

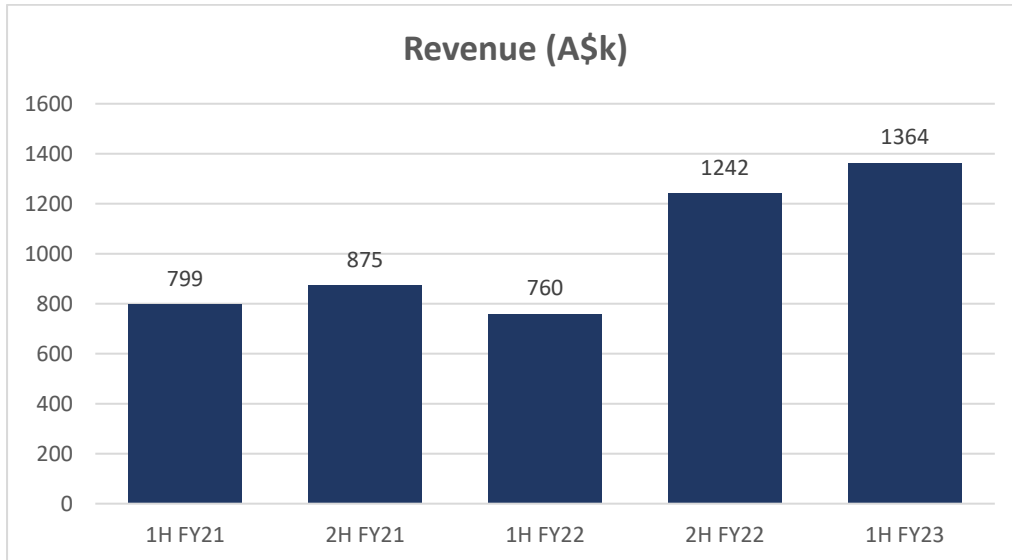
#### Financial Highlights

1HFY23 gross transaction value increased to A\$11.93 million, up 51% on pcp (1HFY22: A\$7.86 million), attributable to the increasing transaction volume and increasing value claims, underpinned by the return of the international travel of our customers during the year.

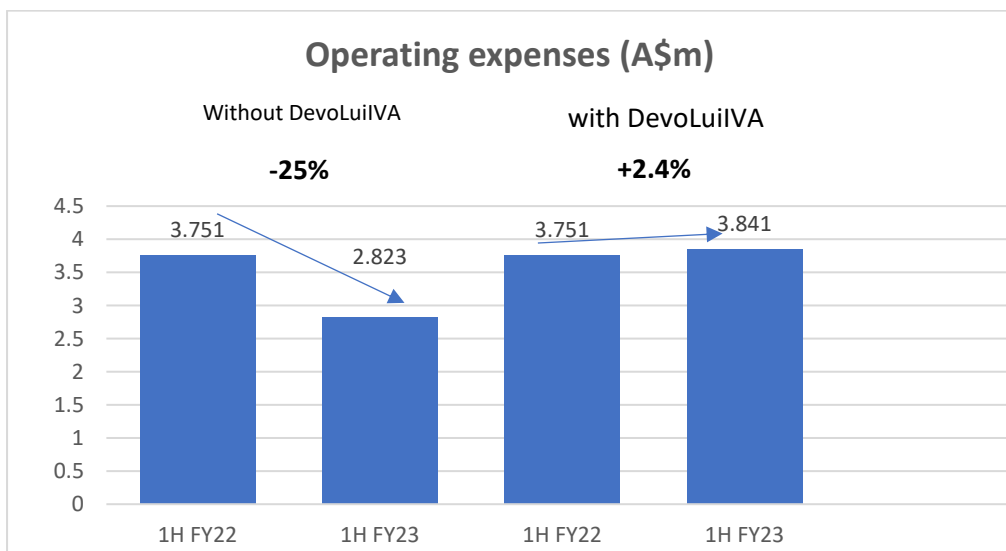


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Reported revenue increased 79% to A\$1.36 million on pcp (1HFY22: A\$0.76 million) reflecting underlying growth and margin improvement.



Operating Expenses of A\$3.84 million increased 2.4% over 1HFY22 (A\$3.75 million), or **decreased 25%** over the same period last year on a like-for-like basis, before Way2VAT acquired DevoluIVA. These reductions were driven by operational efficiencies gained by moving operations to Romania and a concerted effort to reduce the company's fixed cost base.



Way2VAT has A\$3.3m of accounts receivable which includes client VAT claims already submitted to tax authorities. This amount is increasing as transaction volume increases and the lag times between



when the transaction volume occurs, cash receipts from tax authorities are received and revenue is allocated to Way2VAT continues to reduce.

### **Operational Highlights**

#### **A\$3.54 million combined rights issue and placement to execute growth opportunities and accelerate the pathway to profitability**

During 1HFY23 Way2VAT raised A\$3.54 million before costs via a combined rights issue and strongly supported placement with new and existing institutional and sophisticated investors. The Share Placement was increased by an additional A\$525K in July, 2023. Fund raised are being used for sales execution and revenue growth on VAT reclaim for travel expenses and accounts payable product suite.

#### **Enterprise clients**

In 1HFY2023, Way2VAT secured additional multinational clients to increase the enterprise client count to 325, a 30% increase over pcp. These include Eli Lilly, Nestlé Spain, Camper (Spanish footwear company), Serveo (Spanish facility and infrastructure management), Sony Spain, SecuritasDirect (Europe-based security provider), PGIM (asset management and insurance), Globalia Handling (airline, hotel and travel agency operator), Marine Harvest ASA (seafood producer), Lion Television and Lime Pictures (television production).

While none of these individual new contracts are material in their own right, the smooth integration with existing and new partnerships enables Way2VAT to grow and strengthen its position as an automated VAT/ GST recovery solution provider.

#### **DevoluIVA integration with Way2VAT**

In September 2022, Way2VAT completed the acquisition of DevoluIVA, Spain's first fully digital solution for corporate expense and VAT recovery. DevoluIVA's revenue and expenses post-acquisition are included in the 1H FY23 results.

DevoluIVA provides automated management of corporate expenses and automatic recovery of domestic VAT services through over 35,000 merchants via their platform. It has also signed a new large Spanish enterprise client, Grupo Constant, Spain's largest provider of outsourcing and temporary employment, with over 30 offices located across Spain, Portugal, and the Czech Republic.

Integration of DevoluIVA has progressed as planned with the consolidation of support functions now largely complete and the sales teams are now coordinating new business development opportunities.

#### **New patent**

The United States Patent and Trademark Office has granted a new patent (US Pat. No. 11,676,411) to Way2VAT for 'Systems and Methods for Neuronal Visual-Linguistic Data Retrieval from an Imaged Document.' This is the company's sixth patent in its technology platform, supporting its automated approach to VAT reclaim submissions. The AI-based Automated Invoice Analyzer (AIA) can take multi-invoice pages, crop them into individual files, and then use optical character recognition to match invoices to the corresponding expense line in the report.



### Product development

In April Way2VAT received \$412k (€250k) from the Spanish Innovation Authority to support new product line technologies in T&E (travel and expense) claim automation. Over the past six months, Way2VAT's technology platform has been significantly upgraded in functionality, customer-experience, and accessibility.

### New CFO

Evyatar Cohen was appointed Chief Financial Officer on 27 July 2023, taking over the role from Smadar Noy. With over 20 years of experience, Mr Cohen has served as a CFO and financial consultant for public and private companies in the U.S., Israel, and Europe, across industries such as high-tech, bio-tech, oil and gas, entertainment, media, and venture capital. His background also includes work at PwC in Tel-Aviv and New York, overseeing multinational audit engagements, and he holds the credentials of a Certified Public Accountant in both the US and Israel, as well as a Bachelor of Business Management and a Masters of Law from Bar Ilan University in Israel.

### Outlook

Way2VAT Founder & CEO, Amos Simantov, said: "The second half of our fiscal year is poised for robust growth. Historically, Way2VAT experiences an uptick in performance during this period, attributed to tax deadlines and financial year-ends across most EU jurisdictions. Beyond the usual seasonality, there's an upward trend in transaction volume stemming from a growing client base.

"The solid sales pipeline is anticipated to drive faster enterprise client growth, especially in the Spanish and UK markets. Furthermore, we expect to see improvement in the gross profit margin due to a shift towards higher-margin foreign VAT in contrast to accounts payable post-COVID."

### Business update webinar

Way2VAT CEO Amos Simantov will host a webinar on **Monday September 4th at 11.00am** on 1H FY23 progress and outlook, followed by a Q&A session. An investor presentation will be released to the market that morning.

To participate, please register at:

[1HFY23 Way2VAT Results and Business Update Webinar](#)

After registering, you will receive a confirmation email containing information about the webinar.

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

### ENDS

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**WAY2VAT**  
Global VAT Refunds

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### **About Way2VAT**

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

Established in 2016, Way2VAT is headquartered in Tel Aviv with offices in the United Kingdom, Spain and Romania and has over 60 employees.

Used by more than 325 enterprise companies including BASF Germany, Max Mara, TicTok, Pizza Hut Spain, Playmobil, Foot Locker Europe, Nestlé Spain, Camper, Sony Spain, Ariston Group, Artsana Group, MasterCard, eToro, Kimberly-Clark, Hitachi ABB, Amdocs, EY Israel, Mobileye Intel, RB, Willis Towers, Siemens-Israel, Daily Mail Group, Sage, Falck, and Boston Red Sox, with customer retention over 97 per cent.

**ASX: W2V**

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