

**Appendix 4D**

**Preliminary Final Report For The Period Ended 30 June 2024**

**Details of the Reporting Period**

Name and entity	WAY 2 VAT LTD and Controlled Entities
ARBN	637 709 114
Reporting period	6 months ended 30 June 2024 (H1 FY24)
Previous Corresponding Period	6 months ended 30 June 2023 (H1 FY23)
Currency	All figures are in <b>USD in thousands</b>

**Results Announcement to the market:**

	<u>2024</u>	<u>2023</u>	<u>Movement %</u>
Revenues from ordinary activities	1,142	923	+24%
Loss from ordinary activities after tax attributable to owners	(2,131)	(1,685)	+26%
Net Loss for the period attributable to owners	(2,131)	(1,685)	+26%

**Commentary on the Results for the Half Year**

**Results for H1 FY24 included the following key activity:**

- Revenue up 24% to \$1.14 million on pcp due to the accelerating shift towards automation and streamlining of processes that the Company is seeing with an increasing number of multinational companies.
- Way2VAT secured additional multinational clients to increase the enterprise client count to 375, a 15.4% increase over pcp. These include Randstad, Fever, Acciona, SGS, CyberArk, and Hipra. 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.
- The Company signed its first multinational Australia-based industrial client with 6,000 employees across 15 countries. Way2VAT is helping strengthen the company's ability to recover more of its

GST/VAT claims across its operations by integration into its current expense, invoice, and travel management platform.

- Consolidated Operational Expenses for 1H24 increased by 19% on pcp to \$3.08 million. This was partly due to updating the provision and recording of expenses in connection with key research and development government grants, and was a non-cash item. While marketing cost increases provided for a growing sales team and their initiatives to support the business, there were one-off recruitment costs and non-cash general and administrative expenses included in this 1H24 result.
- A lower Cost of Goods Sold, despite the higher revenues recorded, led to a 41% increase in Gross Profit to \$856k (1H23: 606k) and a Gross Margin of 75%, speaking well for the business' ability to scale on higher volumes.
- Cash position bolstered by capital raise activity including Convertible Notes issuance, Share Purchase Plan and a strongly supported Placement.
  - Cash balance of \$1.825 million as at 30 June 2024.
- The Company's funding runway is also backed by an extension of the \$700k loan facility for another 12 months from 30 August 2024, with Bank Hapoalim.

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

Refer to the 30 June 2024 attached financial statements and accompanying notes for Way2VAT Limited.

#### **Statement of Financial Position with Notes to the Statement**

Refer to the 30 June 2024 attached financial statements and accompanying notes for Way2VAT Limited.

#### **Statement of cash flows with Notes to the Statement**

Refer to the 30 June 2024 attached financial statements and accompanying notes for Way2VAT Limited.

#### **Statement of retained earnings and change in equity**

Refer to the 30 June 2024 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>June 2024</u>	<u>December 2023</u>
	\$/share	\$/share
Net tangible assets per ordinary share	0.002	0.003

**Details of Controlled Entities:**

Entity name	Country of incorporation	Proportion of ownership interest on 30 June		Held by
		2024	2023	
WAY2VAT SRL	Romania	100%	100%	WAY2VAT Ltd
WAY2VAT UK Limited	UK	100%	100%	WAY2VAT Ltd
WAY2VAT Inc.	USA	100%	100%	WAY2VAT Ltd
DevoluIVA S.L.U	Spain	100%	100%	WAY2VAT Ltd

Signed \_\_\_\_\_

Chairman

Date 29 August 2024

For personal use only

**WAY2VAT LTD.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF 30 JUNE 2024**

**(UNAUDITED)**

**WAY2VAT LTD.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2024**  
**(UNAUDITED)**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
Review report on interim financial information	1
Condensed interim consolidated statements of financial position	2-3
Condensed interim consolidated statements of loss and other comprehensive income (loss)	4
Condensed interim consolidated statements of changes in equity (deficit)	5-6
Condensed interim consolidated statements of cash flows	7-8
Notes to the condensed interim consolidated financial statements	9-19

\_\_\_\_\_

\_\_\_\_\_



## Review report on interim financial information to the shareholders of WAY2VAT LTD.

### Introduction

We have reviewed the accompanying condensed interim consolidated statements of financial position of WAY2VAT Ltd. (the "Company") as of 30 June 2024 and the related condensed interim consolidated statements of loss and other comprehensive income (loss), changes in shareholders' equity (deficit) and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of review

We conducted our review in accordance with international standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of Interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial information does not present fairly, in all material respects, the consolidated financial position of the Company as of 30 June 2024, and of its financial performance and its consolidated cash flows for the six months then ended in accordance International Accounting Standard IAS 34.

### Emphasis of Matter

We draw attention to note 1.c. of the financial information, which indicates that the company has incurred negative cash from operation of \$1,057 thousand and net losses of \$2,131 thousand during the six months ended 30 June 2024. As stated in note 1.c., these matters indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Tel-Aviv, Israel

29 August 2024

Ziv haft

Certified Public Accountants (Isr.)

BDO Member Firm								
Tel Aviv	Jerusalem	Haifa	Beer Sheva	Bnei Brak	Kiryat Shmona	Petah Tikva	Modiin Ilit	Nazrat Ilit
03-6386868	02-6546200	04-8680600	077-7784100	073-7145300	077-5054906	077-7784180	08-9744111	04-6555888

**Main office: Beit Amot BDO, 48 Menachem Begin Road, Tel Aviv, 6618001** Email: [bdo@bdo.co.il](mailto:bdo@bdo.co.il) Website: [www.bdo.co.il](http://www.bdo.co.il)

BDO Israel, an Israeli partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firm

**WAY2VAT LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(USD in thousands)**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>Unaudited</b>	
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	1,825	493
Trade receivables	2,234	2,369
Other accounts receivable	194	131
	4,253	2,993
<b>Non-Current Assets:</b>		
Property and equipment, net	30	33
Right-of-use assets	314	220
Intangible Assets	816	900
	1,160	1,153
<b>Total Assets</b>	<b>5,413</b>	<b>4,146</b>

The accompanying notes are an integral part of the condensed financial statements.

**WAY2VAT LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT.)**  
**(USD in thousands)**

	<u>30 June</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>
<u>Note</u>	<u>Unaudited</u>	
<b>LIABILITIES AND EQUITY (DEFICIT)</b>		
<b>Current Liabilities:</b>		
Bank loans	979	1,005
Governmental loans	38	19
Trade payables	172	220
Lease liabilities	170	125
Contingent consideration	39	55
Liability for royalties payable	118	98
Derivative liability – Options	4      196	-
Other accounts payables	<u>3,227</u>	<u>2,207</u>
	<u>4,939</u>	<u>3,729</u>
<b>Non-Current Liabilities:</b>		
Bank loans	47	385
Governmental loans	249	270
Contingent consideration	51	82
Lease liabilities	169	99
Liability for royalties payable	346	378
Other Liabilities	<u>222</u>	<u>208</u>
	<u>1,084</u>	<u>1,422</u>
<b>Equity (Deficit):</b>		
Share capital	5      2,470	1,857
Additional paid in capital	23,413	21,587
Share based compensation reserve	3,379	3,304
Adjustments arising from translation to reporting currency	(554)	(566)
Accumulated losses	<u>(29,318)</u>	<u>(27,187)</u>
<b>Total Equity (Deficit)</b>	<u>(610)</u>	<u>(1,005)</u>
<b>Total Liabilities and Equity (Deficit)</b>	<u>5,413</u>	<u>4,146</u>

  
 Amos Simantov  
 CEO & Director

  
 Evyatar Cohen  
 CFO

29 August 2024  
 Date of approval of financial  
 statements

The accompanying notes are an integral part of the condensed financial statements.



**WAY2VAT LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND OTHER**  
**COMPREHENSIVE INCOME (LOSS)**  
**(USD in thousands)**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	
Revenue	1,142	923
Cost of revenues	<u>286</u>	<u>317</u>
<b>Gross profit</b>	856	606
Research and development expenses	778	676
Selling and marketing expenses	920	703
General and administrative expenses	<u>1,385</u>	<u>1,220</u>
Total Operating expenses	3,083	2,599
<b>Operating loss</b>	(2,227)	(1,993)
Finance income	251	379
Finance expenses	<u>(155)</u>	<u>(71)</u>
<b>Loss for the period</b>	<u>(2,131)</u>	<u>(1,685)</u>
<b>Other comprehensive income (loss), net of tax:</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Exchange losses arising on translation to reporting currency	<u>12</u>	<u>(18)</u>
<b>Total comprehensive loss for the period</b>	<u>(2,119)</u>	<u>(1,703)</u>
Basic and diluted loss per share (\$)	<u>(0.0028)</u>	<u>(0.0057)</u>

**The accompanying notes are an integral part of the condensed financial statements.**

**WAY2VAT LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)**  
**(USD in thousands)**

**For the six months ended 30 June 2024 (Unaudited):**

	<u>Share capital</u>	<u>Additional paid in capital</u>	<u>Share based compensation</u>	<u>Adjustments arising from translation to reporting currency</u>	<u>Accumulated deficit</u>	<u>Total</u>
<b>Balance as of 1 January 2024</b>	1,857	21,587	3,304	(566)	(27,187)	(1,005)
<b>Changes during the period:</b>						
Net loss	-	-	-	-	(2,131)	(2,131)
Other comprehensive income	-	-	-	12	-	12
<b>Total comprehensive income (loss)</b>	-	-	-	12	(2,131)	(2,119)
Issuance of shares in connection with conversion of the Convertible Notes	177	507	-	-	-	684
Issuance of shares, net of issuance expenses in connection with the Placement finance round	414	1,207	-	-	-	1,621
Issuance of shares, net of issuance expenses in connection with the Share Purchase Plan offer	22	60	-	-	-	82
Exercise of options to ordinary shares	*	42	(42)	-	-	*
Expiration and forfeiture of Share based compensation	-	10	(10)	-	-	-
Share based compensation	-	-	127	-	-	127
<b>Balance as of 30 June 2024</b>	<b><u>2,470</u></b>	<b><u>23,413</u></b>	<b><u>3,379</u></b>	<b><u>(554)</u></b>	<b><u>(29,318)</u></b>	<b><u>(610)</u></b>

\* Represent an amount lower than \$1 thousand

**The accompanying notes are an integral part of the condensed financial statements.**

**WAY2VAT LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT) (CONT.)**  
**(USD in thousands)**

**For the six months ended 30 June 2023 (Unaudited):**

	<u>Share capital</u>	<u>Additional paid in capital</u>	<u>Share based compensation</u>	<u>Adjustments arising from translation to reporting currency</u>	<u>Accumulated deficit</u>	<u>Total</u>
<b>Balance as of 1 January 2023</b>	706	19,844	3,245	(520)	(22,936)	339
<b>Changes during the period:</b>						
Net loss	-	-	-	-	(1,685)	(1,685)
Other comprehensive loss	-	-	-	(18)	-	(18)
<b>Total comprehensive loss</b>	-	-	-	(18)	(1,685)	(1,703)
Issuance of shares, net of issuance expenses in connection with financing round	979	1,240	-	-	-	2,219
Expiration and forfeiture of Share based compensation	-	98	(119)	-	-	(21)
Share based compensation	-	-	105	-	-	105
<b>Balance as of 30 June 2023</b>	<b><u>1,685</u></b>	<b><u>21,182</u></b>	<b><u>3,231</u></b>	<b><u>(538)</u></b>	<b><u>(24,621)</u></b>	<b><u>939</u></b>

**The accompanying notes are an integral part of the condensed financial statements.**

**WAY2VAT LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(USD in thousands)**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Loss for the period	(2,131)	(1,685)
Adjustments to reconcile net loss to net cash used in by operating activities:		
Depreciation	163	76
Fair value adjustments of Derivative liability Options	(192)	-
Interest expenses and reassessment of Liability for royalties payable	20	(95)
Financial expenses (income), net	63	(12)
Share based compensation	127	84
<b>Changes in assets and liabilities:</b>		
Change in trade receivable, net	64	(200)
Change in other accounts receivable	(44)	73
Change in trade accounts payable	(42)	(43)
Change in other accounts payable	1,000	(421)
Change in contingent consideration	(42)	(258)
Change in other liabilities	20	-
<b>Cash from operations</b>	<u>(994)</u>	<u>(2,481)</u>
Interest paid	(63)	(29)
<b>Net cash used in operating activities</b>	<u>(1,057)</u>	<u>(2,510)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(5)	(3)
<b>Net cash used in investing activities</b>	<u>(5)</u>	<u>(3)</u>

The accompanying notes are an integral part of the condensed financial statements.

**WAY2VAT LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT.)**  
**(USD in thousands)**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Issuance of shares, net of issuance expenses in connection with financing round	-	2,219
Cash received in connection with Convertible Notes	684	-
Issuance of shares, net of issuance expenses in connection with the Placement finance round	1,969	-
Issuance of shares, net of issuance expenses in connection with the Share Purchase Plan offer	102	-
Bank loans, net	(324)	263
Governmental loans	-	272
Principal paid on lease liabilities	(93)	(54)
Royalties paid to the IIA	(11)	-
Exercise of options to ordinary shares	*	-
<b>Net cash provided by financing activities</b>	<b>2,327</b>	<b>2,700</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,265</b>	<b>37</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>493</b>	<b>1,030</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>67</b>	<b>(20)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,825</b>	<b>1,197</b>
<b>APPENDIX A - NON-CASH ACTIVITIES:</b>		
Recognition of right of use assets and lease liabilities	214	-

\* Represent an amount lower than \$1 thousand

The accompanying notes are an integral part of the condensed financial statements.

**WAY2VAT LTD.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(USD in thousands)**

**NOTE 1 - GENERAL:**

- a. Way 2 Vat Ltd. ("the Company") was incorporated on 19 February 2014, under the laws of Israel and commenced operations on 1 March 2016. The Company is listed, and its shares are publicly traded on the Australian Securities Exchange ("ASX"). The Company, along with its subsidiaries, is developing applications for automatic VAT reclaims for enterprises.
- b. The condensed interim consolidated financial statements include the results of the Company and its wholly owned subsidiaries as follows (together "the Group"):

Entity name	Country of incorporation	Proportion of ownership interest as of:		Held by
		30 June 2024	31 December 2023	
WAY2VAT SRL	Romania	100%	100%	WAY2VAT Ltd.
WAY2VAT UK Limited	UK	100%	100%	WAY2VAT Ltd.
WAY2VAT Inc.	USA	100%	100%	WAY2VAT Ltd.
DevoluIVA S.L.U	Spain	100%	100%	WAY2VAT Ltd.

- c. The Company financed its operation through fundraising via its listing on the ASX, private placements, bank loans, governmental loans and grants. The Group has incurred negative cash from operating activities of \$1,057 thousand and net loss of \$2,131 thousand for the six months ended 30 June 2024 and, as of that date, the Group's current liabilities exceeded its current assets by \$686 thousand. As a result of these matters, there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

The directors believe that the Company will be able to pay its debts when they fall due, and to fund near term anticipated activities based on proceeds primarily from:

- Additional support from existing and new shareholders.
- Growth in revenues from existing and new clients.

The Directors are satisfied that it is appropriate to prepare the condensed interim consolidated financial statements on a going concern basis on the basis that the above can be reasonably expected to be accomplished. The condensed interim consolidated financial statements do not include adjustments relating to the recoverability or classification of the recorded assets nor to the amounts or classification of liabilities that might be necessary should the company not be able to continue as a going concern.

**WAY2VAT LTD.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(USD in thousands)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:**

**a. Basis of preparation**

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2023 annual consolidated financial statements. The condensed interim financial statements as of 30 June 2024, have not been audited.

**b. Significant accounting policies**

The Group has applied the same accounting policies and methods of computation in its condensed interim consolidated financial statements as in its 2023 annual consolidated financial statements.

**c. Use of estimates and judgements**

There have been no material revisions to the nature and amounts of estimates of amounts reported in prior periods.

**NOTE 3 – BANK LOANS:**

The bank loans as of 30 June 2024 comprised of the following:

- Principal amount of NIS 2,650 thousand (approximately \$705 thousand based on the exchange rate of \$1.00 / NIS 3.759 in effect as of June 30, 2024), bearing an annual interest rate of 10.50%. Such loan should be repaid on 30 August 2024 but was extended for additional one year.
- Original Principal amount of NIS 1,400 thousand (approximately \$372 thousand based on the exchange rate of \$1.00 / NIS 3.759 in effect as of June 30, 2024) bearing an annual interest rate of 11.80%. Such loan is payable via 17 monthly installments commencing 30 April 2024 (through 31 August 2025). The reminder amount as of 30 June 2024 aggregated to NIS 1,183 thousand (approximately \$315 thousand based on the exchange rate of \$1.00 / NIS 3.759 in effect as of June 30, 2024).

The Company provided the bank with a floating charge for its entire assets as a guarantee for those outstanding loans.

**WAY2VAT LTD.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(USD in thousands)**

**NOTE 4 – DERIVATIVE LIABILITY - OPTIONS:**

**a. Stock options granted to investors**

The outstanding options granted to investors for the six months ended 30 June 2024 are as follows:

	<b>Number of options</b>
Outstanding as of 1 January 2024	-
Granted	147,978,901
Exercised	-
Forfeited	-
Outstanding as of 30 June 2024	<u>147,978,901</u>

Those options have an exercise price denominated in A\$, which differs from the Company's functional currency and as a result they should be recorded as liabilities and not within the consolidated statements of changes of equity /(deficit). They were recorded initially at fair value, the same as of 30 June 2024 and should be continually measured at fair value at each cut-off date.

Those options break into two categories:

First category – The options that were granted in connection with the Tranche 1 Placement, Tranche 2 Placement and SPP (105,681,818 options), see Note 5.b.2 and 5.b.3 for further information – those were granted as part of a unit, each unit was issued for price of A\$0.022 and comprised of one share and two third option. The Company utilized a Black-Scholes valuation method in order to measure the option fair value at the grant date (the key figures inserted into the formula beside the known figures such as the stock price, the exercise price and expected terms were volatility – 84%, Dividend yield – None and Risk-free interest rate – 4.30%), resulted in a fair value of A\$0.0057 per option. As a result, the Company bifurcated the options fair value from the Tranche 1 Placement, Tranche 2 Placement and SPP aggregated to A\$598 thousand (approximately \$394 thousand based on the exchange rate of \$1.00 / A\$1.54 in effect as of 29 February 2024) from the total consideration to a liability under Derivative liability – Options.

Second category - The options that were granted to the Convertible Note holders (42,297,083 options), see Note 5.b.1 for further information – those options were not granted as part of the Convertible Note subscription agreements but rather subsequent to that and as such were recorded as finance expenses on their grant date and were not bifurcated from the Convertible Note consideration.



**WAY2VAT LTD.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(USD in thousands)**

**NOTE 4 – DERIVATIVE LIABILITY – OPTIONS (CONT.):**

**a. Stock options granted to investors (cont.)**

The Company utilized a Black-Scholes valuation method in order to identify the option fair value at the grant date (the key figures inserted into the formula beside the known figures such as the stock price, the exercise price and expected terms were volatility – 84%, Dividend yield – None and Risk-free interest rate – 4.30%), resulted in a fair value of A\$0.0073 per option. As a result, the Company recorded a finance expense aggregated to A\$309 thousand (approximately \$206 thousand based on the exchange rate of \$1.00 / A\$1.50 in effect as of 10 March 2024).

The options commenced trading on 6 May 2024 and therefore the fair value as of 30 June 2024 was derived from the traded price as of such date (A\$0.002). Updating the fair value of the entire options was recorded versus finance income/expenses and the fair value as of 30 June 2024 aggregated to A\$296 (approximately \$196 thousand based on the exchange rate of \$1.00 / A\$1.51 in effect as of 30 June 2024).

**b. Fair value measurement**

	<b>Fair value hierarchy</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Options granted to investors*	196	-	-	196

\* Those options were classified to Level 2 on their grant date and reclassified to Level 1 once they commenced trading on 6 May 2024.

For personal use only

**WAY2VAT LTD.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(USD in thousands)**

**NOTE 5 - EQUITY:**

**a. Ordinary shares – Status**

**Composed as of 30 June 2024:**

	<b>Number of shares as of 30 June 2024</b>	
	<b>Unaudited</b>	
	<b>Authorized</b>	<b>Issued and outstanding</b>
Ordinary shares of NIS 0.01 par value as of 1 January 2024	1,500,000,000	651,898,972
Issuance of ordinary shares of NIS 0.01 par value in connection with the Convertible Notes	-	63,445,626
Issuance of ordinary shares of NIS 0.01 par value in connection with the Placement finance round	-	150,454,545
Issuance of ordinary shares of NIS 0.01 par value in connection with the Share Purchase Plan offer	-	8,068,177
Exercise of options	-	113,816
Ordinary shares of NIS 0.01 par value as of 30 June 2024	<u>1,500,000,000</u>	<u>873,981,136</u>

**Composed as of 31 December 2023:**

	<b>Authorized</b>	<b>Issued and outstanding</b>
	<b>Number of shares</b>	
Ordinary shares as of 1 January 2023	500,000,000	232,023,205
Increase in authorized shares*	1,000,000,000	-
Issuance of ordinary shares upon financing round	-	411,567,033
Issuance of ordinary shares in connection with contingent consideration	-	6,715,654
Issuance of ordinary shares in connection with service rendered	-	1,593,080
Ordinary shares as of 31 December 2023	<u>1,500,000,000</u>	<u>651,898,972</u>

\* On 19 June 2023, as part of the Company's annual general meeting of the shareholders', the authorized share capital was increased from NIS 5,000,000 to NIS 15,000,000, divided into 1,500,000,000 ordinary shares of NIS 0.01 par value.

**WAY2VAT LTD.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(USD in thousands)**

**NOTE 5 - EQUITY (CONT.):**

**b. Issuance of ordinary shares:**

**1. Convertible Notes:**

On 31 January 2024, the Company entered into subscription agreements to raise A\$1.1 million (approximately \$711 thousand based on the exchange rate of \$1.00 / A\$1.53 in effect as of 1 February 2024) 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 thousand (approximately \$32 thousand based on the exchange rate of \$1.00 / A\$1.53 in effect as of 1 February 2024) per convertible note (“Convertible Notes”). The Company issued the Convertible Notes on 1 and 29 February 2024, respectively.

Following the engagement, the Company has received payment for the Convertible Notes and the costs associated with that transaction aggregated to A\$58 thousand (approximately \$37 thousand based on the exchange rate of \$1.00 / A\$1.53 in effect as of 1 February 2024). The key terms with respect to those Convertible Notes are accruing 8% annual interest which shall be capitalized on the conversion date and a conversion price which includes a 20% discount to the price achieved in the next capital raising transaction.

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 (approximately \$1.3 million based on the exchange rate of \$1.00 / A\$1.53 in effect as of 1 February 2024) via the issue of Shares (“Financing Conversion”). The announcement of the Placement, see section 2. below and the SPP offer, see section 3. below constitutes a Financing Conversion. Accordingly, those Convertible Notes and the accrued interest as of conversion date which aggregated to A\$16 thousand (approximately \$10 thousand based on the exchange rate of \$1.00 / A\$1.53 in effect as of 1 February 2024) converted into shares. As a result, the Company issued 63,445,626 Shares to the Convertible Notes Investors on conversion of the Convertible Notes based on 20% discount to the issue price of A\$0.022 (approximately \$0.014 based on the exchange rate of \$1.00 / A\$1.54 in effect as of 29 February 2024) per share pursuant to the Financing Conversion (“Convertible Note Shares”).

**WAY2VAT LTD.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(USD in thousands)**

**NOTE 5 - EQUITY (CONT.):**

**b. Issuance of ordinary shares (cont.):**

In addition, the Company granted 42,297,083 options to the Convertible Note Investors with each option having an exercise price of A\$0.033 (approximately \$0.021 based on the exchange rate of \$1.00 / A\$1.54 in effect as of 29 February 2024) and expiring on 28 February 2026. Convertible Note Investors received two free attaching options for every three Convertible Note Shares issued pursuant to the Financing Conversion.

**2. Placement finance round:**

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 (approximately \$2.76 million based on the exchange rate of \$1.00 / A\$1.54 in effect as of 29 February 2024) (before costs) at an issue price of A\$0.022 per Share to be issued by the Company together with two free attaching Options for every three Shares issued under the placement, with the same terms as described in section 1. above. The Placement comprises of:

A\$2,097 thousand (approximately \$1,385 thousand based on the exchange rate of \$1.00 / A\$1.54 in effect as of 29 February 2024) - 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 the proposed issue of up to 63,541,495 Placement Options ("Tranche 1 Placement"); and

A\$2,153 thousand (approximately \$1,398 thousand based on the exchange rate of \$1.00 / A\$1.54 in effect as of 29 February 2024) - Further 97,869,576 Shares and 65,246,384 Placement Options to the Placement Investors ("Tranche 2 Placement");

The Company collected all the amount associated with the Shares under Tranche 1 Placement and as a result, the Shares and the options under the Tranche 1 Placement were issued. The issuance costs associated with the Tranche 1 Placement aggregated to A\$215 thousand (approximately \$141 thousand based on the exchange rate of \$1.00 / A\$1.54 in effect as of 29 February 2024).

Up to 30 June 2024, the Company collected A\$1,213 thousand (approximately \$788 thousand based on the exchange rate of \$1.00 / A\$1.54 in effect as of 29 February 2024) associated with the shares under the Tranche 2 Placement and as a result, the Company issued 55,142,303 shares and granted 36,761,535 options. The issuance costs associated with the collected Tranche 2 Placement up to 30 June 2024 aggregated to A\$95 thousand (approximately \$63 thousand based on the exchange rate of \$1.00 / A\$1.54 in effect as of 29 February 2024).

**WAY2VAT LTD.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(USD in thousands)**

**NOTE 5 - EQUITY (CONT.):**

**b. Issuance of ordinary shares (cont.):**

The status regarding the remaining amount (A\$940 thousand - approximately \$622 thousand based on the exchange rate of \$1.00 / A\$1.51 in effect as of 30 June 2024) for finalizing the Tranche 2 Placement is as follows:

A\$440 thousand (approximately \$291 thousand based on the exchange rate of \$1.00 / A\$1.51 in effect as of 30 June 2024) from one investor – In May 2024 the investor paid A\$40 (approximately \$26 thousand based on the exchange rate of \$1.00 / A\$1.51 in effect as of 30 June 2024) to a trust account, such amount was recorded within other accounts receivables and within the additional paid-in capital as of 30 June 2024. An additional payment of A\$100 thousand (approximately \$66 thousand based on the exchange rate of \$1.00 / A\$1.51 in effect as of 30 June 2024) was made in July 2024 and in August 2024 the Company and this investor signed a Deed of Settlement and Release which determined, among other things, that the payment for the remainder amount (A\$300 - approximately \$199 thousand based on the exchange rate of \$1.00 / A\$1.51 in effect as of 30 June 2024) should be paid in September 2024.

A\$500 thousand (approximately \$331 thousand based on the exchange rate of \$1.00 / A\$1.51 in effect as of 30 June 2024) from an additional investor – In July 2024, the Company and this investor signed a Deed of Settlement and Release which determined, among other things, the payment stream, as follows: A\$150 thousand (approximately \$99 thousand based on the exchange rate of \$1.00 / A\$1.51 in effect as of 30 June 2024) in July 2024, A\$100 thousand (approximately \$66 thousand based on the exchange rate of \$1.00 / A\$1.51 in effect as of 30 June 2024) in August 2024 and A\$250 thousand (approximately \$165 thousand based on the exchange rate of \$1.00 / A\$1.51 in effect as of 30 June 2024) in October 2024. The first two payments were already received by the Company as of the date of this report.

**3. Share purchase plan offer:**

In conjunction with the Placement finance round mentioned in section 2. above, the Company offered a Share Purchase Plan (“SPP”) for its eligible shareholders which contained the following key terms:

up to A\$30 thousand (approximately \$19 thousand based on the exchange rate of \$1.00 / A\$1.54 in effect as of 29 February 2024) worth of Shares each, at an issue price of A\$0.022 per Share to raise up to approximately A\$1.0 million (approximately \$649 thousand based on the exchange rate of \$1.00 / A\$1.54 in effect as of 29 February 2024) (before costs) via the issue of up to 45,454,545 Shares (SPP Shares); and two free attaching Options, with the same terms as described in section 1. above for every three SPP Shares.

**WAY2VAT LTD.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(USD in thousands)**

**NOTE 5 - EQUITY (CONT.):**

**b. Issuance of ordinary shares (cont.):**

The Company raised A\$177 thousand (approximately \$115 thousand based on the exchange rate of \$1.00 / A\$1.54 in effect as of 29 February 2024) and as a result issued 8,068,177 shares and granted 5,378,788 options.

The issuance costs associated with the collected Tranche 2 Placement up to 30 June 2024 aggregated to A\$20 thousand (approximately \$13 thousand based on the exchange rate of \$1.00 / A\$1.54 in effect as of 29 February 2024).

**c. Stock options granted to employees and consultants:**

The outstanding options granted to employees and consultants for the six months ended 30 June 2024 are as follows:

	<b>Number of options</b>
Outstanding as of 1 January 2024	98,137,931
Granted	5,500,000
Exercised	(113,816)
Forfeited	(2,556,908)
Outstanding as of 30 June 2024	100,967,207

The Company granted 5,500,000 options during the six months ended 30 June 2024. Those options were valued on their grant date based on Black Scholes option valuation methodology based on, among other things, the following data and assumptions: exercise price per share of Between \$0.006 - \$0.02, vesting period is 3 years, contractual life of 10 years, expected volatility of 62%, dividend growth rate 0% and Expected term - 2 years.

Total value of the options granted during the six months ended 30 June 2024 were \$127 thousand.

For personal use only

**WAY2VAT LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT.)**  
**(USD in thousands)**

**NOTE 6 – RELATED PARTIES:**

The following transactions and liabilities arose with related parties (as individuals and as companies controlled by them):

<b>Transaction – expenses*</b>	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	
Management Fee to the CEO and director	133	150
Consultancy fees to directors	58	57
Share based compensation to the CEO and director	77	48
Share based compensation to directors	22	19

\* Recorded within General and administrative expenses line item

<b>Liabilities to related parties**</b>	<b>Nature of transaction</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
		<b>Unaudited</b>	
CEO and director	Management Fees	23	23
Directors	Consultancy fees	79	39

\*\* Recorded within other accounts payable line item

**NOTE 7 – LEGAL PROCEEDINGS:**

- a. DevoluIVA is a party to two small historical (before the acquired date) legal proceedings. The exposure of all is up to \$50 thousand. No provision was recorded as of 30 June 2024 and 31 December 2023 due to the uncertainty outcome of those proceedings.
- b. On 26 February 2024 the Company was served with a lawsuit filed by its former landlord in a total amount of NIS 163 thousand (approximately \$43 thousand based on the exchange rate of \$1.00 / NIS 3.759 in effect as of 30 June 2024) for office rent differences for prior periods. The Company do not agree with the demand and therefore, on 2 May 2024 submitted a statement of defense to the court. A preliminary court hearing in this case was set for 10 November 2024. This litigation is still in its early stage and therefore no provision was recorded as of 30 June 2024 and 31 December 2023.

**WAY2VAT LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT.)**  
**(USD in thousands)**

**NOTE 8 - SUBSEQUENT EVENTS:**

- a. Commencing 1 July 2024 and until the date of this report, the Company collected additional funds in connection with the Tranche 2 Placement. See Note 5.b.2. for additional information.
- b. During August 2024, the Company extended one of its bank loans, refer to Note 3 for additional information.

For personal use only





**DECLARATION OF INDEPENDENCE BY BDO ZIV HAFT TO THE DIRECTORS  
OF WAY2VAT LTD.**

As lead reviewer of Way2Vat Ltd. for the period ended June 30, 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the reviewer independence requirements in relation to the review;  
and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Way2Vat Ltd.

Tel-Aviv, Israel

August 29, 2024

  
Ziv haft

Certified Public Accountants (Isr.)

BDO Member Firm

<b>Tel Aviv</b>	<b>Jerusalem</b>	<b>Haifa</b>	<b>Beer Sheva</b>	<b>Bnei Brak</b>	<b>Kiryat Shmona</b>	<b>Petah Tikva</b>	<b>Modiin Ilit</b>	<b>Nazrat Ilit</b>
03-6386868	02-6546200	04-8680600	077-7784100	073-7145300	077-5054906	077-7784180	08-9744111	04-6555888

**Main office: Beit Amot BDO, 48 Menachem Begin Road, Tel Aviv, 6618001 Email: [bdo@bdo.co.il](mailto:bdo@bdo.co.il) Website: [www.bdo.co.il](http://www.bdo.co.il)**

BDO Israel, an Israeli partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firm

For personal use only

# Top Holders Grouped Report

## Way 2 Vat Ltd

Security Class(es): W2V - ORDINARY FULLY PAID SHARES  
 Security Class(es): W2VESC24 - VOLUNTARY ESCROW SHARES 24 MONTH  
 Security Class(es): W2VESC24 - ESCROWED SHARES 24M FROM QUOTATION  
 Security Class(es): W2VESC25 - ESCROWED SHARES 24M FROM QUOTATION  
 Display Top: 20

 As at Date: 28-Aug-2024

Position	Holder Name	Holding	% IC
1	UBS NOMINEES PTY LTD	155,008,159	17.56%
2	ABSOLUTE INVESTMENTS AUSTRALIA PTY LTD <ABSOLUTE A/C>	36,500,000	4.14%
3	JINDABYNE CAPITAL PTY LTD <PROVIDENCE EQUITY A/C>	30,000,000	3.40%
4	DAVSAM PTY LTD <ROSEMAN RETIREMENT FUND A/C>	23,006,575	2.61%
5	ORIENT GLOBAL HOLDINGS PTY LTD <AL'N'ALL A/C>	20,382,125	2.31%
6	VOXEL MEDIA SL	20,013,197	2.27%
7	DE SILVA SUPER NOMINEES PTY LTD <APEX SUPER FUND A/C>	18,213,636	2.06%
8	AMOS SIMANTOV	17,928,378	2.03%
9	MR THOMAS FRITZ ENSMANN	17,909,856	2.03%
10	WICKLOW CORPORATION	17,045,455	1.93%
11	ICE COLD INVESTMENTS PTY LTD <G & J BROWN SUPER FUND A/C>	14,444,432	1.64%

original use personal

Position	Holder Name	Holding	% IC
12	MONETA SEEDS LP	13,534,332	1.53%
13	BNP PARIBAS NOMS PTY LTD	11,744,457	1.33%
14	CASSA TRADING PTY LTD <CASSA TRADING A/C>	11,500,000	1.30%
15	CITICORP NOMINEES PTY LIMITED	11,303,914	1.28%
16	YARRAC PTY LTD <COLEBATCH PROPERTY A/C>	10,647,182	1.21%
17	MR AJIT JACOB MATHEW	9,400,685	1.07%
18	POALIM EQUITY LTD	9,280,778	1.05%
19	MR MARK RICHARD JONES & MS MARGARET TAI <TAI-JONES SUPER A/C>	9,000,000	1.02%
19	IRWIN BIOTECH NOMINEES PTY LTD	9,000,000	1.02%
20	BCI HOLDINGS PTY LTD <BCI SUPERANNUATION FUND A/C>	8,750,000	0.99%
<b>TOTALS</b>		<b>474,613,161</b>	<b>53.77%</b>
<b>Total Issued Capital</b>		<b>882,617,500</b>	<b>100.00%</b>

personal use only