

ASX release

28 August 2025

Way2VAT Delivers Revenue Growth, Key Client Wins, and Increased Client Penetration

1H FY25 Highlights (all figures A\$ unless otherwise stated)

- Reported revenue of \$2.49 million, up 43% on prior corresponding period (pcp) (1H FY24: \$1.73 million).
- Accounts Receivable balance of \$5.5 million with significant amounts due from various government tax authorities.
- JLL contract announced to market (see ASX announcement 26 May 2025) and subsequently increases scope to cover 77 entities.
- Enterprise clients increased 10% from 375 to 414 on pcp.
- Increased client penetration with new projects undertaken for existing clients such as Solenis Chemical and Tik Tok.
- “Four Pillar” growth strategy announced (see ASX Investor Presentation 26 May 2025).

Global fintech leader in automated VAT claim and return solutions, Way2VAT Ltd (**ASX: W2V, Way2VAT** or the **Company**), announces its half-year financial results for the six months ended 30 June 2025 (1H FY25). The company has produced a strong first half as it continues to sign larger clients and execute on new opportunities with existing clients.

Commenting on the Company’s achievements in 1H FY25 and outlook for 2H FY25, Way2VAT Founder & CEO, Amos Simantov, said:

“Our first half revenue of \$2.49 million increased 43% on the prior corresponding period as we were able to convert new client signings into revenue ahead of the 30 June tax deadlines in many jurisdictions. Increasingly, multinational enterprises are taking advantage of the Way2VAT platform to accelerate automation and streamlining of VAT reclaim processes”.

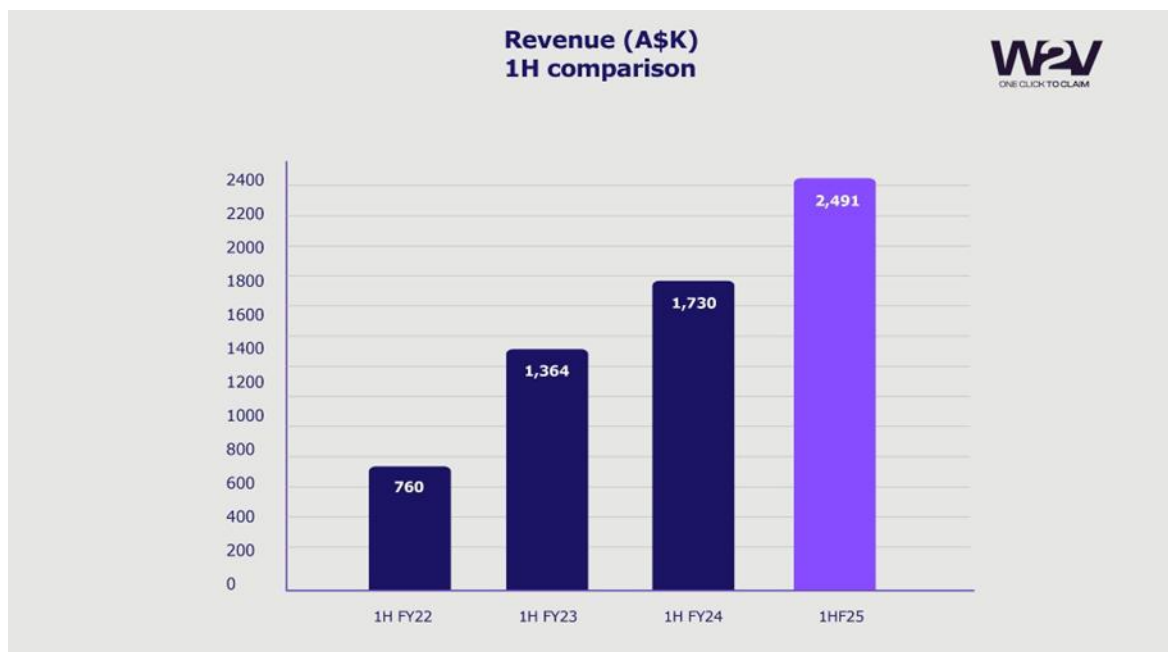
“The September Quarter has started strongly as we look forward to the seasonally stronger second half of the year, where many of our clients have significant VAT reclaim business coinciding with various tax jurisdiction deadlines at the end of September and December”.



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Financial Highlights

Reported revenue increased to \$2.49 million, a 43% increase on the previous corresponding period (pcp) (1H FY24: \$1.73million). As shown in the bar chart below, the Company continues to scale with each half-yearly pcp period.



Seasonality of the business is apparent when looking at revenue generated every quarter. Historically, it is clear that higher revenue is earned in Q3 and Q4, highlighting the stronger second half of each year. This is due to more tax jurisdictions having VAT reclaim deadlines in these halves which Way2VAT clients need to adhere to.

Accounts receivable on client VAT claims already submitted to tax authorities increased significantly to \$5.5 million as the revenues are growing at a faster rate than cash collections from tax jurisdictions.

A stable cost of goods sold together with higher recorded revenues led to a 57% increase in gross profit to \$2.05 million (1H FY24: \$1.3 m) and a gross profit margin of 82% demonstrating the business's ability to scale on higher volumes.

Way2VAT operating expenses during the half were \$4.37 million, a decrease of 7% on pcp (1H FY24: \$4.69 million). This reduction is a result of cost cutting initiatives implemented in Q4 FY24 which were primarily staff costs, professional services, administration and corporate costs coming into effect in 1H FY25. The full year 2025 operating costs versus 2024 are expected to show a higher reduction in costs.

Operational Highlights

The Company's "Four Pillar" Growth strategy was launched in May 2025 (see ASX Investor Presentation 26 May 2025).



The First Pillar: Global VAT Reclaim

The Second Pillar: APAI Real-Time Invoice Compliance Validation

The Third Pillar: VAT Compliance Services

The Fourth Pillar: Expanding into Real-Time E-Invoicing

Growing Multinational Enterprise Clients

Over 1H FY25, Way2VAT raised its enterprise client base to 414 from 375 in the pcp. This included the significant signing of a global VAT reclaim and APAI Compliance contract with JLL. JLL is an international real estate and property management company with more than 300 offices in over 80 countries. The contract executed with JLL covers VAT recovery on both local and foreign T&E (Travel & Entertainment) and AP (Accounts Payable) invoices. Also, it allows JLL to utilise Way2VAT's new APAI Compliance platform. Since beginning work with JLL, Way2VAT has received instructions to include additional entities with regard to VAT reclaim services, increasing the scope of work to be done under this contract.

Increased client penetration with larger clients such as Solenis Chemical and TikTok towards the end of the first half also boosted revenue for 1H FY25. Improving client penetration to cover more entities for each client and combining both local and International VAT services for each client are both key growth metrics for the company.

Cash Flow

During 1H FY25, Way2VAT completed two rounds of funding. During January, the Company raised \$2.55 million before costs via the issue of Convertible Notes to certain sophisticated investors and key shareholders. These convertible notes were subsequently converted to equity with shareholders approval during May 2025. The Company then raised \$2 million before costs in June via a placement at an issue price of A\$0.007 per share with strong support from new and existing shareholders.

Subsequent to the end of 1H FY25, the Company also agreed with its banker, Israeli Bank Hapaolim on 24 August to extend its core financing facility, an \$1.2 million secured loan for another 12 months to 31 August 2026.

Also subsequent to the end of 1H FY25, the Company agreed with its banker to extend a short-term, unsecured bridge loan totalling \$455 thousand. The original maturity date was 23 July 2025, which has since been extended to 1 October 2025.

Outlook

Way2VAT Founder & CEO, Amos Simantov, said: *"We have a backlog of work requested by existing clients as well as a large pipeline of new opportunities which we are optimistic about closing during the second half of 2025."*

"We continue to receive expense data into our platform for processing from newly onboarded clients and some of our existing clients who are using more of our services. This data gives us confidence that it will result in higher volumes of reclaims to process and higher revenues in the second half of 2025."



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"We are confident that the trend of the past few years of organic revenue growth of circa 50% per annum will continue into the second half of 2025. This revenue growth together with the reduction in cost through fiscal discipline will allow us to move quickly towards profitability".

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

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About Way2VAT

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

Established in 2016, Way2VAT is headquartered in Tel Aviv with offices in the United Kingdom, Spain, and Romania. It has over 75 employees, and more than 414 global enterprise companies use its platform daily.

www.way2vat.com

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