



Appendix 4E

Preliminary Final Report For The Year Ended 31 December 2024

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 2024 (FY24)
Previous Corresponding Period	12 months ended 31 December 2023 (FY23 and pcp)
Currency	All figures are in USD in thousands

Results Announcement to the market:

	<u>2024</u>	<u>2023</u>	<u>Movement %</u>
Revenues from ordinary activities	3,007	2,049	47%
Loss from ordinary activities			
After tax attributable to owners	(3,683)	(4,270)	(14)%
Net Loss for the period			
attributable to owners	(3,620)	(4,251)	(15)%

Commentary on the Results for the Year

Results for FY24 included the following key movements:

- Reported revenue increased to \$3,007 thousand, up 47% on pcp (FY23: \$2,049 thousand)
- Added 50 new enterprise clients, an increase of 14%, including PACT Group, SGS, CyberArk, Hipra, Randstad, Fever, Acciona, Bulk Tainer Group, Objective Media Group, Solarig, Mahou San Miguel and Sungrow, growing the enterprise client base to 395
- Raised \$3.6 million via convertible notes issuance and a strongly supported placement combined with a Share Purchase Plan.
- During 2024 the Company launched a new AI-driven automated accounts payable auditing product, APAI Compliance, to complement Way2VAT's

existing suite of AI-powered VAT/GST claim and return solutions. Pilots were conducted with a number of new and existing clients to fine tune this product during the year in readiness for a commercial roll out in 2025.

- Operating cash expenses remained relatively stable over the first three quarters of 2024, between \$1.5 million and \$1.7 million per quarter and fell to \$1.4 million in Q4 FY24. The company implemented a number of cost saving initiatives that were phased in over Q4 FY24. This includes headcount reductions, salary reductions and other cost saving measures effective from December 2024 onwards, collectively resulting in a 20% decrease in ongoing operating expenses.
- Cash balance of \$76 thousand as of 31 December 2024 with Accounts Receivable balance of \$2.8 million, being fees associated with client VAT reclaims due mostly from various government tax authorities.
- Subsequent to the end of the reporting period an additional \$1.7 million was raised via the issue of convertible notes to certain key shareholders.

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

Refer to the 31 December 2024 attached financial statements and accompanying notes for Way2Vat Limited.

Statement of Financial Position with Notes to the Statement

Refer to the 31 December 2024 attached financial statements and accompanying notes for Way2Vat Limited.

Statement of cash flows with Notes to the Statement

Refer to the 31 December 2024 attached preliminary consolidated financial statements and accompanying notes for Way2Vat Limited.

Statement of retained earnings and change in equity

Refer to the 31 December 2024 attached preliminary consolidated 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>2024</u>	<u>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 December 31		Held by
		2024	2023	
WAY2VAT UK Limited	UK	100%	100%	WAY2VAT Ltd.
DevoluIVA S.L.U	Spain	100%	100%	WAY2VAT Ltd.
WAY2VAT SRL	Romania	100%	100%	WAY2VAT Ltd.
WAY2VAT Inc.	USA	100%	100%	WAY2VAT Ltd.

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 2025.

Signed 

CEO

Date: 27 February 2025

WAY2VAT LTD.

ARBN 637 709 114

Appendix 4E Preliminary Report

PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2024

WAY2VAT LTD.

PRELIMINARY CONSOLIDATED STATEMENT OF LOSS AND OTHER COMPREHENSIVE LOSS

(USD in thousands, except for loss per share)

	Note	Year ended December 31	
		2024	2023
Revenues		3,007	2,049
Cost of revenues		<u>541</u>	<u>432</u>
Gross profit		2,466	1,617
Research and development expenses	3	1,684	1,287
Selling and marketing expenses	4	1,625	1,477
General and administrative expenses	5	<u>2,840</u>	<u>3,123</u>
Operating loss		(3,683)	(4,270)
Financial expenses		(362)	(315)
Financial income		<u>425</u>	<u>334</u>
Loss for the year		<u>(3,620)</u>	<u>(4,251)</u>
Other comprehensive loss:			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange gains arising on translation to reporting currency		<u>33</u>	<u>(46)</u>
Total comprehensive loss for the year		<u>(3,587)</u>	<u>(4,297)</u>
Loss per share			
Basic and diluted loss per share (\$)		<u>(0.004)</u>	<u>(0.009)</u>

WAY2VAT LTD.
PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(USD in thousands)

		As of 31 December	
	Note	2024	2023
ASSETS			
Current Assets:			
Cash and cash equivalents		76	493
Trade receivables		2,795	2,369
Other accounts receivables		161	131
		3,032	2,993
Non-Current Assets:			
Right-of-use assets		680	220
Intangible Assets		739	900
Property, plant and equipment, net		33	33
		1,452	1,153
Total Assets		4,484	4,146

WAY2VAT LTD.
PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)
(USD in thousands)

		As of 31 December	
	Note	2024	2023
LIABILITIES AND EQUITY DEFICIT			
Current Liabilities:			
Bank loans		1,259	1,005
Governmental loan		56	19
Trade payables		434	220
Lease liabilities		194	125
Contingent consideration		26	55
Liability for royalties payable		137	98
Derivative liability – Options		100	-
Other accounts payables	6	2,327	2,207
		4,533	3,729
Non-Current Liabilities:			
Bank loans		-	385
Governmental loan		227	270
Contingent consideration		-	82
Lease liabilities		486	99
Liability for royalties payable		340	378
Other liabilities*		219	208
		1,272	1,422
Equity Deficit:			
Share capital		2,626	1,857
Additional paid in capital		24,400	21,587
Share based payment reserve		2,993	3,304
Adjustments arising from translation to reporting currency		(533)	(566)
Accumulated losses		(30,807)	(27,187)
Total Equity Deficit		(1,321)	(1,005)
Total Liabilities and Equity Deficit		4,484	4,146

WAY2VAT LTD.

PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIT)

(USD in thousands)

	Share capital	Additional paid in capital	Shares based payment reserve	Adjustments arising from translation to reporting currency	Accumulated losses	Total
Balance on January 1, 2023	706	19,844	3,245	(520)	(22,936)	339
Changes during 2023:						
Loss for the year	-	-	-	-	(4,251)	(4,251)
Other comprehensive loss	-	-	-	(46)	-	(46)
Total comprehensive loss for the year	-	-	-	(46)	(4,251)	(4,297)
Issuance of shares, net of Issuance expenses	1,128	1,431	-	-	-	2,559
Issuance of shares in connection with contingent consideration	19	26	-	-	-	45
Issuance of shares in connection with service rendered	4	125	-	-	-	129
Expiration and forfeiture of Share based payment	-	161	(188)	-	-	(27)
Share based compensation	-	-	247	-	-	247
Balance on December 31, 2023	<u>1,857</u>	<u>21,587</u>	<u>3,304</u>	<u>(566)</u>	<u>(27,187)</u>	<u>(1,005)</u>

WAY2VAT LTD.

PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIT) (CONT.)

(USD in thousands)

	Share capital	Additional paid capital	in Shares based payment reserve	Adjustments arising from translation to reporting currency	Accumulated losses	Total
Changes during 2024:						
Loss for the year	-	-	-	-	(3,620)	(3,620)
Other comprehensive income	-	-	-	33	-	33
Total comprehensive loss for the year	-	-	-	33	(3,620)	(3,587)
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	530	1,643	-	-	-	2,173
Issuance of shares, net of issuance expenses in connection with the Share Purchase Plan offer	22	60	-	-	-	82
Issuance of shares in connection with Director's service rendered	23	46	-	-	-	69
Issuance of shares in connection with contingent consideration	17	27	-	-	-	44
Exercise of options	*	167	(167)	-	-	*
Expiration and forfeiture of share based payment	-	363	(363)	-	-	-
Share based compensation	-	-	219	-	-	219
Balance on December 31, 2024	<u>2,626</u>	<u>24,400</u>	<u>2,993</u>	<u>(533)</u>	<u>(30,807)</u>	<u>(1,321)</u>

* Represent an amount lower than \$1 thousand.

WAY2VAT LTD.

PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS

(USD in thousands)

	Year ended 31 December	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the year	(3,620)	(4,251)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	281	235
Capital loss	-	76
Fair value adjustments of Derivative liability Options	(344)	-
Interest expenses and reassessment	14	12
Share based compensation in connection with service rendered	-	129
Issuance of shares in connection with Director's service rendered	34	-
Financial expenses, net	203	24
Share based compensation	219	220
Changes in operations assets and liabilities:		
Change in trade receivables	(583)	(341)
Change in other accounts receivables	(41)	89
Change in trade payables	235	258
Change in other accounts payables	170	131
Change in fair value of contingent consideration	(63)	(238)
Change in other liabilities	24	(12)
Cash from operations	<u>(3,471)</u>	<u>(3,668)</u>
Interest paid	(134)	(133)
Net cash used in operating activities	<u>(3,605)</u>	<u>(3,801)</u>

WAY2VAT LTD.
PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS (CONT.)
(USD in thousands)

	Year ended 31 December	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant, and equipment	(16)	(10)
Proceeds from sale of property, plant, and equipment	-	5
Net cash used in operating activities	<u>(16)</u>	<u>(5)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of shares, net of issuance cost	-	2,559
Cash received in connection with Convertible Notes	684	-
Issuance of shares, net of issuance expenses in connection with the Placement finance round	2,601	-
Issuance of shares, net of issuance expenses in connection with the Share Purchase Plan offer	102	-
Bank loans, net	(125)	583
Principal paid on lease liabilities	(182)	(119)
Governmental loans	-	158
Royalties paid and received from the IIA, net	24	(56)
Exercise of options to ordinary shares	*	-
Net cash provided by financing activities	<u>3,104</u>	<u>3,125</u>
 Net decrease in cash and cash equivalents	 <u>(517)</u>	 <u>(681)</u>
Cash and cash equivalents at the beginning of the year	<u>493</u>	<u>1,030</u>
Effects of exchange rate changes on cash and cash equivalents	<u>100</u>	<u>144</u>
Cash and cash equivalents at the end of the year	<u>76</u>	<u>493</u>
 APPENDIX A – NON-CASH ACTIVITIES:		
Recognition of right o use assets and lease liabilities	<u>671</u>	<u>246</u>
Elimination of right of use assets and lease liabilities due to termination of lease	<u>-</u>	<u>194</u>
Issuance of shares in connection with contingent consideration	<u>44</u>	<u>45</u>
Issuance of shares in connection with Director's service rendered	<u>35</u>	<u>-</u>

* Represent an amount lower than \$1 thousand.

WAY2VAT LTD.
PRELIMINARY CONSOLIDATED NOTES
(USD in thousands)

NOTE 1 – BASIS OF PREPARATION:

The preliminary report of Way2Vat Ltd (the “Company”) 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 2002. 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 the 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 31 December		Held by
		2024	2023	
WAY2VAT UK Limited	UK	100%	100%	WAY2VAT Ltd.
DevoluIVA S.L.U	Spain	100%	100%	WAY2VAT Ltd.
WAY2VAT SRL	Romania	100%	100%	WAY2VAT Ltd.
WAY2VAT Inc.	USA	100%	100%	WAY2VAT Ltd.

NOTE 3 - RESEARCH AND DEVELOPMENT EXPENSES:

	Year ended 31 December	
	2024	2023
Salary and related expenses	988	943
Development costs	652	360
Subcontractors and consultants	50	44
Share based compensation	15	13
Government Grants received and changes in liability, net	(49)	(100)
Others	28	27
	<u>1,684</u>	<u>1,287</u>

WAY2VAT LTD.
PRELIMINARY CONSOLIDATED NOTES (CONT.)
(USD in thousands)

NOTE 4 - SELLING AND MARKETING EXPENSES:

	Year ended 31 December	
	2024	2023
Salary and related expenses	1,340	1,000
Marketing fees	260	473
Share based compensation	23	-
Government Grants received and changes in liability, net	-	4
Others	2	-
	<u>1,625</u>	<u>1,477</u>

NOTE 5 - GENERAL AND ADMINISTRATIVE EXPENSES:

	Year ended 31 December	
	2024	2023
Professional fees	845	769
Salary and related expenses	601	624
Depreciation and amortization	281	235
Share based compensation	181	207
Share based compensation in connection with service rendered	-	129
Travel abroad	65	95
Others	<u>867</u>	<u>1,064</u>
	<u>2,840</u>	<u>3,123</u>

WAY2VAT LTD.
PRELIMINARY CONSOLIDATED NOTES (CONT.)

(USD in thousands)

NOTE 6 - OTHER ACCOUNTS PAYABLE:

	As of 31 December	
	2024	2023
Balances due to customers	1,850	1,407
Accrued expenses	193	426
Employees, salaries, and related liabilities	126	176
Payroll Institutions	105	63
Provision for vacation	47	59
Others	6	76
	<u>2,327</u>	<u>2,207</u>