



ASX Announcement

17 September 2021

Way2VAT, a leader in automatic VAT/GST reclaim solutions, commences trading on the ASX following over-subscribed IPO raise

- **Way2VAT's patented leading artificial intelligence technology provides enterprises and SMEs with a fully-automated, end-to-end VAT reclaim platform across 40 countries in 20 languages**
- **The \$7 million initial public offering was oversubscribed with strong support from institutional and cornerstone investors**
- **Highly scalable technology with over 80% gross profit margins for the financial year ended 31 December 2020 and half-year ended 30 June 2021**
- **Over 150 enterprise customers including EY, Siemens, Mastercard and Footlocker**
- **Strong revenue growth with CY2020 up 153% year-on-year and H1 CY2021 up 74% compared to the prior corresponding period, despite the pandemic**
- **Integrated with global expense management and accounting software providers including Xero and Sage enabling Way2VAT to scale into the untapped SME market**
- **Positioned to leverage the return to global travel, funds will be used for sales and marketing, research and development, compliance and security and customer support**
- **Way2VAT commences trading on the ASX under the ticker W2V**

Global leader in integrated VAT claim and return solutions, Way2VAT (**ASX:W2V, Way2VAT** or the **Company**), will commence trading on the Australian Securities Exchange from 1:00pm today, following the successful completion of an initial public offering (**IPO** or **Offer**) that raised \$7 million via the issue of 35 million shares at \$0.20c per share for an implied market capitalisation of \$30.7 million at listing.

Way2VAT owns and operates a patented artificial intelligence technology that powers a fully automated, end-to-end VAT reclaim platform. Way2VAT does this by connecting to a business' existing expense management system via an API, analyses recoverable VAT, then automates the reclaim process and submits it to the relevant tax authority, taking away the manual labour-intensive aspect of having to lodge VAT claims.

The company services more than 150 enterprise clients, many of whom are based in Europe and the United States, including MasterCard, EY Israel, Epam, Aviva, Amdocs, Hitachi ABB, Footlocker and the Boston Red Sox. The company also launched an SME product in late 2020 that allows indirect sales through large technology partners such as Xero and Sage in the UK, giving direct, fast access to the W2V platform worldwide. The Company has already signed contracts with 20 accounting firms who represent 400+ potential clients.

ASX: W2V

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The IPO was oversubscribed and raised the maximum available under the Prospectus of \$7m, with a number of institutions joining the register. The successful IPO, lead managed by Canaccord Genuity and guided by Sandton Capital Advisory as corporate adviser, places Way2VAT in a strong financial position to scale the business quickly. The IPO funds will enable the Company to progress its platform and expand marketing and sales teams, research and development, compliance and security and customer support.

Way2VAT Founder and CEO, Amos Simantov, said “Listing on the ASX is a major milestone for the Company and positions us to accelerate our plans for growth in global markets. By providing integrated VAT claim and return solutions in 40 countries and over 20 languages, serving hundreds of enterprise businesses worldwide, Way2VAT is playing a leading role in the global shift to digital taxation systems and will support and streamline many of the antiquated systems that still exist for VAT collection.

“The IPO has been a great achievement and we are committed to utilising the funds raised to strengthen our product, team and strategy whilst maximising shareholder returns. We welcome new investors and look forward to updating them as we continue on our growth journey.”

Patented VAT claim and return technology

Way2VAT uses patented artificial intelligence and deep-learning technology through the whole VAT reclaim process for improved efficiency, speed and fraud detection. By automating procedures, businesses reduce time and labour costs typically associated with manually submitting VAT reclaims.

The company uses patented Automatic Invoice Analyser (AIA) technology, based on computer vision, language processing, data science, and deep learning that is the enabler for the automated process and fraud detection capability.

By connecting to a business’s existing expense management system, Way2VAT analyses recoverable VAT, automates reclaim processes and submits the application to the relevant tax authority. The technology allows for any invoice to be processed no matter how small, where competitors with manual processes need to assess the cost verse benefit of processing small invoices.

The technology provides businesses with up to 30% more in reclaimed VAT than competitor systems with more than an 85% accuracy in automated invoice recognition and a 97% success rate as a result of the fully automated process including the unique ability to detect fraud using anomaly alerts, VAT risk analysis and VAT “claim-ability” detection.

High margin business model

Way2VAT operates two products: dealing directly with enterprises, through which it enjoys a customer retention rate of 97%; and a small and medium business VAT/GST reclaim hub through global accounting firm technology platforms such as Xero, Sage, SAP and Oracle Netsuite.



Way2VAT has arrangements with enterprises and SMB technology platforms with commission to Way2VAT being contingent on successful VAT and GST reclaims. Commission rates for Enterprise are 20% and for the SMB product are approximately 20% to 30%.

Due to the automation and scalability of the patented artificial intelligence and deep-learning technology platform that powers the whole VAT/GST reclaim process, Way2VAT has a gross profit margin of more than 80% for the financial year ended 31 December 2020 and half-year ended 30 June 2021.

Despite the pandemic related challenges, Way2VAT responded by delivering strong revenue growth last calendar year of 153% year-on-year, while revenue in the first half of 2021 increased 74% on the prior corresponding period.

Global trends supporting growth

Way2VAT is positioned to grow as Europe, the UK and other markets reopen for business and leisure travel. Business travel is expected to bounce back to close to normal levels, with 96% of frequent business flyers stated that they would be willing to return to travel in the next 12 months, including 65 percent who are very willing.¹

Although business travel to Europe was heavily affected due to the pandemic, current forecasts expect business arrivals to reach 52% of the volume of 2019 in 2021. They are then expected to rebound to roughly 83% of this volume in 2022 and 2023 and reach pre-COVID levels by 2025. The closure of borders in 2020 has allowed companies to revitalise their current tax processes, giving W2V the opportunity to be front of mind as accounting and tax processes are revised.

Way2VAT is also playing a leading role in the global shift to digital taxation models and systems. Current processes for VAT return are antiquated, highly complex and time consuming, many companies choosing to skip it entirely and leave VAT refunds unclaimed. Approximately US\$20 billion of foreign VAT is left unclaimed each year² as a result of a labour-intensive process where applying for a refund outweighs the value of the refund. Way2VAT's technology helps business' claim their entitlement of VAT, easily and quickly via a digital offering that seamlessly connects via API to a business's travel and ERP platform and generates and submits reports to tax authorities to be refunded.

Way2VAT Founder and CEO, Amos Simantov, said "Countries with high vaccination rates are beginning to reopen across Europe, the UK and USA for business and leisure travel. The tailwinds of reopening in these markets and the rest of the world have allowed Way2VAT to strengthen its position in the VAT market, removing the need for human-to-human contact.

"The closure of borders has allowed companies to revitalise their current tax processes, allowing Way2VAT the opportunity to harness this trend as accounting and tax processes are revised.

¹ concur.com/newsroom/article/survey-uncovers-travelers-requirements-return-to-business-travel

² *Number based on E&Y market research - \$20B represents potential reimbursement to businesses



WAY2VAT Global VAT Refunds

This has also seen us increase VAT/GST reclaims from local travel and non-travel related foreign expenses significantly in the last three years.”

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

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About Way2VAT

Way2VAT is a global leader in integrated VAT claim and return solutions in over in 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 2014, Way2VAT is headquartered in Tel Aviv, Israel, with offices in the United Kingdom, the United States and Romania and has over 50 employees.

Way2VAT's platform is used by more than 150 enterprise companies. including Amdocs, EY Israel, MasterCard, eToro, Hitachi ABB, Mobileye Intel, RB, Willis Towers, Siemens-Israel, Daily Mail Group, Sage, Falck, Boston Red Sox, and Foot Locker Europe, with customer retention over 97%.