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ASX release

31 August 2026

Way2VAT Delivers Revenue Growth, Initiates Substantial Operating Cost Cutting Initiatives To Fastrack P&L Breakeven

1H FY26 Highlights (all figures A$ unless otherwise stated):

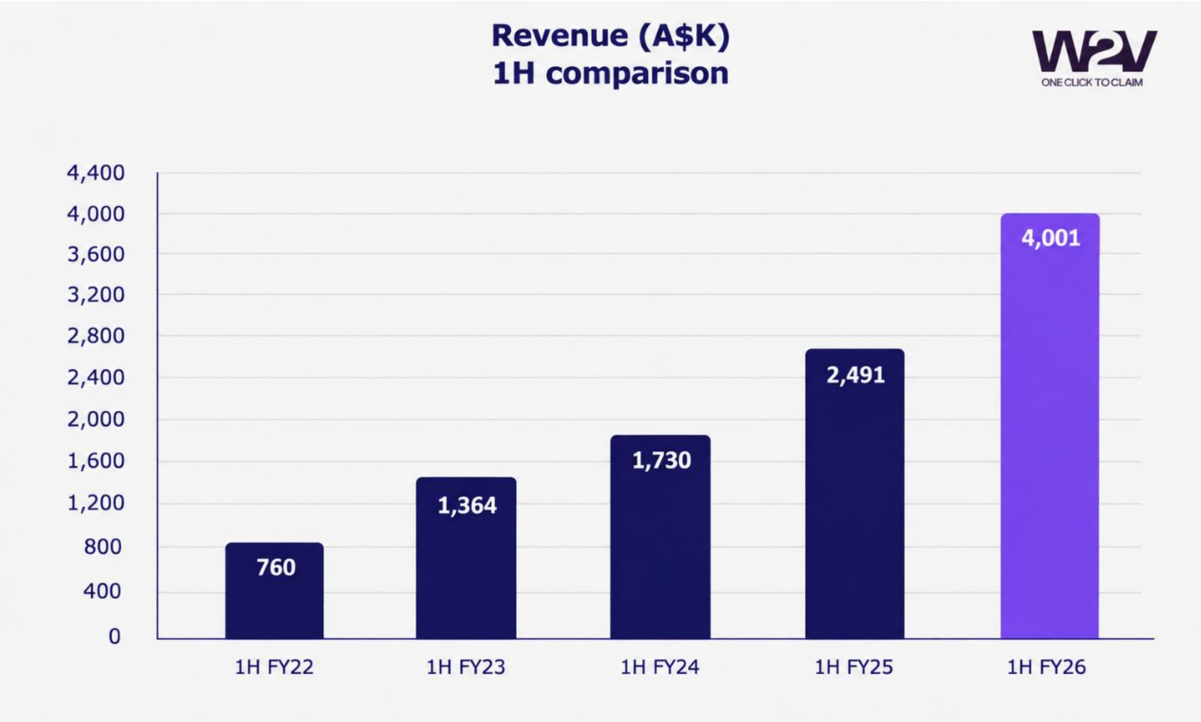
- **Reported revenue of $4.00 million, up 61% on prior corresponding period (pcp) (1H FY24: $2.49 million).**
- **Following implementation of internal AI operational technology, the Company will initiate cost cuts from 1 September 2026 to realise substantial savings in operating expenses to fast-track P&L breakeven.**
- **Way2Invoice product launched, with AI powered compliance engine built in.**
- **Accounts Receivable balance of $6.9 million with significant amounts due from various government tax authorities and enterprise clients.**
- **Enterprise clients increased 29% from 414 to 533 on pcp (includes RBC clients after acquisition).**
- **Way2VAT partnership with Go Global upgraded in anticipation of large project for international e-commerce platform.**

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 2026 (1H FY26). The Company has produced strong first half revenue growth with an excellent contribution from RBC (acquired September 2025).

Commenting on the Company's achievements in 1H FY26 and outlook for 2H FY26, Way2VAT Founder & CEO, Amos Simantov, said:

"1H FY26 has not only delivered increased revenue for the group but has also seen the development and launch of Way2Invoice. For years, e-invoicing has been treated as simply moving structured invoices from one party to another. The reality inside finance teams is far more complex - most still manage a mix of formats across countries at different stages of adoption. Way2Invoice was built for that reality. It doesn't just move invoices; it makes sure they are compliant, combining e-invoicing with the indirect tax expertise we have delivered to global enterprises for over a decade. This is a defining step in Way2VAT's evolution from a VAT-recovery leader into a broader invoice and indirect AI tax platform - and it opens a new, recurring revenue stream for the Group".

"Going forward, the decision has been made to accelerate the pathway to P&L breakeven and cashflow breakeven. To this end, we will implement substantial cost saving initiatives which will reduce operational expenses significantly. Cost cutting will be limited to operational areas of the business including certain jobs that will be automated using our AI expertise. There will be no cost cutting associated with the sales area of the business and no cost cutting planned for the RBC entity which is growing strongly and has a significant pipeline of work in front of it".



Financial Highlights

Reported revenue increased to $4.00 million, a 61% increase on the previous corresponding period (pcp) (1H FY25: $2.49 million). As shown in the bar chart above, the Company continues to scale with each half-yearly pcp period through organic growth and the RBC Acquisition.

Accounts receivable on client International VAT claims already submitted to tax authorities as well as increased local VAT work conducted for Enterprise clients stands at $6.9 million at 30 June 2026.

Cost Cutting Initiatives

Starting 1 September 2026, the Company will implement substantial cost cuts to realise significant savings in Operating Expenses in order to fast-track to P&L Breakeven. Cost cutting will be limited to operational areas of the business including certain jobs that will be automated using our AI expertise. There will be no cost cutting associated with the sales area of the business and no cost cutting planned for the RBC entity which is growing strongly and has a significant pipeline of work in front of it.

Operational Highlights

Way2VAT Launches Way2Invoice, Reinventing AI E-Invoicing with Compliance at Its Core

Way2VAT enters the fast-growing e-invoicing market with a single platform that generates and sends compliant e-invoices and runs deep tax-compliance checks on every invoice received - introducing a new recurring, per-invoice revenue model for the Group.

Way2VAT announced in July the launch of **Way2Invoice**, its new AI e-invoicing platform. Way2Invoice combines two capabilities in one solution: generating and sending compliant e-invoices across markets and automatically running deep compliance checks on incoming invoices - structured e-invoices and traditional PDF or image-based documents alike.

A large and rapidly expanding market

Governments worldwide are accelerating the shift to e-invoicing. More than 60 countries have now introduced or announced e-invoicing requirements. The global e-invoicing market is forecast to reach US$70.3 billion by 2034, up from US$18.5 billion in 2025, growing at a 16% CAGR, according to IMARC. The broader invoice processing software market is projected to reach US$189.2 billion by 2035, at an 18.0% CAGR, according to FMI.

Way2Invoice positions Way2VAT to address this fast-growing market, adding a new pillar to the Group's indirect AI tax platform and opening a large, recurring-revenue opportunity.

More than e-invoicing: compliance built in

Most e-invoicing providers move structured invoices between parties and stop there. Way2Invoice goes further. It is an AI e-invoicing platform that also processes the traditional invoices businesses still receive, applying the same depth of country, transaction, invoice, and indirect tax compliance checks to everyone - far beyond the basic validation standard invoice tools offer.

This positions Way2VAT as one of the only providers to combine compliant e-invoicing with deep, automatic invoice-compliance checking in a single AI platform - a meaningful differentiator as real-time reporting regimes such as the EU's ViDA raise the bar for invoice accuracy at the point of transaction.

Coverage across established and emerging mandate markets

Way2Invoice supports businesses navigating both established and incoming e-invoicing mandates, with coverage across more than 20 countries.

E-invoicing is already live and mandatory in major economies including Italy, France, Belgium, Poland, and Croatia, alongside long-established regimes in Brazil, Mexico, India, and Saudi Arabia. A further wave is arriving fast: Germany's full issuing mandate phases in from 2027, Spain's B2B mandate follows once its implementing order takes effect, and the United Kingdom is moving toward a mandate in 2029 - with more markets following worldwide.

The AI platform connects to customers' systems through multiple methods - including ERP integration, SFTP, and direct data intake - making it straightforward to adopt e-invoicing market by market without re-tooling.

A new recurring revenue model

Way2Invoice introduces a new commercial model for the Group. Unlike Way2VAT's established VAT-recovery business, which is success-based. Way2Invoice is offered on a recurring SaaS basis with per-invoice fees. This marks a shift toward predictable, recurring revenue that scales with transaction volume as the AI platform grows across markets and customers - complementing the Group's existing recovery business.

Part of the Way2VAT AI platform

Way2Invoice forms part of the wider Way2VAT AI platform, alongside VAT and GST reclaim and RBCVAT advisory and compliance services - giving enterprises invoice compliance, recovery, and expert indirect tax support in one coordinated relationship. Way2VAT works with global enterprises including Amdocs, Randstad, Foot Locker, Solenis, and WTW.

Go Global Partnership

Go Global is a consultancy firm tasked with assisting their clients to grow into other countries in terms of entity registrations, setup etc. All VAT assistance for joint Way2VAT and Go Global clients is being handled by RBC/W2V. Way2VAT is expanding the scope of its partnership with Go Global to facilitate increased Go Global client requests for VAT registration and reclaim in new jurisdictions.

In particular, RBC has begun work on a strategic opportunity through its partnership with Go Global to support a rapidly expanding cross-border commerce ecosystem.

Through this partnership, Way2VAT will provide the complete suite of indirect tax services required by foreign sellers, including VAT registrations, EORI registrations and ongoing VAT compliance across the UK and other international jurisdictions. This positions the business as a critical compliance partner for merchants entering new markets through one of the world's fastest-growing social commerce platforms.

Funding for Growth

During 1H FY26, Way2VAT completed a placement on 2 April 2026 for $2,600,000 (before costs). The placement was completed via an issue of 37,142,858 fully paid ordinary shares in the company at $0.07 per placement share, together with one (1) free attaching new option in the company (with an exercise price of $0.07 each and expiry date of 3 years from issue).

Way2VAT also announced on 30 June 2026 that it had restructured its debt facilities with its long-term banker, Bank Hapoalim to increase the total debt facility and lengthen the maturity term. The benefits of this enhanced facility are to extend the company's operational runway and enable further client acquisition as the company seeks to reach breakeven.

The increased debt facility included a new secured loan of approximately $2.297 million with a 3-year maturity of 30 June 2029, repayable in 36 equal monthly instalments. Interest payable on the loan is at the Israeli Prime Rate + 5.00% (currently equating to 10.00%).

Subsequent to the end of 1H FY26, the Company also agreed with its banker, Israeli Bank Hapoalim on 17th August 2026 to extend an existing $1.293 million secured loan for another 12 months to 30 August 2027.

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 80 employees, and more than 533 global enterprise companies use its platform daily.

www.way2vat.com