WAY 2 VAT LTD

ARBN 637 709 114

ANNUAL REPORT 2025

Way 2 Vat Ltd (ASX: W2V)
Corporate Directory
31 December 2025

Directors	Adoram Ga'ash Amos Simantov David Buckingham Robert Edgley
Company Secretary	Emily Austin
Registered Office	C/ - Automic Group Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000
Principal Place of Business (Israel)	3 Tozeret Haaretz St. (Y Building 3rd floor) Petah Tikva, Israel 4951703 Telephone: 97 2 3 508 0022 Email: info@way2vat.com Website: www.way2vat.com
Share Register	Automic Registry Services Level 5, 126 Phillip Street Sydney NSW 2000
Auditor	BDO Israel Amot BDO House 48 Menachem Begin Road Tel Aviv, Israel 6618001
Australian Legal Advisors	Thomson Geer Level 27, Exchange Tower 2 The Esplanade Perth WA 6000
Israeli Legal Advisors	Kafri Leibovich 3rd Floor, 11 Habarzel Street Tel Aviv, Israel 6971017

WAY 2 VAT LTD
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Directors' Report
31 December 2025

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Way2VAT's annual report for the consolidated financial year ending 31 December 2025 (FY25).

In 2025 Way2VAT continued to build on its strong organic growth with a significant increase in its enterprise client numbers sourced primarily through our sales personnel in both our London and Barcelona sales centres. On top of the strong growth in client numbers, a highlight of 2025 was the acquisition of RBC VAT Limited (RBC), a company based in London, UK. The acquisition was a significant milestone for us, as it directly supports our third pillar of growth focused on VAT compliance and consultancy services.

In financial terms revenue grew strongly by 41% year on year to $6.44 million in FY25, This includes one quarter of contribution from RBC VAT Limited. We look forward to a full year of RBC contribution in 2026 supplementing the expected organic growth from a number of new clients onboarded during the second half of 2025."

In FY25, Way2VAT secured many new multinational clients increasing the enterprise client count to 501, a 27% increase over 12 months including 80 new clients courtesy of the RBC acquisition. Significant new clients across the business include JLL and Savills (Real Estate), Trafigura (Global Commodities Supplier), Aptar Group and Apellis (Pharmaceutical), Rakuten (Ecommerce), Hispasat (Aerospace) and Ferroglobe (Metallurgical Products).

Way2VAT has made no secret of its desire to grow not only through a continuation of the consistent year on year organic growth but also augmented by acquisitions which provide appropriate shareholder value. The VAT reclaim industry we operate in is a fragmented industry with many smaller companies operating with outdated technology and manual processes. This situation lends itself perfectly to way2VAT being able to play an increasing role in the consolidation of the industry, particularly in Europe. RBC was a perfect example of this consolidation, and we could not be happier with the first 6 months performance of that business as it takes advantage of the Way2VAT technology platform to revolutionise it's work practices and open up our platform to it's clients.

Since the RBC acquisition Way2VAT has been approached by a number of similar companies looking to explore potential M&A activity. It has become evident that many VAT related businesses who lack AI technology are concerned about the effect of AI on their business and are reaching out to Way2VAT to ensure that they can compete in their marketplace using our technology. This developing trend over the last 6 months has seen a number of opportunities both large and small arise which are being reviewed at present and we expect our acquisition roll up strategy to build momentum during 2026.

During FY25 Way2VAT made progress towards the financial milestone of reaching profitability within it's operating business. A full year of contribution from RBC, further organic growth and new earnings accretive acquisitions during FY26 will all bring that goal closer to reality. Strict cost control during FY25 saw Way2VAT underlying operating expenses excluding December quarter RBC expenses, one off RBC acquisition expenses and one-off performance based options expenses decrease on a like for like basis by 4% in FY25 versus FY24.

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During 2025 the Company launched its Four Pillars growth strategy setting the company apart from its competitors and diversifying its revenues to a more even mix between commission driven VAT reclaim services and SaaS revenues generated from use of our technology and our consulting services.

Our achievements over FY25 would not have been possible without the continuing dedication of our Founder and CEO Amos Simantov and the hard work of the entire staff of Way2VAT. I'd like to thank them all for their loyalty, commitment, and outstanding effort.

On behalf of the Board, I would also like to thank our loyal shareholders for their continued support during 2025.

Adoram Ga'ash

Non-Executive Chairman

WAY 2 VAT LTD
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Directors' Report
31 December 2025

The Directors present their report, together with the consolidated financial statements of Way2VAT Ltd ("the Company" or "Way2VAT") for the year ended 31 December 2025.

All figures in Directors' Report in A$ unless otherwise specified.

Directors

The names and the particulars of the Directors of the Company during or since the end of the financial year are:

Name	Status	Appointed
Amos Simantov	CEO and Managing Director	19 February 2014
Adoram Ga'ash	Non-Executive Director (Chairman)	10 February 2016
Robert Edgley	Non-Executive Director	09 September 2021
David Buckingham	Non-Executive Director	09 September 2021

Principal Activities

During the financial year, there were no changes to the principal activities of the Company - global and domestic VAT/GST and accounts payable and travel expenses reclaim. The company uses its patented AI-based technology platform to reclaim these amounts for a growing list of enterprise customers in 40 countries and in 20 languages.

Dividends

There were no dividends paid or recommended during the financial year ended 31 December 2025 (2024: nil).

Review of Operations

Overall growth in 2025 was driven by significant new enterprise client wins, many of which were onboarded to the Way2VAT platform during the second half of the year. The company completed the acquisition of RBC VAT Limited a company based in London, UK on 30 September 2025 which also contributed to the increase in revenue.

This momentum saw annual revenue up 41% on prior year to $6.44 million. The Company has an accounts receivable balance of $7.3 million which grew during FY25 in line with the underlying growth of the business.

Excluding December quarter RBC expenses, one off expenses related to the RBC acquisition and one-off performance based options expenses the underlying Way2VAT business decreased costs on a like for like basis by 4% in FY25 versus FY24.

The company also incurred a finance expense of $1.114m related to the conversion of a series of convertible notes, for more information please see note 11 b in the accompanying consolidated accounts.

The Company continued to expand its client base across Europe in 2025, increasing enterprise clients by 27% from to 501 including clients such as JLL and Savills (Real Estate), Trafigura (Global

Commodities Supplier), Aptar Group and Apellis (Pharmaceutical), Rakuten (Ecommerce), Hispasat (Aerospace) and Ferroglobe (Metallurgical Products).

2025 Funding Transactions

During September 2025, Way2VAT secured $4.1 million (before costs) via a placement to fund the initial consideration of the RBC purchase and for working capital. The $4.1 million placement was strongly supported by new and existing institutional, professional and sophisticated investors. In connection with the acquisition, the company entered into a debt facility with Bank Hapoalim on the following terms:

- Amount: £500,000 (approximately $1,000,000)
- Term of the loan: 18 months
- Interest rate: Israeli Prime Rate + 4.5% (currently 10.0%)
- Security: the loan is secured against the shares of RBC VAT

During 2025 Way2VAT continued to receive the support of its banker, Bank Hapoalim, through extensions of existing facilities together with the establishment of new facilities such as that mentioned above for the acquisition of RBC. The various outstanding facilities are all outlined in detail in the Company's most recent December Quarter 2025 appendix 4C.

Earlier in the year, in January 2025, the company raised $2.55 million via the issue of convertible notes which were subsequently converted to equity during May 2025 and raised $2.0 million via a placement of ordinary shares in June 2025.

Financial Overview

Results for the year included the following key movements:

- Full year revenue of $6.44 million, up 41% on prior comparative period ("pcp") ($4.58 million in FY24).
- Loss for the financial year increased to $6.36 million on pcp ($5.49 million in FY24) due mainly to the increased finance expense related to the cost of conversion of a series of convertible notes. Operating loss (before finance expenses) improved 20% to $4.45 million versus pcp ($5.58 million in FY24).
- Cash balance of $768k at 31 December 2025 with Accounts Receivable balance increasing to $7.3 million.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Matters subsequent to the end of the financial year

a. Unsecured Bridge Loan of $700 thousand:

On 25 January 2026, the Company received a short-term, unsecured bridge loan totaling $700 thousand. The loan is scheduled for repayment on 31 May 2026, and bears interest at the Israeli Prime Rate + 4.50% (currently 10.00%), with interest payable monthly.

b. Unsecured Loan of $700 thousand:

On 8 March 2026, the Company received a short-term, unsecured bridge loan totaling $700 thousand. The loan is scheduled for repayment on 5 April 2026, and bears interest at the Israeli Prime Rate + 4.50% (currently 10.00%).

Environmental Regulations

In the normal course of business, there are no environmental regulations or requirements that the Company is subject to.

Information on Directors

Amos Simantov	**Chief Executive Officer and Managing Director**
Qualifications	BA and MBA Tel Aviv University
Experience	Mr Simantov has more than 25 years of experience as an executive including as CEO, and EVP Sales of major global high-tech enterprises such as SintecMedia/Operative, Rit Technologies (a NASDAQ Company), Lognet Systems, and ADI. Mr Simantov specialises in the SaaS platform, Fintech, broadcast, IT and telecom industry and has a track record in leading companies to economic success, including several exits and successful mergers and acquisitions.
Interest in shares and Options	1,854,391 Ordinary shares 4,627,479 Options 13,049,970 Performance Options
Adoram Ga'ash	**Non-Executive Chairman**
Qualifications	BScEE in Computer Engineering - Israeli Institute of Technology (Technion) MBA, and an MA (Cum laude) in Philosophy from Tel Aviv University
Experience	Mr Ga'ash has a track record of 20 years as a venture capitalist and in startups leadership. Prior to founding Moneta VC, Mr Ga'ash founded StageOne VC which invested in approximately 20 start-ups and resulted in seven exits.

	Later in his career, Mr Ga'ash joined Silicon Valley based investment bank, GrowthPoint Technology Partners, to head up the Israeli practice and in this role, he has assisted start-ups with exploring their exit strategy with global companies. Earlier in his career, Mr Ga'ash founded Radwiz that was subsequently acquired by a Silicon Valley company.
Interest in shares and Options	2,233,560 Ordinary shares 1,097,364 Options 2,595,293 Performance Options

Robert Edgley	**Non-Executive Director**
Qualifications	Bachelor of Economics and Japanese Language, Monash University in Melbourne
Experience	Mr Edgley is an experienced Investment Banker having had a long career with the NatWest and RBS group and has subsequently served on multiple boards of both private and listed companies in Australia in his career as a Non-Executive Director. Previously serving as a founding non-executive director for Praemium Limited (ASX:PPS), Mr Edgley saw the company through its listing on the ASX in 2006 and served as the chairman for the audit and risk committee, due diligence committee and remuneration and nomination committee. Mr Edgley is currently the non-executive director for EVZ Limited (ASX:EVZ) and is the non-executive chairman for DataMesh Limited and Filamon Limited.
Interest in shares and Options	499,011 Ordinary shares 1,579,475 Performance Options

David Buckingham	**Non-Executive Director**
Qualifications	Bachelor of Technology (Hons) from the Loughborough University of Technology ACA Chartered Accountant in England & Wales and a Graduate of the Australian Institute of Directors
Experience	Mr Buckingham has over thirty years of experience as a corporate leader in telecommunications, media, technology, IT and education. Mr Buckingham began his career at PricewaterhouseCoopers in the UK and Australia. Most recently, Mr Buckingham served as both Chief Executive Officer and Chief Financial Officer of Navitas Limited, a global education provider with over 120 colleges and campuses across 31 countries. Prior to Navitas, David worked for

	Telewest Global as the Group Treasurer and Director of Financial Planning, Virginmedia, as Finance Director Business Division and iiNet Limited where he held the roles of Chief Financial Officer and Chief Executive Officer between 2008 and 2015. Mr Buckingham is currently the non-executive Chairman of Pentanet Limited (ASX:5GG), non-executive director of Macquarie Technology Group (ASX:MAQ) and non-executive director of Hiremii Limited (ASX:HMI).
Interest in shares and Options	988,491 Ordinary shares

Company Secretary

Emily Austin (appointed 23 August 2022)
Ju-Yup (Jonathan) Lee (resigned 27 February 2026)

Meetings of Directors

The number of formal meetings of Directors held during the period and the number of meetings attended by each director was as follows:

Board	Number eligible to attend	Number attended
Amos Simantov	12	12
Adoram Ga'ash	12	11
David Buckingham	12	12
Robert Edgley	12	12

Audit and Risk Committee

Name of Director	Number Eligible to Attend	Number Attended
David Buckingham	3	3
Robert Edgley	3	3

Remuneration and Nomination Committee

Name of Director	Number Eligible to Attend	Number Attended
David Buckingham	1	1
Robert Edgley	1	1

Performance Options

As at 31 December 2025, the Company had 19,364,061 Performance Options on issue.

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Directors' Report
31 December 2025

State of Incorporation

The Company is incorporated in Israel under the Israeli Companies Law. As a foreign company registered in Australia, the Company is subject to different reporting regime than Australian companies.

Indemnity and insurance of Officers

The Company indemnifies each of its directors, officers and company secretary.

The Company indemnifies each director or officer to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure directors and officers against any liability which does not arise out of conduct constituting a wilful breach of duty or a contravention of the Corporations Act 2001. The Company must also use its best endeavours to insure a director or officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

Insurance premiums

During the period the Company maintained insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Company. Under the terms and conditions of the insurance contract the nature of the liabilities insured against and the premium paid cannot be disclosed.

Non-audit Services

During the year, BDO Ziv Haft the Company's auditor did not provide any services other than their statutory audits.

Auditor's Independence Declaration

The Auditor's independence declaration for the year ended 31 December 2025 has been received and included in the consolidated financial report.

Future Developments, Business Strategies and Prospects

The Company will continue building on strong momentum with a clear strategy to differentiate through IP protected AI technology to address a global market of unclaimed VAT/GST valued at US$20 billion per year.

It will meet unmet market needs with new AI compliance technology through expanded product suite targeting existing clients and strong new client pipelines in the UK and Europe.

Way2VAT will keep investing in its proprietary technology based on Artificial Intelligence and Computer Vision to continue broadening the product suite.

In addition, it will examine growth opportunities via acquisitions as many competitors have outdated technology and manual processes and are struggling with competition created by AI technology firms such as Way2VAT. Way2VAT believes consolidation of the sector, particularly in Europe, is inevitable. With its superior technology, Way2VAT is well placed to take advantage of this trend.

Corporations Act 2001

As a foreign company registered in Australia, the Company will not be subject to Chapters 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares (e.g. Substantial holders and takeover).

Under the Israeli Companies Law there are restrictions on acquisition of shares, requiring a tender offer for acquisition of public company shares resulting in a holding of 25% or more voting rights of the Company. In addition, under the Companies Law, a person may not purchase shares of a public company if, following the purchase of shares, the purchaser would hold more than 90% of the company's shares, unless the purchaser makes a tender offer to purchase all of the target company's shares.

Otherwise, the acquisition of the Company's securities are generally not restricted by the Company's articles of association or the laws of Israel, except that Israeli law prohibits the ownership of securities by nationals of certain countries that are, or have been, in a state of war with Israel.

Amos Simantov
CEO and Managing Director

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

As lead auditor of Way2Vat Ltd. for the year ended 31 December, 2025, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Way2Vat Ltd.

Tel-Aviv, Israel
March 31, 2026

Ziv Haft

Ziv haft

Certified Public Accountants (Isr.)

BDO Member Firm

WAY2VAT LTD.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2025

WAY2VAT LTD.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2025

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Independent Auditors' Report to Shareholders of WAY2VAT Ltd.

Opinion

We have audited the accompanying consolidated financial statements of WAY2VAT Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of 31 December 2025 and the related consolidated statements of loss and other comprehensive income (loss), changes in equity (deficit) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of 31 December 2025 and of its financial performance, the changes in equity (deficit) and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the consolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audits of the financial statements in Israel, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audits evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related going concern

We draw attention to Note 1.c. of the financial statements, which indicates among other factors, the company has incurred negative cash from operating activities of $5,934 thousand and net loss of $6,361 thousand during the year ended 31 December 2025 and, as of that date, the Company's current liabilities exceeded its total current assets by $70 thousand. 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 opinion is not modified in respect of that matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the Material Uncertainty Related Going Concern section, We have determined that there are no other key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the management's discussion and analysis for the year ended 31 December 2025 (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the management's discussion and analysis for the year ended 31 December 2025, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the management and directors for the Financial Statements

The directors and management of the Company are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs, and for such internal control as directors and management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the directors and the management are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management and the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements. As part of the audits in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audits procedures responsive to those risks, and obtain audits evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audits in order to design audits procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audits evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audits evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

  We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audits findings, including any significant deficiencies in internal control that we identify during our audits.

  We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

  From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yaniv Cohen.

Ziv Haft

Ziv haft

Tel Aviv, Israel — Certified Public Accountants (Isr.)

31 March 2026 — BDO Member Firm

WAY2VAT LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(AUD in thousands)

	Note	As of 31 December 2025	As of 31 December 2024
ASSETS			
Current Assets:			
Cash and cash equivalents		768	131
Trade receivables	12.a.	7,358	4,495
Other accounts receivables		319	253
		8,445	4,879
Non-Current Assets:			
Intangible assets, net	4,5	3,208	1,190
Right of use assets, net	6	944	1,095
Property, plant and equipment, net		41	53
		4,193	2,338
Total Assets		12,638	7,217

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT.)

(AUD in thousands)

	Note	As of 31 December 2025	2024
LIABILITIES AND DEFICIT			
Current Liabilities:			
Bank loans	7	2,629	2,028
Governmental loans	8	31	90
Trade payables		575	699
Lease liabilities	6	345	313
Contingent consideration	16.e.	-	43
Liability for royalties payable	9	264	220
Derivative liability – Options	10	163	162
Other accounts payables	12.b.	4,508	3,745
		8,515	7,300
Non-Current Liabilities:			
Bank loans	7	168	-
Governmental loans	8	335	365
Lease liabilities	6	569	782
Liability for royalties payable	9	477	547
Other liabilities		408	353
		1,957	2,047
Equity (Deficit):	11		
Share capital		9,695	3,888
Additional paid in capital		40,254	35,901
Share based compensation reserve		4,850	4,370
Adjustments arising from translation to reporting currency		(948)	(965)
Accumulated losses		(51,685)	(45,324)
Total Equity (Deficit)		2,166	(2,130)
Total Liabilities and Equity (Deficit)		12,638	7,217

Amos Simantov CEO and Director	Evyatar Cohen CFO	31 March 2026 Date of approval of financial statements

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

WAY2VAT LTD.

CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE INCOME (LOSS)

(AUD in thousands)

	Note	Year ended 31 December	
		2025	**2024**
Revenues	12.c.	6,442	4,558
Cost of revenues		1,287	820
Gross profit		5,155	3,738
Research and development expenses	12.d.	2,570	2,553
Selling and marketing expenses	12.e.	2,518	2,463
General and administrative expenses	12.f.	4,520	4,304
Operating loss		(4,453)	(5,582)
Financial expenses	12.g.	(1,851)	(528)
Financial income	12.g.	20	622
Loss before taxes on income		(6,284)	(5,488)
Taxes on income	13	77	-
Loss for the year		(6,361)	(5,488)
Other comprehensive income (loss), net of tax:			
Item that will not be reclassified to profit or loss:			
Exchange loss, arising on translation to reporting currency		17	(136)
Total comprehensive loss for the year		(6,344)	(5,624)
Loss per share			
Basic and diluted loss per share ($)	14	(0.04)	(0.06)*

* This amount reflects a consolidation of the Company's issued share capital on a 10:1 basis. See Note 11.a. for further information.

The accompanying notes are an integral part of the financial statements

WAY2VAT LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

(AUD in thousands)

	Share capital	Additional paid in capital	Shares based payment reserve	Adjustments arising from translation to reporting currency	Accumulated deficit	Total
Balance as of 1 January 2024	2,721	31,631	4,841	(829)	(39,836)	(1,472)
Changes during 2024:						
Loss for the year	-	-	-	-	(5,488)	(5,488)
Other comprehensive loss	-	-	-	(136)	-	(136)
Total comprehensive loss for the year	-	-	-	(136)	(5,488)	(5,624)
Issuance of shares in connection with conversion of the Convertible Notes	269	769	-	-	-	1,038
Issuance unit of securities, net of issuance expenses in connection with the Placement finance round	804	2,496	-	-	-	3,300
Issuance unit of securities, net of issuance expenses in connection with the Share Purchase Plan offer	33	92	-	-	-	125
Issuance of shares in connection with Director's service rendered in lieu of cash fees	35	69	-	-	-	104
Issuance of shares in connection with contingent consideration	26	41	-	-	-	67
Exercise of options	*	552	(552)	-	-	*
Expiration and forfeiture of Share based payment	-	251	(251)	-	-	-
Share based compensation	-	-	332	-	-	332
Balance as of 31 December 2024	3,888	35,901	4,370	(965)	(45,324)	(2,130)

* Represent an amount lower than $1 thousand.

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

WAY2VAT LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT) (CONT.)

(AUD in thousands)

	Share capital	Additional paid in capital	Shares based payment reserve	Adjustments arising from translation to reporting currency	Accumulated deficit	Total
Balance as of 1 January 2025	3,888	35,901	4,370	(965)	(45,324)	(2,130)
Changes during 2025:						
Loss for the year	-	-	-	-	(6,361)	(6,361)
Other comprehensive income	-	-	-	17	-	17
Total comprehensive loss for the year				17	(6,361)	(6,344)
Issuance of shares in connection with conversion of the Convertible Notes	2,077	1,637	-	-	-	3,714
Issuance of shares, net of issuance expenses in connection with the Placement finance round	3,646	1,819	-	-	-	5,465
Issuance of shares in connection with service rendered in lieu of cash fees	20	173	-	-	-	193
Issuance of shares in connection with Director's service rendered in lieu of cash fees	46	29	-	-	-	75
Issuance of shares in connection with contingent consideration	14	11	-	-	-	25
Exercise of options	4	337	(341)	-	-	*
Expiration and forfeiture of Share based payment	-	347	(347)	-	-	-
Share based compensation	-	-	1,168	-	-	1,168
Balance as of 31 December 2025	9,695	40,254	4,850	(948)	(51,685)	2,166

* Represent an amount lower than $1 thousand.

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

WAY2VAT LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT.)

(AUD in thousands)

	Year ended 31 December	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the year	(6,361)	(5,488)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	477	425
Capital loss	34	-
Fair value adjustments of Derivative liability Options	(6)	(521)
Fair value adjustments of contingent consideration	(20)	(95)
Interest and fair value adjustment in connection with the convertible notes	1,164	-
Interest expenses and reassessment	(20)	22
Share based compensation in connection with service rendered	18	-
Financial expenses, net	255	308
Share based compensation	950	332
Changes in assets and liabilities:		
Change in trade receivables	(2,218)	(875)
Change in other accounts receivables	21	(63)
Change in trade payables	(158)	356
Change in other accounts payables	114	310
Change in other liabilities	38	36
Cash from operations	(5,712)	(5,253)
Interest paid	(222)	(203)
Net cash used in operating activities	(5,934)	(5,456)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant, and equipment	(16)	(25)
Acquisition of Bevan and RBC, net of cash as of purchase date	(1,892)	-
Net cash used in investing activities	(1,908)	(25)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash received in connection with Convertible Notes	2,550	1,038
Issuance of shares, net of issuance expenses in connection with the Placement finance round	5,683	-
Issuance unit of securities, net of issuance expenses in connection with the Placement finance round	-	3,949
Issuance of shares, net of issuance expenses in connection with the Share Purchase Plan offer	-	155
Bank loans, net	640	(190)
Principal paid on lease liabilities	(359)	(277)
Governmental loans	(127)	-
Royalties paid and grants received from the IIA, net	(27)	36
Exercise of options to ordinary shares	*	*
Net cash provided by financing activities	8,360	4,711

* Represent an amount lower than $1 thousand.

(AUD in thousands)

	Year ended 31 December	
	2025	2024
Net decrease in cash and cash equivalents	518	(770)
Cash and cash equivalents at the beginning of the year	131	722
Effects of exchange rate changes on cash and cash equivalents	119	179
Cash and cash equivalents at the end of the year	768	131

APPENDIX A - NON-CASH ACTIVITIES:

Conversion of convertible note	3,714	1,038
Recognition of right of use assets and lease liabilities	122	1,017
Issuance of shares in connection with service rendered in lieu of cash fees	193	67
Issuance of shares in connection with Director's service rendered in lieu of cash fees	75	104
Issuance of shares in connection with contingent consideration	25	-
Working capital liability owed to Bevan and RBC sellers	252	-
Grant of options in connection with service rendered	218	-

APPENDIX B – ACQUISITION OF BEVAN AND RBC, NET OF CASH AS OF PURCHASE DATE:

	Year ended 31 December	
	2025	2024
Goodwill	1,541	-
Intangible assets	641	-
Deferred tax liabilities	(160)	-
Net tangible assets	122	-
Working capital liability owed to Bevan and RBC sellers	(252)	-
	1,892	-

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

(AUD in thousands)

NOTE 1 - GENERAL:

a. Way2Vat 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"), see also Note 11. The Company is developing applications for automatic VAT reclaims and compliance for enterprises.

b. The 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 31 December		Held by
		2025	2024	
WAY2VAT UK Limited (“UK Limited”)	UK	100%	100%	WAY2VAT Ltd.
DevoluIVA S.L.U (“DevoluIVA”)	Spain	100%	100%	WAY2VAT Ltd.
WAY2VAT SRL (“SRL”)	Romania	100%	100%	WAY2VAT Ltd.
WAY2VAT Inc. (“Inc”)	USA	100%	100%	WAY2VAT Ltd.
Bevan & Bevan Limited (“Bevan”)	UK	100%	-	WAY2VAT Ltd.
RBCVAT Limited (“RBC”)	UK	100%	-	Bevan & Bevan Limited

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 $5,934 thousand and net loss of $6,361 thousand for the year ended 31 December 2025 and, as of that date, the Company’s current liabilities exceeded its total current assets by $70 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 consolidated financial statements on a going concern basis on the basis that the above can be reasonably expected to be accomplished. The 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.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

The key principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented.

a. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board. The financial statements have been prepared under the historical cost convention except for specified below. The Group has elected to present the consolidated statement of loss and other comprehensive income (loss) using the function of expense method. In addition, these consolidated financial statements are presented in Australian Dollars. All currency amounts have been recorded to the nearest thousand, unless otherwise indicated.

b. Use of estimates and assumptions in the preparation of the consolidated financial statements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these estimates are subject to measurement uncertainty and are reviewed periodically and adjustments, if necessary, are made in the year in which they are identified. Actual results could differ from those estimates. See also Note 3.

c. functional and foreign currency

The reporting currency of the Group is Australian Dollars (“AUD”, “dollars” or “$”), which provides relevant information for most investors and users of the consolidated financial statements. Items included in the consolidated financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’).

The functional currency of the Company and DevoluIVA is Euro, the functional currency of UK Limited, Bevan and RBC is the Pound sterling (“GBP”), the functional currency of SRL is RON.

The Group’s consolidated financial statements for the year ended 31 December 2024, were presented in U.S. dollars. Effective from the interim period ended 30 June 2025, the Group changed its reporting currency to Australian dollars, to better reflect the economic realities of its operations and investor base.

d. Intangible assets, net

Intangible assets are recognized when it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. For intangible assets acquired in a business combination, the cost is determined as the fair value at the acquisition date.

Intangible assets with finite useful lives are amortized on a systematic basis over their useful lives. The amortization method and the useful life of the intangible asset are reviewed at least annually. If there is an indication of impairment, the asset is tested for impairment in accordance with IFRS.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

	Annual amortization rate (%)	Main annual amortization rate (%)
Customer relations	3-8	8
Technology	5	5
Non-compete	5-6	5

Intangible assets with indefinite useful lives, such as goodwill, are not amortized but are tested for impairment at least annually.

e. Property, plant, and equipment, net

Items of property, plant and equipment are initially recognized at cost including directly attributable costs. Depreciation is calculated on a straight-line basis, over the useful lives of the assets at annual rates as follows:

	Annual depreciation rate (%)	Main annual depreciation rate (%)
Electronic equipment	15-33	33
Furniture and equipment	6-10	6

Leasehold improvements are depreciated over the term of the expected lease including optional extension, or the estimated useful lives of the improvements, whichever is shorter.

f. Leases

The Group applied the following practical expedients when applying IFRS 16 - a single discount rate to a portfolio of leases with reasonably similar characteristics.

g. Deferred tax

A Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the estimated timing and level of foreseen future taxable profits together with future tax planning strategies. Deferred taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts attributable for tax purposes. Deferred taxes are measured at the tax rates that are expected to apply in the period when the temporary differences are reversed based on tax laws that have been enacted or substantively enacted at the end of the reporting period.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

h. Liability for royalties payable

Grants received from the IIA as support for research and development projects include an obligation to pay back royalties' conditional on future sales arising from the project. Grants received from the IIA are accounted for as forgivable loans, accordingly, when the liability for the loan is first recognized, it is measured at fair value using a discount rate that reflects a market rate of interest at the date of receiving the grant, unless there is reasonable assurance that the company will meet the conditions for the forgiveness of the loan, then recognized as a government grant. The difference between the amount of the grants received and the fair value of the liability is accounted for upon recognition of the liability as a grant and recognized in the consolidated statements of loss and other comprehensive income (loss) as a reduction of research and development expenses. After initial recognition, the liability is measured at amortized cost using the effective interest method. Changes in the projected cash flows are discounted using the original effective interest and recognized in the consolidated statements of loss and other comprehensive income (loss). At the end of each reporting period, the Company evaluates, based on its best estimate of future sales, whether there is a reasonable assurance that the liability recognized will not be repaid. If there is such reasonable assurance, the appropriate amount of the liability is derecognized and recognized in the consolidated statements of loss and other comprehensive income (loss) as an adjustment of research and development expenses.

i. Revenue recognition

Revenue from contracts with customers is recognized when the service was provided by the Group at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services provided.

Revenue from VAT claims is recognized in a point of time when control of the services is transferred to the customer. The submission of the claim is the date on which control passes.

j. Employee benefits

Severance/termination benefits in Israel: The plans are financed by contributions to insurance companies and classified as defined contribution plans. The Company has contributed for all its employee's contribution plans pursuant to Section 14 of the Israeli Severance Compensation Law - 1963 on a timely basis and as a result have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

k. Changes in accounting policies

New standards, interpretations and amendments not yet effective

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning after 1 January 2025, such as:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements.

NOTE 3 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS:

In the process of applying the significant accounting policies, the Group has made the following estimates and judgments which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determining the fair value of share-based payment transactions

The fair value of share-based payment transactions is determined upon initial recognition by an acceptable option pricing model. The inputs to the model include share price, exercise price and assumptions regarding expected volatility, expected life of share option and expected dividend yield.

Liability for royalties payable

The Group measured Liability for royalties payable, each period, based on discounted cash flows derived from Group's future anticipated revenues. The discount rate reflects the market rate at the date of receiving the grant.

NOTE 4 – BEVAN AND RBC ACQUISITION:

On 30 September 2025 (the "Closing Date"), the Company acquired 100% of the shares of Bevan, a non-operating company which, in turn, holds 100% of the shares of RBC.

The total consideration for the acquisition amounts to £2 million (approximately $4 million based on the exchange rate of $1.00 / £0.49 in effect as of 30 September 2025) and is structured as follows:

- First payment: £1 million (approximately $2 million based on the exchange rate of $1.00 / £0.49 in effect as of 30 September 2025) payable on the Closing Date, which was paid in full on that date.
- Second payment: £880 thousand (approximately $1,789 thousand based on the exchange rate of $1.00 / £0.49 in effect as of 30 September 2025) payable one year following the Closing Date, subject to one of the sellers who is engaged by RBC as the local manager, remaining employed with the Company through that date.
- Third payment: £120 thousand (approximately $244 thousand based on the exchange rate of $1.00 / £0.49 in effect as of 30 September 2025) payable two years following the Closing Date, subject to the same condition as the second payment.

In addition, the Company is required to pay the sellers £125 thousand (approximately $252 thousand based on the exchange rate of $1.00 / £0.49 in effect as of 30 September 2025), representing the positive working capital of RBC as of the Closing Date.

Due to the contingent nature of the second and third payments, which are conditional upon continued service by the local manager, these amounts are accounted for as operating expenses in the consolidated statement of comprehensive income when incurred and are not considered part of the purchase consideration.

The Company engaged an independent and reputable appraiser to allocate the purchase consideration attributable to the first payment and the working capital adjustment, totaling £1,125 thousand (approximately $2,286 thousand based on the exchange rate of $1.00 / £0.49 in effect as of 30 September 2025), as follows:

(AUD in thousands)

NOTE 4 – BEVAN AND RBC ACQUISITION (CONT.):

	£ in thousand	AUD in thousand
Net tangible assets, see below breakdown	130	264
Customer relationships	233	474
Deferred tax liability – customer relationships	(58)	(119)
Non-compete agreement	82	167
Deferred tax liability – non-compete agreement	(20)	(41)
Goodwill	758	1,541
	1,125	2,286

Breakdown of the net tangible assets:

	£ in thousand	AUD in thousand
Cash and cash equivalents	69	141
Trade receivables	210	428
Other accounts receivable	39	76
Trade payables	(12)	(24)
Other accounts payable	(176)	(357)
	130	264

The Company recorded amortization expense for the period from 1 October 2025 through 31 December 2025 totaling £11 thousand (approximately $22 thousand based on the exchange rate of $1.00 / £0.49 in effect as of 30 September 2025) amortization which is included within general and administrative expenses.
As of the reporting date, the purchase price allocation has not yet been finalized. Accordingly, based on management's assessment, the allocation is provisional and may be adjusted in subsequent periods upon completion of the valuation.

The total revenues and profit of RBC, as included in the Company's consolidated statements of loss and other comprehensive income (loss) for the year ended December 31, 2025, amounted to $666 thousand and $121 thousand, respectively.

(AUD in thousands)

NOTE 5 – INTANGIBLE ASSETS, NET:

	Goodwill	Customer Relationship	Technology	Non-Compete	Total
Cost:					
As of 1 January 2025	721	443	288	137	1,589
Additions	1,541	474	-	167	2,182
Adjustments arising from translating financial operations	18	16	14	3	51
As of 31 December 2025	2,280	933	302	307	3,822
Accumulated amortization:					
As of 1 January 2025	-	(166)	(129)	(104)	(399)
Additions	-	(92)	(62)	(46)	(200)
Adjustments arising from translating financial operations	-	(7)	(6)	(2)	(15)
As of 31 December 2025	-	(265)	(197)	(152)	(614)
Net Book Value:					
As of 31 December 2025	2,280	668	105	155	3,208

	Goodwill	Customer Relationship	Technology	Non-Compete	Total
Cost:					
As of 1 January 2024	697	428	279	131	1,535
Adjustments arising from translating financial operations	24	15	9	6	54
As of 31 December 2024	721	443	288	137	1,589
Accumulated amortization:					
As of 1 January 2024	-	(89)	(70)	(55)	(214)
Additions	-	(72)	(56)	(46)	(174)
Adjustments arising from translating financial operations	-	(5)	(3)	(3)	(11)
As of 31 December 2024	-	(166)	(129)	(104)	(399)
Net Book Value:					
As of 31 December 2024	721	277	159	33	1,190

In December 2025, the Group performed its annual impairment test of its cash generating units based on a ‘value in use’ calculation, using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to cash flow projections was 22%. The projected cash flows for the period exceeding five years were estimated using a fixed growth rate of 2%. It was concluded that the value in use exceeds the value in use. Therefore, the Company didn't recognize any impairment against goodwill.

(AUD in thousands)

NOTE 6 – LEASES:

The Group has lease contracts for office facilities used in its operations. Leases of office facilities generally have lease terms of between two (2) and four (4) years, The Group has several lease contracts that typically include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

a. Right of use assets

Set out below are the carrying amounts of right of use assets recognized and the transactions during the years:

	2025	2024
As of 1 January	1,095	322
Depreciation	(326)	(273)
New lease	122	1,017
Adjustments arising from translation to reporting currency	53	29
As of 31 December	944	1,095

b. Lease liabilities

Set out below are the carrying amounts of lease liabilities and the transactions during the years:

	2025	2024
As of 1 January	1,095	328
New lease	122	1,017
Interest expenses	23	16
Interest paid	(23)	(16)
Principal payments	(359)	(277)
Exchange rate differences	3	(3)
Adjustments arising from translation to reporting currency	53	30
As of 31 December	914	1,095

c. Recognition within the Consolidated Statements of loss and other Comprehensive Income (Loss)

The following are the amounts recognized in the consolidated statements of loss and other comprehensive income (loss):

	Year ended 31 December	
	2025	2024
Depreciation of right of use assets	326	273
Interest in connection with Lease liabilities	23	16
Total	349	289

(AUD in thousands)

NOTE 6 – LEASES (CONT.):

d. Future lease obligations

Future lease obligations under non-cancellable leases as of 31 December 2025, are as follows:

	As of 31 December 2025
Future lease obligations:	
2026	326
2027	350
2028	350
Total future obligations	1,026
Less imputed interest	(112)
Net present value of future lease obligations	914

NOTE 7 – BANK LOANS:

The banks loans denominated in NIS as of 31 December 2025 comprised of the following:

a. Secured Loan of $1,254 thousand

The Company obtained a secured loan in the amount of $1,254 thousand, backed by a percentage of its receivables from tax authorities. The loan is scheduled for repayment on 30 August 2026, and bears interest at the Israeli Prime Rate + 4.50% (currently 10.00%), with interest payable monthly.

b. Secured Loan of $839 thousand:

On 10 September 2025 related to the RBC VAT acquisition, the Company secured a loan of $1,017 thousand, backed by RBC shares. The loan is repayable over an 18-month period (principal and interest), commencing on 10 October 2025 and ending on 10 March 2027. The loan bears interest at the Israeli Prime Rate plus 4.50% (currently 10.00%), with interest payable on a monthly basis. As of 31 December 2025, the Company has already repaid three (3) instalments under the loan.

c. Unsecured Bridge Loan of $704 thousand:

On 30 October 2025, the Company received a short-term, unsecured bridge loan totaling $704 thousand. The loan is scheduled for repayment on 30 October 2026, and bears interest at the Israeli Prime Rate + 4.50% (currently 10.00%), with interest payable monthly.

Subsequent to the reporting date, the Company entered into two additional bank loan agreements. See Notes 19.a. and 19.b. for further information

The Company provided the bank with a floating charge for its entire assets as a guarantee for the outstanding loans mentioned in sections a. and b. above.

NOTE 8 – GOVERNMENTAL LOANS:

DevoluIVA received the following couple of governmental loans:

a. €135 thousand (approximately $211 thousand based on the exchange rate of $1.00 / €0.64 in effect as of 12 June 2021) on 12 June 2021 and

b. €251 thousand (approximately $411 thousand based on the exchange rate of $1.00 / €0.61 in effect as of 19 April 2023) on 19 April 2023.

Based on the related agreements, DevoluIVA should repay those loans (principal only) based on a payment schedule commencing 1 July 2024 through 1 July 2031. €116 thousand (approximately $204 thousand based on the exchange rate of $1.00 / €0.57 in effect as of 31 December 2025) out of those payments is scheduled to be repaid on 1 July 2031 and may be fully waived in case DevoluIVA will fulfill the required obligations and others as stipulated within agreements. €38 thousand (approximately $67 thousand based on the exchange rate of $1.00 / €0.57 in effect as of 31 December 2025) out of that amount, were already waived up to 31 December 2025 and as a result were deducted from the loans.

NOTE 9 - LIABILITY FOR ROYALTIES PAYABLE:

a. IIA projects:

In July 2020, the Company received approval from the Israel Innovation Authority ("IIA") for a budget of NIS 5,088 thousand (approximately $2,112 thousand based on the exchange rate of $1.00 / NIS 2.399 in effect as of 10 July 2020), for R&D expenditure, out of which a grant of 50% of the actual expenses related to the program in the amount of NIS 2,544 thousand (approximately $1,056 thousand based on the exchange rate of $1.00 / NIS 2.399 in effect as of 10 July 2020).

In June 2022, the Company received approval from the IIA for a budget of NIS 5,017 thousand (approximately $2,108 thousand based on the exchange rate of $1.00 / NIS 2.373 in effect as of 30 June 2022), for R&D expenditure, out of which a grant of 30% of the actual expenses related to the program in the amount of NIS 1,505 thousand (approximately $632 thousand based on the exchange rate of $1.00 / NIS 2.373 in effect as of 30 June 2022).

As of 31 December 2025 the company accrued $33 thousand within the accrued expenses presented as part of the other payables, $636 thousand within liability for royalties payable and additonal $1,322 thousand as contingent concideration.

The Company is committed to pay 3% royalties out of the related product sales to the Israeli government funding program. The royalties' payment shall not exceed 100% of the grant principal received plus related interest.

(AUD in thousands)

NOTE 9 - LIABILITY FOR ROYALTIES PAYABLE (CONT.):

b. Shalav projects:

In July 2018, the Foreign Trade Adminstration ("FTA") of the Israeli Ministry of Economy approved the Company's participation in the "Shalav" Program, which provides finanical assistance for promoting sales and marketing activities in the UK market. For its marketing efforts in the UK, the FTA has approved a budget of NIS 400 thousand (approximately $147 thousand based on the exchange rate of $1.00 / NIS 2.707 in effect as of 31 July 2018), from which the Company will obtain a grant of 50% of the actual expenses related to the program, in an aggregate amount of NIS 200 thousand (approximately $74 thousand based on the exchange rate of $1.00 / NIS 2.707 in effect as of 31 July 2018).

In November 2020, the FTA has approved an additional budget of NIS 580 thousand (approximately $236 thousand based on the exchange rate of $1.00 / NIS 2.442 in effect as of 30 November 2020), from which the Company will obtain a grant of 50% of the actual expenses related to the program, in an aggregate amount of NIS 290 thousand (approximately $118 thousand based on the exchange rate of $1.00 / NIS 2.442 in effect as of 30 November 2020).

As of 31 December 2025 the company accrued $93 thousand within the accrued expenses presented as part of the other payables, $105 thousand within liability for royalties payable and additonal $10 as contingent concideration.

Under the terms of the FTA, the Company will pay royalties of 3% of the sales derived in the UK. The royalties' payment shall not exceed 100% of the grant principal received plus index linkage.

NOTE 10 – DERIVATIVE LIABILITY - OPTIONS:

a. Stock options granted to investors

The outstanding options granted to investors for the year ended 31 December 2025 and 2024 are as follows:

	2025	2024
As of 1 January	16,313,038	-
Granted	-	16,313,038
As of 31 December	16,313,038	16,313,038

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

(AUD in thousands)

NOTE 10 – DERIVATIVE LIABILITY – OPTIONS (CONT.):

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 (12,083,330 options), see Note 11.b.2 and 11.b.3 for further information – those were granted as part of a unit, each unit was issued for price of $0.22 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 $0.057 per option. As a result, the Company bifurcated the options fair value from the Tranche 1 Placement, Trance 2 Placement and SPP aggregated to $679 thousand from the total consideration to a liability under Derivative liability – Options.

Second category - The options that were granted to the Convertible Note holders (4,229,708 options), see Note 11.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.

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 $0.073 per option. As a result, the Company recorded a finance expense aggregated to $309 thousand.

The options commenced trading on 6 May 2024 and presented as their fair value from that date onwards.

Those options exercisable through 28 February 2026. As of the date of this report, these options had not exercised and were therefore forfeited on 28 February 2026.

b. Fair value hierarchy

	Fair value hierarchy			
	As of 31 December 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Options granted to investors and brokers	163	-	-	163

	Fair value hierarchy			
	As of 31 December 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Options granted to investors*	162	-	-	162

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

(AUD in thousands)

NOTE 11 - EQUITY:

a. Ordinary shares - Status:

On 10 December 2025, the Company completed a consolidation of its issued share capital on a 10:1 basis, whereby every ten (10) existing ordinary shares and options were consolidated into one (1) ordinary share or option, respectively. The consolidation proportionally affected all issued and outstanding securities of the Company, including options, without changing the proportionate interests of security holders. The consolidated financial statements reflect the effect of the share consolidation retrospectively, and accordingly all share numbers, per-share amounts and option quantities presented for the current and comparative periods have been adjusted as if the consolidation had occurred at the beginning of the earliest period presented.

The Authorized issued and outstanding ordinary shares of NIS 0.1 par value for the years ended 31 December 2025 and 2024 are as follows:

For the year ended 31 December 2025:	**Authorized**	**Issued and outstanding**
	Number of shares	
Ordinary shares as of 1 January 2025	150,000,000	93,266,584
Increase in authorized shares*	150,000,000	
Issuance of shares in connection with conversion of the Convertible Notes	-	46,816,882
Issuance of shares in connection with the Placement finance round	-	79,821,428
Issuance of shares in connection with Director's service rendered	-	1,068,914
Issuance of shares in connection with service rendered	-	429,714
Issuance of ordinary shares in connection with contingent consideration	-	313,905
Exercise of options	-	89,729
Ordinary shares as of 31 December 2025	300,000,000	221,807,156

* On 12 May 2025, as part of the Company’s annual general meeting of the shareholders’, the authorized share capital was increased from NIS 15,000,000 to NIS 30,000,000, divided into 150,000,000 ordinary shares of NIS 0.1 par value.

(AUD in thousands)

NOTE 11 – EQUITY (CONT.):

For the year ended 31 December 2024:	**Authorized**	**Issued and outstanding**
	Number of shares	
Ordinary shares as of 1 January 2024	150,000,000	65,189,930
Issuance of shares in connection with conversion of the Convertible Notes	-	6,344,563
Issuance of shares in connection with the Placement finance round	-	19,318,181
Issuance of shares in connection with the Share Purchase Plan offer	-	806,818
Issuance of shares in connection with Director's service rendered	-	843,922
Issuance of ordinary shares in connection with contingent consideration	-	652,039
Exercise of options	-	111,131
Ordinary shares as of 31 December 2024	150,000,000	93,266,584

b. Issuance of ordinary shares:

During the year ended 31 December 2024, a total of 28,076,654 shares were issued, which occurred as part of the following transactions and events:

1. Convertible Notes:

On 31 January 2024, the Company entered into subscription agreements to raise $1.1 million 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 $50 thousand per convertible note ("2024 Convertible Notes"). The Company issued the 2024 Convertible Notes on 1 and 29 February 2024, respectively.

Following the engagement, the Company has received payment for the 2024 Convertible Notes and the costs associated with that transaction aggregated to $79 thousand. The key terms with respect to those 2024 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 2024 Convertible Notes, the 2024 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 $2.0 million 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 2024 Convertible Notes and the accrued interest as of conversion date which aggregated to $17 thousand converted into shares. As a result, the Company issued 6,344,563 Shares to the 2024 Convertible Notes Investors on conversion of the 2024 Convertible Notes based on 20% discount to the issue price of $0.22 per share pursuant to the Financing Conversion ("Convertible Note Shares").

NOTE 11 – EQUITY (CONT.):

In addition, the Company granted 4,229,708 options to the Convertible Note Investors with each option having an exercise price of $0.33 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 $4.25 million (before costs) at an issue price of $0.22 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:

   $2,097 thousand – 9,531,224 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 6,354,150 Placement Options ("Tranche 1 Placement"), all issued; and

   $2,153 thousand - Further 9,786,957 Shares and up to 6,524,638 Placement Options to the Placement Investors ("Tranche 2 Placement"), 5,191,305 out of those were issued;

   The issuance costs associated with Tranche 1 Placement and Tranche 2 Placement aggregated to $301 thousand.

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 $30 thousand worth of Shares each, at an issue price of $0.22 per Share to raise up to approximately $1.0 million (before costs) via the issue of up to 4,545,455 Shares (SPP Shares); and two free attaching Options, with the same terms as described in section 1. above for every three SPP Shares.

   The Company raised $177 thousand and as a result issued 806,818 shares and granted 537,882 options.
   The issuance costs associated with the collected SPP aggregated to $20 thousand.

4. Director's service rendered:

   In August 2024 the Company issued 843,922 shares to three (3) of its directors in connection with service renders. The fair value of those shares aggregated to $104 thousand. $53 thousand out of those amounts were recorded within the consolidated statements of loss and other comprehensive income for the year ended 31 December 2024 and the remainder $51 thousand in previous years.

5. Contingent consideration:

   In September 2024, the Company issued 652,039 ordinary shares to Voxel in connection with the second earn Out. The fair value of those shares aggregated to $67 thousand.

6. Exercise of options:

   During 2024 the Company issued 111,131 shares upon exercise of options.

During the year ended 31 December 2025, a total of 128,540,572 shares were issued, which occurred as part of the following transactions and events:

NOTE 11 – EQUITY (CONT.):

7. Convertible Notes:

   In January 2025, the Company entered into subscription agreements to raise a total $2.55 million from certain professional and sophisticated investors, being the convertible cote Investors, pursuant to which the Company agreed to issue, and the convertible note Investors agreed will subscribe for, an aggregate of 51 convertible notes each with a face value of $50 thousand per convertible note (“2025 Convertible Notes”). The 2025 Convertible Notes carry an annual interest rate of 10%.

   In accordance with the terms and conditions of the 2025 Convertible Notes, each Noteholder may, at their sole discretion and prior to the Maturity Date, elect to convert the Outstanding Principal together with any accrued interest into Shares by issuing the Company a conversion notice in writing (Voluntary Conversion).

   The conversion includes a 30% discount to the average of the preceding 30-day Volume Weighted Average Price (VWAP) immediately prior to the date of the conversion notice but subject to a maximum conversion price of $0.15 per Share.

   In March 2025, the holders of the 2025 Convertible Notes elected to convert their Notes into equity. Consequently, in May 2025, the Company issued 46,816,882 ordinary shares at a price per share of $0.05554, inclusive of accrued interest totaling $50 thousand.

   The conversion price for such notes denominated in $, which differs from the Company’s functional currency, therefore, it did not meet the criteria for classification as equity. Accordingly, the 2025 Convertible Notes considered a hybrid instruments that include a debt host contract and an embedded derivative liability. As the instrument contains an embedded derivative, it has been designated at fair value through profit or loss on initial recognition and as such the embedded conversion feature is not separated. All transaction costs related to financial instruments designated as fair value through profit or loss are expense as incurred. Following the conversion as mentioned above, the Company allocated the converted amount based on the fair value of the issued shares, and the difference of $1,114 thousand (which inclusive the accrued interest) was recognized as a finance expense.

8. Placement finance round:

   In June 2025, the Company raised an amount of $2.0 million for the issuance of 28,571,428 Ordinary shares at a price per share of $0.07. Issuance costs totaled $77 thousand and were offset against the contributed equity.

   Furthermore, In September through December 2025 the Company secured a $4.1 million placement round from new and existing professional, sophisticated, and institutional investors for the issuance of 51,250,000 Ordinary shares. Such round was conducted in two tranches as follows:

   $3,395 thousand through the issue of 42,437,500 Ordinary Shares at $0.08 per share, to be issued under the Company’s existing placement capacity pursuant to Listing Rule 7.1 and 7.1A; and

   $705 thousand through the issue of 8,812,500 Ordinary Shares at an issue price of $0.08 per share.

NOTE 11 – EQUITY (CONT.):

The issuance costs amounted to $558 thousand, including the fair value of the 7,500,000 options granted, as determined using the Black-Scholes valuation model (the key figures inserted into the formula beside the known figures such as the stock price, the exercise price and expected terms were volatility – 62%, Dividend yield – None and Risk-free interest rate – 3.56%), resulted in a fair value`of $218 thousand. These options were issued at a ratio of one option for every six shares issued under the placement, with an exercise price of $0.104 per option and an expiry date of 15 December 2028.

9. Director's service rendered:

   In May 2025, the Company issued 1,068,914 ordinary shares to three (3) of its directors as consideration for services rendered. The fair value of the shares aggregated to $75 thousand. This issuance represents a settlement of liabilities through the issuance of equity. The related expense was recognized in the consolidated statements of loss and other comprehensive loss in the periods during which the services were rendered.

10. Service rendered:

   In June 2025, the Company issued 133,464 ordinary shares to Voxel as consideration for services rendered, in accordance with the terms of the related agreement. The fair value of the shares was $175 thousand. This issuance constitutes a settlement of liabilities through the issuance of equity. The related expense was recognized in the consolidated statements of loss and other comprehensive loss during the periods in which the services were rendered.

   Furthermore, in 1 October 2025, the Company issued 296,259 ordinary shares to an employee of the Group as equity consideration for a bonus payment. The fair value of the shares was $18 thousand. The related expense was recognized in the consolidated statements of loss and other comprehensive loss during the periods in which the services were rendered.

11. Contingent consideration:

   In September 2025, the Company issued 313,905 ordinary shares to Voxel in connection with the third (and last) earn Out. The fair value of those shares aggregated to $25 thousand.

12. Exercise of options:

   During 2025 the Company issued 89,729 shares upon exercise of options.

c. Share rights:

Ordinary Shares confer to their holder the right to vote at, receive notices of, to attend and participate at all the meetings of shareholders of the Company and the right to be paid its proportional part in any dividends that may be declared by the Company. In addition, in the case of the winding-up of the Company, ordinary shares confer to their holder the right to take part in the distribution of the surplus assets, all in accordance with the provisions of the Company's articles of association.

(AUD in thousands)

NOTE 11 – EQUITY (CONT.):

d. Stock options:

The outstanding options for the year ended 31 December 2025 and 2024 are as follows:

	Year ended 31 December 2025	
	Number of options	Weighted average Exercise price in AUD
Outstanding as of 1 January 2025	9,008,281	0.49
Granted	1,000,002	0.19
Exercised	(89,729)	0.00
Forfeited	(750,564)	0.25
Outstanding as of 31 December 2025	9,167,990	0.29
Exercisable options	7,075,155	0.30

	Year ended 31 December 2024	
	Number of options	Weighted average Exercise price in AUD
Outstanding as of 1 January 2024	9,813,793	0.73
Granted	650,000	0.20
Exercised	(111,130)	0.01
Forfeited	(1,344,382)	0.24
Outstanding as of 31 December 2024	9,008,281	0.49
Exercisable options	5,675,278	0.71

The Company granted 1,000,002 and 650,000 options during the year ended 31 December 2025 and 2024, respectively. Those options were valued on their grant date based on Black Scholes option valuation methodology based on, among other things, the following key data and assumptions: exercise price per share of Between $0.01 - $0.03 vesting period is up to 3 years, expected volatility of 62% and 0% dividend yield.

Total value of the options granted during the years ended 31 December 2025 and 2024 were $26 thousand and $77 thousand, respectively.

(AUD in thousands)

NOTE 11 – EQUITY (CONT.):

e. Performance options:

The outstanding performance options for the year ended 31 December 2025 are as follows

	2025
Outstanding as of 1 January 2025	-
Granted	19,364,061
Outstanding as of 31 December 2025	19,364,061

On 10 December 2025, the Company's shareholders approved the grant of 17,224,738 performance options to three (3) of its Directors. In addition, the Company granted 2,139,323 performance options to two (2) members of its management team, which were approved by the Company's Board of Directors.

The exercise price of the performance options is $0.07 per option and vesting is subject to the achievement of the following performance targets (each representing 50% of the total grant):

First performance target:

The Company achieving consolidated revenue of US$4,500 thousand (approximately $6,712 thousand, based on the exchange rate of $1.00 / US$0.67 in effect as of 31 December 2025) for the year ended 31 December 2025. This target was achieved, taking into account the acceptable deviation threshold described below.

Second performance target:

The Company achieving:

- Consolidated revenue of US$6,500 thousand for the year ended 31 December 2026; and
- Profit and loss breakeven for the year ended 31 December 2026, excluding non-cash expenses (e.g., share-based compensation, amortization, and depreciation).

Additional terms related to the performance targets:

- In the event that the first performance target is not achieved, the second performance target will apply to 100% of the performance options.
- The Company considers a deviation of up to 5% below the target as acceptable for the purpose of determining whether the performance target has been achieved.

The Company utilized a Black-Scholes valuation method in order to measure the performance 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 – 62%, Dividend yield – None and Risk-free interest rate – 4.00%), resulted in a fair value of $0.0507 per option and a total grant-date fair value of approximately $981 thousand. This amount is recognized over the vesting period of the performance targets. The Company recorded share-based compensation expense of $654 thousand for the year ended 31 December 2025.

(AUD in thousands)

NOTE 12 – SUPPLEMENTARY INFORMATION:

a. Trade receivables:

	As of 31 December	
	2025	**2024**
Europe	7,207	4,214
Israel	151	281
	7,358	4,495

b. Other accounts payables:

	As of 31 December	
	2025	**2024**
Balances due to customers	2,235	2,979
Accrued expenses	973	311
Wages and related liabilities	380	371
Provision for vacation	76	76
Income tax provision	350	-
Working capital liability owed to Bevan and RBC sellers, see Note 4 for further information	252	-
Other	209	8
	4,469	3,745

c. Revenues:

	Year ended 31 December	
	2025	**2024**
Europe	6,177	4,279
Israel	265	279
	6,442	4,558

Major customers (defined as those from whom the Group derives at least 10% of its consolidated revenues):
During the years ended 31 December 2025 and 2024, consolidated revenues from the major customers reflected 22% (two customers, representing 12% and 10%, respectively) and 17% (one customer) of the total consolidated revenues, respectively.

(AUD in thousands)

NOTE 12 – SUPPLEMENTARY INFORMATION (CONT.):

d. Research and development expenses:

	Year ended 31 December	
	2025	**2024**
Salary and related expenses	1,515	1,498
Development costs	1,014	989
Subcontractors and consultants	122	76
Share based compensation	62	23
Governmental Grants received and changes in liability, net	(152)	(74)
Others	10	41
	2,570	2,553

e. Selling and marketing expenses:

	Year ended 31 December	
	2025	**2024**
Salary and related expenses	1,799	2,032
Marketing fees	630	394
Share based compensation	89	35
Other	-	2
	2,518	2,463

f. General and administrative expenses:

	Year ended 31 December	
	2025	**2024**
Professional fees	1,200	1,281
Salary and related expenses	1,562	911
Depreciation and amortization	477	426
Share based compensation	800	274
Travel abroad	192	99
Others	289	1,313
	4,520	4,304

(AUD in thousands)

NOTE 12 – SUPPLEMENTARY INFORMATION (CONT.):

g. Finance expenses and income:

Finance expenses:	**Year ended 31 December**	
	2025	**2024**
Finance expense in connection with the 2025 Convertible Notes conversion. See Note 11.b.7 for additional information	1,164	-
Interest in connection with bank loans	199	187
Interest in connection with royalties payable	148	142
Interest in connection with Lease liabilities	23	15
Exchange rate differences	203	140
Others	114	44
	1,851	528

Finance income:	**Year ended 31 December**	
	2025	**2024**
Fair value adjustments of Derivative liability Options, net of related expenses	-	521
Change in fair value of contingent consideration	20	95
Others	-	6
	20	622

NOTE 13 - TAXES ON INCOME:

a. General tax rate applicable to income in Israel:

Israeli corporate tax rate is 23% in 2025 and 2024. The Company in Israel has final tax assessments until 2020.

b. Non - Israeli subsidiaries:

1. UK: The corporate income tax rate is 19%-25% (subject to taxable income) for the years 2025 and 2024
   - i. UK Limited - has final tax assessments until 2023
   - ii. Bevan and RBC - has final tax assessments until 2023
2. Spain: The corporate income tax rate is 25% for the years 2025 and 2024
   - i. DevoluIVA - has final tax assessments until 2019
3. Romania: The corporate income tax rate is 16% for the years 2025 and 2024
   - i. SRL - has final tax assessments until 2019
4. USA: The corporate income tax rate is 21% for the years 2025 and 2024
   - i. Inc. – Non active and in a process of liquidation

(AUD in thousands)

NOTE 13 - TAXES ON INCOME (CONT.):

c. Net losses carry forwards:

As of 31 December 2025, the Company had estimated carryforward tax losses of approximately $47.0 million in business losses and $127 thousand in capital losses, which may be carried forward and offset against taxable income for an indefinite period in the future. The Company did not recognize deferred tax assets relating to carry forward losses in the consolidated financial statements because their utilization in the foreseeable future is not probable.

d. Tax reconciliation:

	Year ended 31 December	
	2025	**2024**
Loss before taxes on income	(6,361)	(5,488)
Tax rate in Israel (23% in both years)	1,463	1,262
Different tax rates applied in the subsidiaries jurisdictions	(31)	11
Non-deductible expenses and other differences	(82)	(209)
Tax losses and other differences for which no deferred tax asset was recognized	(1,427)	(1,064)
Tax on income*	(77)	-

* Relates to current tax

NOTE 14 - LOSS PER SHARE:

Net loss per share attributable to equity owners:

	Year ended 31 December	
	2025	**2024**
Net loss used in basic and diluted loss per share	**(6,361)**	**(5,488)**
Weighted average number of shares used in basic and diluted loss per share	151,105,488	83,644,240
Basic and diluted loss per share (dollars)	(0.04)	(0.06)

(AUD in thousands)

NOTE 15 - FINANCING ACTIVITIES IN THE STATEMENT OF CASH FLOWS:

Reconciliation of changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows:

	Bank loans	Governmental loans	Lease Liabilities	Liability for royalties payable	Convertible notes
As of 1 January 2025	(2,028)	(455)	(1,095)	(767)	-
<u>Changes from financing cash flows:</u>					
Convertible notes received (principal only)	-	-	-	-	(2,550)
Royalties received from IIA, net of paid amount	-	127	-	27	-
Receipts of additional principal amount, net	(640)	-	-	-	-
Principal paid on lease liabilities	-	-	359	-	-
Total changes from financing cash flows	(640)	127	359	27	(2,550)
Interest expenses and reassessment	-	(16)	-	36	-
Additions	-	-	(122)	-	-
Interest paid	199	-	23	-	-
Interest expenses	(199)	-	(23)	-	(50)
Adjustment to fair value					(1,114)
Adjustments arising from translation to reporting currency	(99)	(22)	(53)	(37)	-
Conversion of convertible notes	(108)	-	3	-	3,714
Effects of exchange rate differences	(30)	-	(3)	-	-
As of 31 December 2025	(2,797)	(366)	(914)	(741)	-

(AUD in thousands)

NOTE 15 - FINANCING ACTIVITIES IN THE STATEMENT OF CASH FLOWS (CONT.):

	Bank loans	Governmental loans	Lease Liabilities	Liability for royalties payable	Convertible notes
As of 1 January 2024	(2,037)	(424)	(328)	(698)	-
Changes from financing cash flows:					
Convertible notes received (principal only)	-	-	-	-	(1,100)
Royalties received from IIA, net of paid amount	-	-	-	(36)	-
Receipts of additional principal amount, net	190	-	-	-	-
Principal paid on lease liabilities	-	-	277	-	-
Total changes from financing cash flows	190	-	277	(36)	(1,100)
Interest expenses and reassessment	-	(16)	-	(6)	-
Additions	-	-	(1,017)	-	-
Interest paid	187	-	16	-	-
Interest expenses	(187)	-	(16)	-	(17)
Adjustments arising from translation to reporting currency	(73)	(15)	(30)	(27)	-
Conversion of convertible notes	-	-	-	-	1,117
Effects of exchange rate differences	(108)	-	3	-	-
As of 31 December 2024	(2,028)	(455)	(1,095)	(767)	-

(AUD in thousands)

NOTE 16 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT:

The Group is exposed to a variety of financial risks, which result from its financing, operating, and investing activities. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Group's financial performance and position. The Group's financial instruments are its cash and cash equivalents, trade receivable, other accounts receivables, trade payables, other accounts payables, lease liabilities, bank loans and governmental loans. The main purpose of these financial instruments is to raise finance for the Group's operation. The Group actively measures, monitors, and manages its financial risk exposures by various functions pursuant to the segregation of duties and principals. The risks arising from the Group's financial instruments are mainly credit risk and currency risk. The risk management policies employed by the Group to manage these risks are discussed below.

a. Credit risk:

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the statement of financial position date. The Group closely monitors the activities of its counterparties and controls the access to its intellectual property which enables it to ensure prompt collection of customers’ balances. The Group's main financial assets are cash and cash equivalents and trade receivables and other accounts receivables and represent the Group's maximum exposure to credit risk in connection with its financial assets. Trade receivables and other accounts receivables are carried on the statement of financial position net of doubtful debt provisions estimated by the management based on prior year experience and an evaluation of prevailing economic circumstances. Wherever possible and commercially practical the Group holds cash with major financial institutions In Israel.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	As of 31 December	
	2025	**2024**
Cash and cash equivalents	768	131
Trade receivables	7,358	4,495
Other accounts receivables	319	253
Total	8,445	4,879

b. Currency risk:

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the NIS, USD, GBP and RON. The Group’s policy is not to enter any currency hedging transactions.

(AUD in thousands)

NOTE 16 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.):

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	As of 31 December 2025						
	AUD	GBP	USD	NIS	RON	Other	TOTAL
Current assets							
Cash and cash equivalents	479	304	13	9	1	1	807
Trade receivables	-	5,008	-	151	-	-	5,159
Other accounts receivables	-	82	-	129	27	-	238
	479	5,394	13	289	28	1	6,204
Current and non-current liabilities							
Bank loans	-	-	-	(2,797)	-	-	(2,797)
Trade payables	-	(92)	-	(345)	(72)	-	(509)
Lease liabilities	-	-	-	(635)	(86)	-	(721)
Other accounts payables	-	(2,031)	-	(2,469)	(60)	-	(4,267)
Liability for royalties payable	-	-	(741)	-	-	-	(741)
	-	(2,123)	(741)	(5,953)	(218)	-	(9,035)
Net	479	3,271	(728)	(5,664)	(190)	1	(2,831)

	As of 31 December 2024						
	AUD	GBP	USD	NIS	RON	Other	TOTAL
Current assets							
Cash and cash equivalents	-	8	2	76	5	2	93
Trade receivables	-	2,860	-	282	-	-	3,142
Other accounts receivables	-	16	-	118	19	-	153
	-	2,884	2	476	24	2	3,388
Current and non-current liabilities							
Bank loans	-	-	-	(1,259)	-	-	(1,259)
Trade payables	-	(75)	-	(285)	(169)	-	(529)
Lease liabilities	-	-	-	(816)	(23)	-	(839)
Other accounts payables	-	(2,209)	-	(1,351)	(59)	-	(3,619)
Liability for royalties payable	-	-	(767)	-	-	-	(767)
	-	(2,284)	(767)	(3,711)	(251)	-	(7,013)
Net	-	600	(765)	(3,235)	(227)	2	(3,625)

(AUD in thousands)

NOTE 16 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.):

c. Sensitivity analysis:

A 10% strengthening of the Euro against the following currencies would have increased (decreased) the consolidated statement of loss and other comprehensive income (loss) and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Year ended 31 December	
	2025	**2024**
NIS	566	324
USD	73	77
GBP	(327)	(60)
RON	19	23
AUD	(48)	*

* Represent an amount lower than $1 thousand.

d. Liquidity risk:

Liquidity risk is the risk that arises when the maturity of assets and the maturity of liabilities do not match. An unmatched position potentially enhances profitability but can also increase the risk of loss. The Group has procedures with the object of minimizing such losses by maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	As of 31 December 2025				
	< 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**> 4 years**
Bank loans	(2,892)	(172)	-	-	-
Governmental loans	(32)	(63)	(63)	(63)	(265)
Trade payables	(575)	-	-	-	-
Lease liabilities	(326)	(350)	(350)	-	-
Other accounts payables	(4,508)	-	-	-	-
Liability for royalties payable	(289)	(208)	(250)	(299)	-
Total	(8,359)	(789)	(663)	(362)	(265)

(AUD in thousands)

NOTE 16 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.):

	As of 31 December 2024				
	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	> 4 years
Bank loans	(2,230)	-	-	-	-
Governmental loans	(91)	(61)	(61)	(61)	(335)
Trade payables	(434)	-	-	-	-
Lease liabilities	(335)	(308)	(331)	(331)	-
Other accounts payables	(3,745)	-	-	-	-
Liability for royalties payable	(240)	(249)	(269)	(350)	-
Total	(6,873)	(618)	(661)	(742)	(335)

e. Fair value of financial assets and liabilities:

	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Contingent consideration – as of 31 December 2025	-	-	-	-
Contingent consideration – as of 31 December 2024	-	-	43	43
Convertible notes – as of 31 December 2025	-	-	-	-
Convertible notes – as of 31 December 2024	-	-	-	-
Derivative liability – options – as of 31 December 2025	163	-	-	-
Derivative liability – options – as of 31 December 2024	162	-	-	-

Reconciliation of fair value measurements that are categorized within Level 3 of the fair value hierarchy:

Contingent consideration	2025	2024
As of 1 January	(43)	(201)
Issuance of shares	25	67
Change in fair value	20	95
Adjustments arising from translation to reporting currency	(2)	(4)
As of 31 December	-	(43)

Convertible notes	2025	2024
As of 1 January	-	-
Principal	(2,550)	(1,100)
Interest recorded	(50)	(17)
Adjustment to fair value	(1,114)	-
Conversion	3,714	1,117
As of 31 December	-	-

(AUD in thousands)

NOTE 17 - RELATED PARTIES:

The following transactions arose with directors and key management related parties (as individuals and companies controlled by them)**:**

	Year ended 31 December	
Transaction – expenses*	**2025**	**2024**
Management Fee to the CEO and director	450	403
Consultancy fees to directors	178	176
Share based compensation to the CEO and director	477	179
Share based compensation to directors	150	47

* Recorded within the General and administrative expenses line item.

		As of 31 December	
Liabilities to related parties**	**Nature of transaction**	**2025**	**2024**
CEO and director	Management Fees	37	13
Directors	Consultancy fees	94	66

** Recorded within the other accounts payables line item.

NOTE 18 – LEGAL PROCEEDINGS:

a. DevoluIVA is a party to three small legal proceeding. The exposure of all is up to $60 thousand. No provision was recorded as of 31 December 2025 and 2024 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 $76 thousand based on the exchange rate of $1.00 / NIS 2.1319 in effect as of 31 December 2025) for office rent differences for prior periods. The Company does not agree with such a demand, on 2 May 2024 submitted its defense to the court. Following an unsuccessful mediation process, a preliminary hearing was held on 10 November 2024. The court has scheduled an evidentiary hearing for 12 November 2026. The parties have submitted affidavits of their witnesses. This litigation is still in its early stage and therefore no provision was recorded as of 31 December 2025.

NOTE 19 - SUBSEQUENT EVENTS:

a. Unsecured Bridge Loan of $700 thousand:

On 25 January 2026, the Company received a short-term, unsecured bridge loan totaling $700 thousand. The loan is scheduled for repayment on 31 May 2026, and bears interest at the Israeli Prime Rate + 4.50% (currently 10.00%), with interest payable monthly.

b. Unsecured Loan of $700 thousand:

On 8 March 2026, the Company received a short-term, unsecured bridge loan totaling $700 thousand. The loan is scheduled for repayment on 5 April 2026, and bears interest at the Israeli Prime Rate + 4.50% (currently 10.00%).

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ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 24 March 2026.

1. DISTRIBUTION OF EQUITABLE SECURITIES

Analysis of number of equitable security holders by size of holding.

Holding Ranges	No. of Holders of Ordinary Securities	No. of Ordinary Securities	% Issued Ordinary Securities	No. of Holders of Options	No. of Options	% Issued Options	No. of Holders of Performance Options	No. of Performance Options	% Issued Performance Options
above 0 up to and including 1,000	192	97,937	0.04%	-	-	-	-	-	-
above 1,000 up to and including 5,000	236	670,353	0.30%	1	2,276	0.0083%	-	-	-
above 5,000 up to and including 10,000	121	981,789	0.44%	1	6,260	0.022%	-	-	-
above 10,000 up to and including 100,000	306	11,585,685	5.21%	15	4,512,504	16.50%	-	-	-
above 100,000	204	209,022,863	94.00%	48	22,821,078	83.46%	5	19,364,061	100.00%
Totals	**1,059**	**222,358,627**	**100.00%**	**65**	**27,342,118**	**100.00%**	**5**	19,364,061	**100.00%**

Based on the price per security as at 24 March 2025, number of holders with an unmarketable holding: **433**, with total 850,521, amounting to 0.32% of Issued Capital.

2. EQUITY SECURITY HOLDERS

Twenty largest quoted equity security holders as at 24 March 2026.

The names of the twenty largest security holders of quoted equity securities are listed below:

Holder Name	Holding	% IC
UBS NOMINEES PTY LTD	24,739,545	11.13%
DE SILVA INVESTMENTS (AUST) PTY LTD <DE SILVA PROPERTY A/C>	9,749,065	4.38%
SEVENTIES PTY LTD <SEVENTIES FAMILY A/C>	9,067,030	4.08%
YARRAC PTY LTD <COLEBATCH PROPERTY A/C>	7,239,925	3.26%
DAVSAM PTY LTD <ROSEMAN RETIREMENT FUND A/C>	6,269,810	2.82%
BADAWY NOMINEES PTY LTD <BADAWY PENSION FUND A/C>	6,092,969	2.74%
DE SILVA SUPER NOMINEES PTY LTD<APEX SUPER FUND A/C>	4,565,737	2.05%
LINBOLD PTY LTD<COLEBATCH PENSION FUND A/C>	4,371,429	1.97%
NOBLE INVESTMENTS SUPERANNUATION FUND PTY LTD<NOBLE INVESTMENTS S/F A/C>	3,800,000	1.71%
CORDIN BUILDING GROUP PTY LTD<CORDIN FAMILY A/C>	3,726,898	1.68%
BNP PARIBAS NOMINEES PTY LTD<IB AU NOMS RETAILCLIENT>	3,494,969	1.57%

ORIENT GLOBAL HOLDINGS PTY LTD<AL'N'ALL A/C>	3,484,641	1.57%
R&M ISLAND INVESTMENT PTY LTD<RANASINGHE-MAWZOON S/F A/C>	3,258,148	1.47%
WALKLEY HOLDINGS PTY LTD<AUSTRALASIAN SHOPFIT S/F A/C>	3,113,521	1.40%
VOXEL MEDIA SL	3,100,727	1.39%
NCN INVESTMENTS PTY LTD<NATHAN CHER FAMILY A/C>	2,944,347	1.32%
SPARKLINK PTY LTD<M PERERA FAMILY A/C>	2,857,143	1.28%
SHILPA ONE PTY LTD<SHILPA ONE INVESTMENT A/C>	2,556,376	1.15%
LINBOLD PTY LTD<COLEBATCH PENSION FUND A/C>	2,500,000	1.12%
SPARKLINK PTY LTD<M PERERA FAMILY A/C>	2,434,375	1.09%
Total	**109,366,655**	**49.19%**
Total issued capital - selected security class(es)	**222,358,627**	**100.00%**

Unquoted equity securities

	Number on Issue	**Number of Holders**
Options	27,342,118	65
Performance Options	19,364,061	5
Convertible Notes	0	0

Holders of 20% or more of unquoted equity securities:

Name	**Class**	**Number held**
AMOS SIMANTOV (AND HIS INDIRECT HOLDING 'PERFORMANCE SYSTEMS LTD')	Options (includes 13,049,970 Performance Options)	17,677,449

3. VOTING RIGHTS

Voting rights are as set out below:

Ordinary Shares	All ordinary shares carry one vote per share without restriction
Options	Do not carry any voting rights
Convertible Notes	Do not carry any voting rights

4. ON-MARKET BUY BACK

There is currently no on-market buyback program.

5. GROUP CASH AND ASSETS

In accordance with Listing Rule 4.10.19, the Company confirms that it has been using the cash and assets for the year ended 31 December 2025 in a way that is consistent with its business objectives and strategy.