26 March 2024

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W.A.G payment solutions plc ("Eurowag" or the "Group")

Preliminary results for the year ended 31 December 2023

Robust performance, in-line with guidance

W.A.G payment solutions plc ("Eurowag" or the "Group"), a leading pan-European integrated payments and mobility platform focused on the commercial road transport ("CRT") industry, today announces its preliminary results for the year ended 31 December 2023.

Full year financial and operational highlights

Sustained strong growth from our business critical products and services

- FY 2023 performance in-line with expectations.
- Total net revenue[1] +34.4% to €256.5m (FY 2022: €190.9m), with organic growth +14.5%[2]
  - Payment solutions[1] +9.0% to €147.0m, driven by +8.4% increase in active payment customers and growth from toll revenues.
  - Mobility solutions[1] +95.6% to €109.5m, organic +28.3%[2], driven by effective cross selling and strategic OEM partnerships, which are an important new sales channel.
- Adjusted EBITDA[1] +33.2% to €108.7m (FY 2022: €81.6m), organic growth +12.2%, and adjusted EBITDA margin[1] of 42.4% (FY 2022: 42.8%).
- Adjusted profit before tax[1] was €56.7m (FY 2022: €54.9m). Statutory loss before tax of €39.3m (FY 2022: profit before tax €28.0m), with the year-on-year reduction primarily relating to amortisation from acquired intangibles, finance costs and a non-cash goodwill impairment of €56.7m.

Completed intense investment phase; M&A and building the industry's first digital app

- Completed significant acquisition of Grupa Inelo, S.A. ("Inelo"), enhancing the Group's scale and product capability. As expected, net debt increased to €316.8m, with net leverage[3] at 2.9x net debt to adjusted EBITDA.
- Total capex spend of €50.9m (FY 2022: €43.2m). Transformational programme largely completed and in-line with €50m guidance (FY 2022 €25.5m and FY 2023 €21.7m).
- Development of industry-first digital platform on track, soft launch still expected Q4 2024.

Outlook

- Despite macroeconomic challenges, the Group remains confident in the medium-term value creation delivered from the platform and acquisition synergies; guidance remains unchanged.

Martin Vohánka, Founder and CEO, commented:

2023 was a year of both significant strategic and financial transformation for the Group, where we completed our largest ever acquisition and delivered further organic growth, despite a range of macroeconomic headwinds across Europe. Whilst these headwinds are expected to persist in 2024, I am confident in the positive outlook for the Group, thanks to substantial investments we have made in the business and in our market positioning.

Eurowag sits at the heart of the European CRT industry, providing a range of critical services that drive increased efficiency and profitability for customers who operate in a highly complicated, admin heavy sector. With only a small proportion of road transport companies *having embraced digitisation to date, there is huge potential to grow our customer base. This will be accelerated with the launch of our industry-first digital platform later this year – a significant milestone for us, that will take our growth to the next level. Consequently, we remain confident in the prospects for the Group and re-iterate our near and medium-term financial guidance, as we unlock further value for both our customers and shareholders."*

FY 2023 financials

Key statutory financials	**FY 2023**	**FY 2022**	**YoY change (%)**
Revenue from contracts with customers (€m)	**2,088.1**	2,368.3	(11.8)%
(Loss) /Profit before tax (€m)	**(39.3)**	28.0	(240.5)%
Basic EPS (cents/share)	**(6.62)**	2.41	(374.3)%

Alternative performance measures [1]	**FY 2023**	**FY 2022**	**YoY change (%)**	**FY 2023 organic**[2]	**Organic YoY change (%)**
Net revenue (€m)	**256.5**	190.9	34.4%	218.6	14.5%
Payment solutions revenue (€m)	**147.0**	134.8	9.0%	146.7	8.8%
Mobility solutions revenue (€m)	**109.5**	56.0	95.6%	71.8	28.3%
Adjusted EBITDA (€m)	**108.7**	81.6	33.2%	91.5	12.2%
Adjusted EBITDA margin (%)	**42.4%**	42.8%	(0.4)pp	41.9%	(0.9)pp
Adjusted basic EPS (cents/share)	**6.49**	5.75	12.8%	5.25	(6.8)%

FY 2023 operational highlights

	FY 2023	**FY 2022**	**YoY growth (%)**
Average active payment solutions customers	**18,379**	16,950	8.4%
Average active payment solutions trucks	**93,882**	88,189	6.5%
Payment solutions transactions	**37.4m**	35.2m	6.3%

Outlook, near and medium-term guidance remains unchanged

Eurowag enters 2024 in a strong position, despite the macroeconomic environment impacting the CRT industry across Europe. Many of the economic pressures the industry faces are expected to continue into 2024, impacting loads and therefore resulting in less kilometres driven.

Following its strategy, the Group is coming out of a heavy investment phase in both technology and acquisitions to create an industry-first integrated platform driving growth by offering new digital solutions to many of the CRT industry's biggest challenges. Eurowag's investment in recent years has delivered a mission-critical product suite to its customers, which underpins the Group's confidence in delivering mid-teens organic net revenue growth in the near and medium-term. With further integration work still to take place in respect of recent acquisitions, Adjusted EBITDA margins in FY 2024 are expected to remain in-line with FY 2023 at around 43%, and grow over the medium-term.

Whilst the absolute amount of capital expenditure reduces this year and the transformational programme (guidance to €50m) reaches completion, several deferred consideration payments of circa €35m from past acquisitions are subject to payout in FY 2024. As a result, the net debt to Adjusted EBITDA ratio, at the end of FY 2024, is expected to be moderately above our target range (1.5x-2.5x) with a priority to return within the range in FY 2025.

The launch of the much-anticipated digital platform in Q4 remains on track, with expectations to unlock further opportunities whilst driving value for Eurowag's customers and shareholders. The Group is confident this offering, an industry first, will drive further cross selling and value for all stakeholders. As a result, the Group is confident it will deliver strong growth in-line with expectations, and medium-term financial guidance remains unchanged.

Notes:
1. Net revenue, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted profit / (loss) before tax, Adjusted earnings (net profit), Adjusted basic EPS are non-statutory measures which provide readers of this announcement with a balanced and comparable view of the Group's performance by excluding the impact of Adjusting items, as disclosed in the section Alternative performance measures below and Note 5.
2. Organic growth for the year represents Group growth, excluding Inelo and related synergies and integration expenses.
3. Net leverage covenant calculation as per bank definition using Adjusted EBITDA for the last twelve months. Net debt includes lease liabilities and derivative liabilities.

Investor and analyst presentation today

Martin Vohánka (CEO) and Oskar Zahn (CFO) will host a virtual presentation and a Q&A session for investors and analysts today, 26 March 2024, at 9.00am GMT. The presentation and webcast details are available on the Group's website at https://investors.eurowag.com.

Please register to attend the investor presentation via the following link:
https://www.lsegissuerservices.com/spark/WAGPAYMENTSOLUTIONS/events/d7d24c57-9b66-458d-b683-6b67c689c9d6
Should you want to ask questions at the end of the presentation, please use the following link:
https://registrations.events/direct/LON9066443

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About Eurowag

Eurowag was founded in 1995 and is a leading technology company and an important partner to the Europe's commercial road transport (CRT) industry, with a purpose to make it clean, fair and efficient. Eurowag enables trucking companies to successfully transition to a low carbon, digital future by harnessing all mission critical data, insights and payment and financing transactions into a single ecosystem and connects their operations seamless before a journey, on the road and post-delivery. https://investors.eurowag.com

Chief Executive Officer's review

The European road transport industry supports 75% of the physical goods economy[1]; it represents 5% of GDP[2] and provides employment to 20 million people. Despite the scale and importance of this industry in Europe, trucking companies face many challenges today, and only a few companies make an effort to resolve them. At Eurowag, we focus on nothing else but tackling these challenges at their root cause and are fully committed to supporting the transformation of the trucking industry into a resilient service for society that contributes to Europe's journey to net zero by 2050. That is what drives our passion and commitment to undertake truly pioneering ventures. Our vision is about the digitisation of the industry, which will solve the ecosystem fragmentation, decarbonisation and low profitability, and create a better workforce environment.

Transforming the business

For almost 30 years, Eurowag has built a pan-European payment network for the trucking industry, which is mainly made up of small and medium-sized businesses. Five years ago, when we had around 900 employees, we changed the strategy of the business and started to build or buy new product capabilities, creating unique pieces of a jigsaw, which none of our competitors had attempted before. We made a bold move and decided to bring multiple sub-industries together, all serving the trucking industry, bringing products under one roof to create a single independent ecosystem. Our ambition is to create an end-to-end platform where we can bring together all our customers' data, be it truck, driver, or company data, instilling transparency and generating AI insights to drive efficiency through the ecosystem, reducing human intervention, improving drivers' wellbeing and truck utilisation and saving energy. As well as bringing data together, this platform will integrate our payment solutions, which supports customers' cross-border foreign exchange transactions, and where financing is at our customers' fingertips.

Today, with almost 1,900 employees working intensively towards our vision, I am proud to report significant progress on all our strategic pillars, pivoting towards a soft launch of our platform in Q4 2024, while delivering a strong set of results against macro headwinds and industry volatility.

With the evolution of the business and change of revenue mix, we have set out below the following strategic priorities:

1) **Be in every truck** *(attract)*

- Progress in 2023:
    - Signed three out of six OEM partnerships in 2023, which cover around 45% of the European truck market today.
    - Integrated the Webeye sales team into one Eurowag agile sales team, aligning sales targets across all markets.
    - Through the acquisition of Inelo, we expanded our presence in Poland and the Adriatic region.
    - Expanded our energy network into Portugal and Croatia.

- Focus in 2024:
    - Training the direct sales teams to become more advisory, including further integration of Inelo's sales team.
    - Start to bring together all our sales channels into a customer-centric omni-channel.

- Deliver software to OEM partners for installation in all new truck infotainment system.
- Expand customer base in new geographies.
- Integration of electric vehicle charging points into our closed-loop network.

2) **Drive customer centricity** *(engage)*

- Progress in 2023:
  - Improved our Eurowag app and client portal; number of monthly active users on the Eurowag app increased by 58% year-on-year to almost 32,000.
  - Rolled out our mobile payments application to 13 countries, and now have over 800 acceptance points ready for drivers to unlock the fuel pump with the app.

- Focus in 2024:
  - Streamline customer digital touch points across all brands into a single sign-on.
  - Enhance customer user experience through simplification and development of customer insight tools.
  - Further develop our driver behaviour and emission tracking tools to help customers with their carbon emission efficiencies.

3) **Grow core services** (*monetise)*

- Progress in 2023:
  - Received European Electronic Toll System ("EETS") certification in the Czech Republic, Hungary, Spain and Portugal, and now have licences in 10 countries across Europe, including Germany, which collects almost 50% of toll revenues in Europe.
  - Increased the number of toll domains ordered on our EVA device by six times year-on-year, with toll coverage across 23 European countries.
  - With the acquisition of Webeye and Inelo, our toll on-board unit ("OBU") sales have grown almost four times year-on-year.

- Focus in 2024:
  - Drive cross-sell across existing services and newly acquired businesses.
  - Develop Decarbonisation as a Service to help customers access lower carbon fuels.
  - Expand core services through increased European coverage.

4) **Expand platform capability** *(retain)*

- Progress in 2023:
  - Implemented new ERP system and on track with the second phase go live in Q1 2024.
  - Continued to develop our financial platform capability, in preparation of our e-wallet launch in FY 2024.
  - Made good progress on our digital platform, testing pricing models and user journeys; on track for a soft launch in Q4 2024.

- Focus in 2024:
  - Successful migration of data and simplification of processes in ERP; next phase to be launched later in 2024.
  - Successful soft launch of our new digital platform, Eurowag Office, in Q4 2024, along with our e-wallet solution.
  - Introduce subscription pricing model through new platform.

Our financial and operational highlights

For the full year, total net revenues grew by 34.4%, to €256.5m, and achieved organic growth of 14.5%. This sustained organic growth is supported by mobility solutions which grew by 28.3% in the year and now contribute almost 43% to total Group net revenues (from 29.3% in FY 2022), with the inclusion of Inelo. Our Adjusted EBITDA margins were broadly flat with last year at 42.4% (FY 2022: 42.8%), despite this year being our peak year for transformational investments. These results showcase that our customer value proposition is differentiated from the rest of the market represented by single or limited product providers. Overall the Group delivered an Adjusted profit before tax of €56.7m (FY 2022: €54.9m) with a statutory loss before tax of €39.3m (FY 2022: profit before tax €28.0m), the year-on-year reduction primarily relating to amortisation from acquired intangibles, finance costs and a non-cash goodwill impairment of €56.7m.

This year, we saw slow growth in economies across Europe; there were headwinds in the spot freight markets and less kilometres driven, and yet we were still able to grow the number of active payment solutions trucks and active customers by 6.5% and 8.4% respectively. At Eurowag, however, it is not unusual to see accelerating demand for our solutions when customers are struggling, as our solutions are mission critical for their businesses and help improve their financial positions. These trends are not dissimilar to what we saw in 2008, and more recently during the COVID-19 pandemic.

As communicated, our transformational capex programme is largely complete however we will continue to invest and we expect our capex spend to be around 10% of net revenues annually.

People and culture are the foundation to Eurowag's success

In Q2 2023, we welcomed a new CFO, Oskar Zahn, who brings strong plc experience, and we are pleased to see him set new standards for the finance function, while adapting to the complex environment of Eurowag's operations.

We have continued to strengthen the Eurowag leadership team, especially through our recent acquisitions of Inelo (including CVS Mobile ("CVS")) and Webeye, moving senior talent into Group roles, to promote and align our culture across the organisation. As a result of our growing organisation, we have also continued our efforts to improve and strengthen internal communications, as so many people with different backgrounds and cultures come together. We have introduced new communication formats, such as Town Halls and All Hands meetings, where employees have exposure to the Senior Leadership Team and our Chairman, as well as different parts of the business. Our focus on two-way communication supports our aim of having an inclusive and open culture. We have also launched a People and Culture Ambassadors Network whereby 40 colleagues representing different parts of our organisation are helping us to embed our culture, help employees understand our purpose, live our values and understand our strategy and the part they play in making us successful.

We have continued to improve diversity in the workplace, with a key pillar of our strategy focusing on hiring and promoting practices. Attention has been given to improve the training of our hiring managers in areas such as unconscious bias. We have also focused on our Women's Network and supporting women in leadership roles, for example launching a women's mentoring scheme.

Similarly, we have focused on creating an inclusive learning environment where employees have access to a wide range of opportunities to develop personal and professional skills.

During the year, there were several changes to the Board. Caroline Brown, who chaired our Audit and Risk Committee, stepped down as Independent Non-Executive Director and Steve Dryden joined us as Independent Non-Executive Director, taking on the responsibility of chairing the Audit and Risk Committee.

Subsequent to the year end, we welcomed Sophie Krishnan and Kevin Li Ying to the Board, as Independent Non-Executive Directors. Susan Hooper is stepping down from the Board at the Annual General Meeting in May 2024.

Acquiring product capabilities to support our customers and new platform

In March 2023, we completed the acquisition of Inelo, which represented a significant milestone for the Group. Firstly, it was the largest acquisition for Eurowag and gave us market leadership in Poland, which is the biggest transport market in Europe, allowing us to grow our footprint in the Adriatic region under the CVS brand. Secondly, the solutions we acquired, work time management and transport management, have completed the list of mission critical services Eurowag set out to build or acquire five years ago, to become a key part of our future platform.

During the year, we continued to work on a phased integration of Webeye, which we acquired in 2022. As of 1 January 2024, all our acquired businesses have been working under one Eurowag operating model, so we can start to generate both cost and revenue synergies, driven through cross-sell opportunities. Both the Inelo and Webeye acquisitions have already contributed to strong OBU sales, which grew almost four times in the year. This is a great example of where our ability to capture data from both vehicles and drivers gives us customer insights to cross-sell a number of our other value-added services.

Building the industry’s first digital platform, with a soft launch in Q4 2024

During 2023, we focused on expanding our sales channels. In preparation for our platform launch, we invested heavily in our digital channel capabilities and continued to expand our partnerships with the truck manufacturers, resulting in three of the six European OEMs signing with us to further develop our platform so they can install it within their infotainment systems. These three OEMs represent around 45% of the European truck market and this presents a unique opportunity for truck manufacturers to offer advanced digital services at the point of sales; customers have immediate access to solutions enabling operational efficiency and decarbonisation. These deals provide Eurowag with limitless access to new customers across Europe, endorsed by partnerships with strong brands of truck manufacturers.

As Eurowag moves to more of a technology enabled business, away from a pure card payment business, we expect to shift our marketing strategy from a pure direct sales customer model to a digital and indirect sales customer model. As part of this process, we have become a proud partner of leading industry influencer and truck business owner Ms Iwona Blecharczyk. Iwona is a passionate promoter of Eurowag and a great ambassador for all truck operators and drivers in the public eye, but most importantly she is helping shape respective legislation with European authorities.

Although we are well on our way to becoming more technologically focused, we continue to invest in our core suite of products. In 2023, we expanded our energy network to Portugal and Croatia, whilst continuing to focus on supporting our customers' transition to alternative fuels; our LNG stations' coverage represents more than 50% of the European network. Our mobile payments application is now available in 13 countries across Europe, helping to enhance our customers' digital experience. The number of monthly active drivers on the Eurowag app increased by 58%, compared to last year, as a result of better user experience and increased communication efforts with our customers. We look forward to migrating the Road Lords drivers' community to our new platform. In the year we expanded our EETS network to the Czech Republic, Hungary, Spain and Portugal, while our European coverage for toll services is 23 countries.

Our technology investment also includes the implementation of ERP, which is a critical part of our technology platform, enabling us to improve internal processes and scale our business. We are pleased to report we completed the second phase of the implementation at the beginning of 2024, which included general ledger and Group reporting processes. At the same time, we continue to develop our financial platform capability, in preparation of our e-wallet solution, as both technologies are an important part of the new platform.

Sustainability

We are committed to helping the CRT industry become clean, fair and efficient.

Our sustainability plan contains four focus areas: climate action, customer success and wellbeing, community impact and responsible business. We have set objectives and targets for each focus area, and in 2023 we have made good progress against them.

We are committed to playing a role in enabling the CRT industry to achieve decarbonisation goals. This means helping customers be more efficient and make the transition from fossil fuels to alternative energy solutions, as well as reducing our own emissions. In 2023, we reduced our direct emissions (Scope 1 & 2, market-based) by 11% compared to the baseline year 2019[3], and almost doubled our on-site renewable energy generation by installing solar panels. We have also seen a 0.5% decrease in GHG emissions per tkm across Eurowag's customer fleet, compared to the baseline year 2019 and have seen a 121% increase in the number of active alternatively fuelled commercial vehicles[4], which reached 780. We have begun offering lower carbon fuel on our own truck parks and have continued adding to our acceptance network of HVO, bringing the total to 165 in seven countries, which represents a six times increase.

The future belongs to those who learn and collaborate

At Eurowag, our success story has been built by people with open minds, those who are eager to learn from every step of our journey. We have innovative teams and skillsets to create valuable products and services for our customers. In all our efforts we are mindful of all our stakeholders, be it our shareholders, customers and employees, or our environment, suppliers, communities, local governments or even future generations. Despite the macro and industry pressures we face, we will continue to pursue our dream of revolutionising the CRT industry and lead the way to a digital, low-carbon future. We are confident we have all necessary ingredients to achieve this, and I want to thank you for the support.

Notes:

1. Source: CVDD, page 40, issued 5/2021, BSG.

2. Source: Eurostat.
3. Baseline year recalculated to include Webeye and Inelo.
4. Commercial vehicles using fuels or power sources which serve, at least partly, as a substitute for fossil oil sources.

Financial review

Eurowag delivered a robust performance last year, despite the challenging macroeconomic pressures, demonstrating once again the inherent resilience of our business model and the mission critical nature of our services.

At a headline level, net revenue grew 34.4% to €256.5m (FY 2022: €190.9m) with Adjusted EBITDA up 33.2% to €108.7m (FY 2022 €81.6m), supported by acquisitions and strong organic growth. Adjusted EBITDA margins remained broadly flat at 42.4% (FY 2022: 42.8%), demonstrating the strong profitability of the business.

Similarly, Adjusted profit before tax grew 3.3% to €56.7m (FY 2022: €54.9m). Statutory loss before tax was €39.3m (FY 2022 Profit before tax €28.0m), impacted by amortisation from acquired intangibles, finance costs, a non-cash goodwill impairment of €56.7m and other Adjusting items. Adjusted basic EPS increased to 6.49 cents per share (FY 2022: 5.75 cents), driven by higher Adjusted earnings (net profit) attributable to equity holders. Basic EPS was (6.62) cents per share (FY 2022 2.41 cents).

Performance review

Below is a summary of the segmental performance and explanatory notes relating to corporate expenses, adjusting items, taxation, interest, investments and cash flow generation. As in prior years, adjusted and other performance measures are used in this announcement to describe the Group's results. Adjustments are items included within our statutory results that are deemed by the Board to be unusual by virtue of their size and/or nature. Our adjusted measures are calculated by removing such adjustments from our statutory results. Note 5 includes reconciliations.

Segments

	FY 2023 (€m)	**FY 2022 (€m)**	**YoY (€m)**	**YoY change (%)**
Gross revenue	**2,088.1**	2,368.3	(280.2)	(11.8)%
Payment solutions	**1,978.6**	2,312.3	(333.7)	(14.4)%
Mobility solutions	**109.5**	56.0	53.5	95.6%
Net revenue	**256.5**	190.9	65.6	34.4%
Payment solutions	**147.0**	134.8	12.2	9.0%
Mobility solutions	**109.5**	56.0	53.5	95.6%
Expenses included in Contribution	**(55.9)**	(31.9)	(24.0)	75.4%
Contribution total[1]	**200.6**	159.0	41.6	26.2%
Payment solutions	**124.1**	118.2	5.9	5.1%
Mobility solutions	**76.5**	40.8	35.7	87.4%
Contribution margin total[1]	**78%**	83%	(5) pp	N/A
Payment solutions	**84%**	88%	(4) pp	N/A
Mobility solutions	**70%**	73%	(3) pp	N/A

Note:
1. Please refer to the section Alternative performance measures below for a definition and Note 5.

The Group's gross revenues decreased by 11.8% year-on-year to €2,088.1m, driven by lower average energy prices of around 13.5% (a corresponding decrease was reported for costs of energy sold). Despite this, the Group delivered strong net revenue growth as net revenues grew by 34.4% to €256.5m, of which €37.9m was from our Inelo acquisition and includes synergies. Excluding acquisitions, organic net revenues grew 14.5%, driven by strong growth in mobility solutions and almost double-digit growth in payment solutions revenues. If we had acquired Inelo at the beginning of 2023, net revenue would have increased by €47.3m for the year.

Payment solutions net revenues grew by 9.0% year-on-year, supported by 8.4% net growth in average active payment solutions customers, to 18,379 (FY 2022: 16,950), and 6.5% growth in average active payment solutions trucks, to 93,882 (FY 2022: 88,189).

Mobility solutions net revenues grew by 95.6% year-on-year, mainly as a result of the Inelo acquisition, with organic revenue growth of 28.3%, as a result of effective cross-selling, expanding our automotive partnerships and Webeye full-year consolidation.

Total contribution increased by €41.6m to €200.6m (FY 2022: €159.0m), driven by higher net revenues although increased expenses reduced the contribution margin performance by 5pp to 78%. (FY 2022: 83%).

In terms of geographic breakdown, the Central cluster remains the largest segment with around 50% contribution of total net revenues (FY 2023: €128.6m; FY 2022: €92.4m). The majority of the countries in the Central cluster delivered strong double-digit growth. The Southern cluster has kept the momentum from 2022 and remains the fastest growing area with net revenue growth of 44.2% (FY 2023: €96.0m; FY 2022: €66.6m). On an organic basis, the Southern cluster delivered 29.7% growth year-on-year. A 2.7% decline in the Western cluster's net revenues (FY 2023: €23.5m; FY 2022: €24.1m) was mainly driven by a 3.5% decrease in the average number of active payment solutions customers (FY 2023: 2,227 customers; FY 2022: 2,308 customers).

Corporate expenses

Statutory operating expenses increased by €126.1m to €284.2m (FY 2022: €158.1m), largely due to increased depreciation, amortisation and impairment losses which have been treated as an Adjusting item, with further details provided later on in this Financial review.

	Adjusted (€m)	**Adjusting items (€m)**	**FY 2023 (€m)**	**Adjusted (€m)**	**Adjusting items (€m)**	**FY 2022 (€m)**
Employee expenses	**85.1**	**11.7**	**96.8**	59.8	7.4	67.2
Impairment losses of financial assets	**8.9**	**-**	**8.9**	3.9	0.0	3.9
Impairment losses of non-financial assets	**0.0**	**56.7**	**56.7**	0.0	0.0	0.0
Technology expenses	**13.9**	**5.0**	**18.9**	9.5	0.3	9.8
Other operating expenses	**50.0**	**5.5**	**55.5**	36.4	10.8	47.2
Other operating income	**(10.1)**	**-**	**(10.1)**	(0.4)	0.0	(0.4)
Total operating expenses	**147.8**	**78.9**	**226.7**	109.2	18.5	127.7
Depreciation and amortisation	**40.4**	**17.1**	**57.5**	22.0	8.4	30.4
Total	**188.2**	**96.0**	**284.2**	131.2	26.9	158.1

Adjusted Total operating expenses increased by €38.6m to €147.8m. The increase comprised mainly of the following:

Adjusted employee expenses increased by 42.4% year-on-year to €85.1m (FY 2022: €59.8m), of which €12.6m was from the inclusion of Inelo into the Group and the remainder was mostly due to inflationary pay rises, Webeye remuneration and senior hires.

Impairment losses of financial assets amounted to €8.9m (FY 2022: €3.9m), with the majority of the increase relating to credit losses from more customers going into bankruptcy, mainly in Poland, Portugal, Hungary and Romania. The full year credit loss ratio increased slightly to 0.3% of gross revenues (FY 2022: 0.1%) as a result of macro pressures and higher interest rates. The Group continues to apply rigorous credit loss controls to manage this risk and, as a result, approximately 74% of its receivables portfolio balance was current as of the end of December 2023.

Adjusted technology expenses increased by 46.3% year-on-year to €13.9m (FY 2022: €9.5m). This was the result of the Group's decision to focus on technology transformation of which €9.7m is related to software support and licenses, €1.6m to data services and the rest is other IT services. Together with the consolidation of Inelo, this resulted in a €1.1m year-on-year increase.

Adjusted other operating expenses increased by 37.3% year-on-year to €50.0m (FY 2022: €36.4m), in part due to the impact of Inelo consolidation of €7.9m. Other operating expenses include costs such as travel, market research, professional services such as consultancy, legal and accounting services.

Other operating income increased to €10.1m (FY 2022: €0.4m), mainly driven by a favourable foreign currency forwards revaluation of €8.0m, as a result of our prudent currency risk management.

Adjusted depreciation and amortisation grew by 83.7% year-on-year to €40.4m (FY 2022: €22.0m) primarily as a result of transformational technology being put into use and the Inelo acquisition.

Adjusting items

In 2023, the Group incurred costs of €96.0m (FY 2022: €26.9m), which were considered to be Adjusting items and have therefore been excluded when calculating Adjusted EBITDA and Adjusted profit before tax. These are summarised below:

	FY 2023 (€m)	**FY 2022 (€m)**
M&A related expenses	**4.4**	8.0
Strategic transformation expenses	**7.1**	5.2
Share-based compensation	**6.5**	5.3
Impairment losses of non-financial assets	**56.7**	-
Restructuring costs	**4.2**	-
Adjusting items in operating expenses	**78.9**	**18.5**
Adjusting Items in depreciation and amortisation	**17.1**	**8.4**
Total Adjusting items	**96.0**	**26.9**

The Group has incurred acquisition related costs which are primarily professional fees of €4.4m (FY 2022: €8.0m) in relation to M&A activities, predominantly the Inelo acquisition.

Strategic transformation expenses are costs relating to transformation of key IT systems and the integration of Inelo. Around €5.0m is related to the implementation of our ERP system which successfully went live in January 2024. A further €8m expense is anticipated over the next two years. This new financial system is a core technology for our new integrated platform and will enable us to scale quickly and efficiently. Integration costs of €1.8m were incurred in 2023 and a further €1.0m is expected in 2024.

Share-based compensation primarily relates to adjustments for the compensation provided to the Group's previous management prior to the IPO. These legacy incentives comprise a combination of cash and share-based payments, and those that have not yet vested will vest during the year ending 31 December 2024. A further €2.4m is expected in 2024. These were one-off awards, designed and implemented whilst the Group was under private ownership. For clarity, post-IPO share-based payment charges are not treated as Adjusting items.

Impairment losses of non-financial assets is the charge recognised for the impairment of goodwill. This non-cash charge is an accounting assessment primarily related to the fleet management solutions Cash Generating Unit ("FMS CGU"). Due to challenging macroeconomic conditions, delayed integration and lower revenue growth rates, the Group has reduced future cashflows when undertaking this accounting assessment. As a result of these updated assumptions, there was a €52.2m goodwill impairment recognised in the year for the FMS CGU. There was also an impairment charge of €4.5m to the tax refund and toll CGU, which related mainly to our ADS acquisition in 2019.

Following the acquisition of Inelo, the Group began and completed a major restructuring programme in 2023 to right size the business at a cost of €4.2m, at the same time as integrating people from new acquisitions.

Amortisation charges of €17.1m relate to the amortisation of acquired intangibles. FY 2022 charges of €8.4m also included amortisation due to changes in the useful life. The significant increase is due to the acquisition of Inelo.

Net finance expense

Net finance expense grew to €11.1m (FY 2022: €4.1m). The increase primarily reflects the higher interest expense of €19.8m (FY 2022: €5.8m), as a result of higher debt following the Inelo acquisition, and partly due to higher factoring fees related to higher average factoring utilisation throughout the year. Interest expense was partially offset by finance income of €14.7m (FY 2022: €4.8m) which included a favourable foreign exchange gain due to the change in functional currency of our payment solutions (Czech Holding Company), from Czech Koruna in 2022 to Euros in 2023.

Taxation

The statutory Group tax charge of €4.2m (FY 2022: €10.3m) represents an effective tax rate ("ETR") of (10.8)% in 2023 (FY 2022: 36.8%). The Group's ETR was primarily impacted by Adjusting items.

The Group's Adjusted ETR for the year decreased to 17.6% (FY 2022: 24.3%), largely due to a functional currency change during 2023. The ongoing Adjusted ETR is expected to increase closer to the statutory rate.

Further details on tax are set out in Note 9.

Earnings per share ("EPS")

Basic EPS for 2023 was a loss of 6.62 cents per share (FY 2022: earnings of 2.41 cents per share). This decrease was predominantly due the Group reporting a loss for the full year 2023 related to a non-cash goodwill impairment, higher finance costs and amortisation from acquired intangibles.

Adjusted basic EPS for 2023 was 6.49 cents per share, which is a 12.8% increase compared to 2022. The weighted average number of ordinary shares in issue during 2023 amounted to

689,126,206 (FY 2022: 688,911,333). After accounting for the impact of the Long-Term Incentive Plan, Adjusted diluted earnings per share was 6.46 cents per share.

Acquisitions and investments in subsidiaries and associates

The Group completed a new acquisition in 2023, with further investment in previous acquisitions which together support the Group's strategy to create a platform of multiple products. The new acquisition was a 100% interest in Inelo.

Inelo was purchased on 15 March 2023 for €215.3m in cash and on 16 March 2023, the Group repaid Inelo's bank borrowings of €53.6m. On 31 August 2023, the Group paid an additional consideration of €8.4m relating to the final price adjustment to Inelo's acquisition of the FIRETMS.COM subsidiary. Finally, on 3 October 2023, the Group paid €2.0m related to other purchase price adjustments identified at completion.

In December 2023, the Group entered into an agreement to acquire the remaining 49% equity interest in KomTeS Chrudim s.r.o ("KomTeS"), in-line with the original option agreement. The remaining shares were transferred as of 1 January 2024, with the consideration to be determined based on the FY 2023 results and paid in the second half of 2024. The agreement will enable the Group to accelerate the full integration of KomTeS.

In December 2023, the Group sold its 51% equity interest in Tripomatic. Tripomatic was a non-core investment of Sygic, with its business based on consumer travel planning application.

For further information, please refer to Note 10.

Cash performance

	FY 2023 (€m)	FY 2022 (€m)	YoY (€m)	YoY change (%)
Net cash generated from operating activities	**30.9**	44.2	(13.3)	(30.1)%
Net cash used in investing activities	**(333.7)**	(104.3)	(229.4)	220.0%
Net cash used in financing activities	**247.1**	(18.2)	265.3	(1,459.2)%
Net decrease in cash and cash equivalents	**(55.7)**	(78.2)	22.5	39.0%
Cash and cash equivalents at beginning of period	**146.0**	224.2	(78.2)	(34.9)%
Cash and cash equivalents at end of period	**90.3**	146.0	(55.7)	(74.4)%
Interest-bearing loans and borrowings	**(407.1)**	(143.2)	(263.9)	184.4%
Net cash/(debt)	**(316.8)**	2.8	(319.6)	(11,226.7)%

As at 31 December 2023, the Group's net debt position stood at €316.8m, compared to net cash of €2.8m as at 31 December 2022.

The decrease in the level of cash is due to the cash outflows used in investing activities, including the acquisition of Inelo and technology transformation investments.

Net cash flows from operating activities decreased from €44.2m in 2022 to €30.9m, primarily due to working capital movements and higher interest payments. Working capital as at 31 December 2023 had a negative swing of €29.8m, mainly related to lower trade payables due to different payment timings as of the end of 2022 and changes to payment terms in Spain, where we saw competitive pricing from smaller fuel suppliers with shorter payment terms. The impact related to adjusting items in the reporting period amounted to an outflow of €18.0m (FY 2022: €13.9m) and included €9.1m for acquisitions related expenses, €8.8m for strategic transformation expenses and €0.1m for share-based compensation.

Interest paid increased to €17.4m (FY 2022: €10.1m) driven by higher debt following the Inelo acquisition as well as higher interest rates relating to our Euribor exposure from factoring of receivables.

Tax paid increased from €7.8m in 2022 to €9.3m; prior year payments were decreased by a collection of 2021 income tax advances. The impact of Inelo consolidation was €0.5m.

Net cash used in investing activities increased by €229.4m to €333.7m, largely due to the outflows in connection with investment in acquisitions and capital expenditure.

Net cash from financing activities amounted to an inflow of €247.1m in the reporting period, representing the proceeds from borrowings of €356.9m, repayments of borrowings (€97.3m), acquisition of non-controlling interest in CVS (€7.0m) and lease payments (€5.4m).

Capital expenditure

Capital expenditure in 2023 amounted to €50.9m, compared with €43.2m for the previous year. This increase is primarily as a result of the inclusion of Inelo into the Group.

The Group's ordinary capital expenditure of €29.2m (FY 2022: €17.7m) includes investment into existing products, technology and infrastructure as well as hardware which represents on-board units ("OBU"). Ordinary capital expenditure grew year-on-year as a percent of net revenues from 9% to 11%, as a result of a higher capital investment ratio at Webeye and Inelo, which invest a larger proportion of their capital into OBUs.

Transformational capital expenditure is now largely complete and in-line with previous guidance of €50m, with €21.7m spend in 2023 and €25.5m in 2022. The programme was initiated at the end of 2021 and focused on building and implementing modern technology, preparing the Group for the platform launch in 2024 by enhancing sales and customer touchpoint channels; expanding product capabilities, particularly the development of our EETS technology and EVA OBU; and building a cloud-based data system to capture customers' data on one platform, enabling the Group to draw on AI and digital insight tools.

Capital allocation

The priority remains to drive long-term sustainable growth via both organic and inorganic investment. The Group will continue to focus on integrating the businesses acquired in 2022 and 2023, aligning products and people capabilities across the organisation and unlocking both revenue and cost synergies. With the recent acquisition of Inelo, our debt leverage ratio has as guided moved to 2.9x net debt to Adjusted EBITDA, which is above our medium-term guidance range of 1.5x to 2.5x. Therefore, our priority in the near-term is to return to within the target range. In the medium-term M&A remains important, especially value accretive opportunities in current and adjacent markets, and in product and technologies that will accelerate growth. The Group is underpinned by a robust balance sheet and, therefore at this stage, the Group does not intend to pay dividends; instead it intends to prioritise investment in growth.

Financing facilities and net debt

The multicurrency term and revolving facilities ("Club Finance") agreement contains financial covenants at the Group level. The financial covenants are tested semi-annually, based on announced reported financials.

Following the acquisition of Inelo, the leverage ratio moved to 2.9x net debt to Adjusted EBITDA, which is above the Group's medium-term guidance range of 1.5x to 2.5x. Therefore, our near-term priority is to return to within the target range.

Covenant	Calculation	Target	Actual 31 December 2023
Interest cover	the ratio of Adjusted EBITDA to finance charges	Min 4.00	4.82
Net leverage	the ratio of total net debt to Adjusted EBITDA	Max 4.00[1]	2.90
Adjusted net leverage	the ratio of the adjusted total net debt to Adjusted EBITDA	Max 6.50	4.22

1.The covenant shall not exceed 3.75 in 2024 and 3.50 in 2025 and onwards.

The Club Finance facilities which mature in September 2027 comprise the following:

- Facility A: €150m amortising facility with quarterly repayments plus a €45m balloon;
- Facility B: €180m committed facility with quarterly repayments plus a €45m balloon;
- Revolving Credit Facility ("RCF") of €235m for revolving loans (up to €85m) and ancillary facilities (up to €150m); and
- €150m uncommitted Incremental Facility for acquisitions, capital expenditure and revolving credit facilities up to €50m of which not more than €25m for revolving loans.

During the year, the Group borrowed €180m under Facility B to finance the Inelo acquisition and utilised €83.5m (initially €50m and a further €33.5m) under the uncommitted Incremental Facility to finance capex and acquisition related payments. Further details are outlined in Note 16.

The Group has effectively managed its floating EURIBOR interest rate exposure on existing term loans through the execution of zero floor interest rate swaps. The swaps were structured with varying hedge ratios, providing Facility A and Facility B coverage of 100% in 2023 and 2024, 75% in 2025, 50% in 2026, and 25% in 2027. The Incremental Facilities have not been hedged.

With respect to Facility A, interest rate swaps for the amount of €120.0m (unamortised) have an effective payable fixed rate of 0.1% and expire in 2024. Additional interest rate swaps effective from 2023 for €30.0m (amortised) have an effective payable fixed rate of 2.7% and expire in 2027. The latter have a complementary amortising profile in order to achieve the above-mentioned hedge ratio. With respect to Facility B, interest rate swaps executed in 2023 for the amount of €173.0m (amortised) have an effective payable fixed rate between 3.2% and 3.5% and expire by 2027.

Throughout 2023, the Group has effectively managed its working capital needs through the use of uncommitted factoring facilities, with average financing limits of €130.0m and average utilisation of 70.2% (FY 2022: €101.8m and 65.5% respectively). This demonstrates the Group's proactive approach to maintaining a strong financial position, and its ability to optimise working capital.

Risk management

Risk identification, assessment and management are central to the Group's internal control environment. A risk management framework enables the Group to identify, evaluate, address, monitor, and report effectively the risks faced and achieve a balance between risks and opportunities.

The principal risks, together with details on trends, exposure and the mitigation measures implemented will be included in the 2023 Annual Report and Accounts.

Subsequent events

Pay-out of deferred consideration

On 2 January 2024, the Group paid a deferred acquisition consideration of €5.0m related to acquisition of WebEye.

Acquisition of 4.19% interest in CVS Mobile d.d.
On 7 February 2024, the Group acquired the remaining 4.19% interest in CVS mobile d.d. through its subsidiary Napredna telematika d.o.o. for a consideration of €0.8m.

Amendment to the Club Financing agreement
On 14 March 2024, the Group signed an amendment to its Club Finance agreement specifically in relation to the uncommitted Incremental Facility, increasing the amount that can be used for revolving loans from €25m to €40m. The total amount of the uncommitted Incremental Facility remains unchanged at €150m (with €83.5m committed as at the year-end). An amendment was also agreed to remove the requirement to calculate the interest cover covenant as at 30 June 2024.

JITpay GmbH insolvency
On 22 March 2024, the District Court of Braunschweig appointed provisional insolvency administrator of JITpay GmbH, a holding company of JITpay group. The Group continues discussions with the other stakeholders to determine the impact on our investment, which had a valuation of nil as at 31 December 2023 (Note 13).

Alternative performance measures ("APMs")

The Group has identified certain APMs that it believes provide additional useful information to the readers of the consolidated financial statements and enhance the understanding of the Group's performance. These APMs are not defined within IFRS and are not considered to be a substitute for, or superior to, IFRS measures. These APMs may not be necessarily comparable to similarly titled measures used by other companies. Directors and management use these APMs alongside IFRS measures when budgeting and planning, and when reviewing business performance. Executive management bonus targets include an Adjusted EBITDA measure and long-term incentive plans include an Adjusted basic EPS measure.

	Adjusted (€m)	**Adjusting items (€m)**	**FY 2023 (€m)**	**Adjusted (€m)**	**Adjusting Items (€m)**	**FY 2022 (€m)**
Net revenue	**256.5**	**-**	**256.5**	190.9	-	190.9
EBITDA	**108.7**	**78.9**	**29.8**	81.6	18.5	63.1
EBITDA margin (%)	**42.4%**	**-**	**-**	42.8%	-	-
Depreciation, amortisation and impairments	**(40.4)**	**17.1**	**(57.5)**	(22.0)	8.4	(30.4)
Operating profit/(loss)	**68.3**	**96.0**	**(27.7)**	59.6	26.9	32.7
Finance income	**14.7**	**-**	**14.7**	4.8	-	4.8
Finance costs and share of net loss of associates	**(26.3)**	**-**	**(26.3)**	(9.5)	-	(9.5)
Profit/(Loss) before tax	**56.7**	**96.0**	**(39.3)**	54.9	26.9	28.0
Income tax	**(10.0)**	**(5.8)**	**(4.2)**	(13.3)	(3.0)	(10.3)
Loss from discontinued operations	**-**	**0.5**	**(0.5)**	-	-	-
Profit/(Loss) after tax	**46.7**	**90.7**	**(44.0)**	41.6	23.9	17.7
Basic earnings per share (cents)	**6.49**		**(6.62)**	5.75		2.41

APMs are reconciled to the statutory equivalent, where applicable, in Note 5 of the accompanying financial statements.

Financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(EUR '000)

	Notes	For the year ended 31 December	
		2023	2022
Revenue from contracts with customers		**2,088,107**	**2,368,252**
Costs of energy sold		(1,831,577)	(2,177,395)
Net energy and services sales		**256,530**	**190,857**
Other operating income	6	10,089	449
Employee expenses		(96,793)	(67,212)
Impairment losses of financial assets		(8,884)	(3,912)
Impairment losses of non-financial assets	11	(56,663)	-
Technology expenses		(18,931)	(9,823)
Other operating expenses		(55,510)	(47,227)
Operating profit before depreciation and amortisation (EBITDA)		**29,838**	**63,132**
Analysed as:			
Adjusting items	5	78,862	18,461
Adjusted EBITDA	5	108,700	81,593
Depreciation and amortisation		(57,529)	(30,393)
Operating (loss)/profit		**(27,691)**	**32,739**
Finance income	7	14,682	4,750
Finance costs	8	(25,794)	(8,802)
Share of net loss of associates accounted for using the equity method		(504)	(711)
(Loss)/profit before income tax		**(39,307)**	**27,976**
Income tax expense	9	(4,241)	(10,280)
(Loss)/profit from continuing operations		**(43,548)**	**17,696**
Loss after tax for the year from discontinued operations		(489)	-
(LOSS)/PROFIT FOR THE YEAR		**(44,037)**	**17,696**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss			
Change in fair value of cash flow hedge recognised in equity		(7,139)	7,602
Exchange differences on translation of foreign operations		16,539	1,303
Deferred tax related to other comprehensive income		154	-
Items that will not be reclassified to profit or loss			
Changes in fair value of equity investments at fair value through other comprehensive income	13	(15,475)	-
TOTAL OTHER COMPREHENSIVE (EXPENSE)/INCOME		**(5,921)**	**8,905**
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		**(49,958)**	**26,601**
Total (loss)/profit for the financial year attributable to equity holders of the Company		(45,637)	16,630
Total profit for the financial year attributable to non-controlling interests		1,600	1,066
Total comprehensive (expense)/income for the financial year attributable to equity holders of the Company		(51,552)	25,507

Total comprehensive income for the financial year attributable to non-controlling interests		1,594	1,094
Earnings per share (in cents per share):	15		
Basic earnings per share		(6.62)	2.41
Diluted earnings per share		(6.62)	2.41

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(EUR '000)

	Notes	As at 31 December	
		2023	**2022**
ASSETS			
Non-current assets			
Intangible assets	11	532,404	268,171
Property, plant and equipment		55,760	39,826
Right-of-use assets		22,226	13,340
Investments in associates		11,719	12,223
Financial assets at fair value through other comprehensive income	13	-	14,364
Deferred tax assets		9,564	10,505
Derivative assets		-	3,093
Other non-current assets		4,845	3,791
Total non-current assets		**636,518**	**365,313**
Current assets			
Inventories		14,903	20,291
Trade and other receivables	18	396,943	378,152
Income tax receivables		2,205	1,800
Derivative assets		3,425	3,851
Cash and cash equivalents		90,343	146,003
Total current assets		**507,819**	**550,097**
TOTAL ASSETS		**1,144,337**	**915,410**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		8,113	8,107
Share premium		2,958	2,958
Merger reserve		(25,963)	(25,963)
Other reserves		4,427	10,342
Business combinations equity adjustment		(22,460)	(12,526)
Retained earnings		289,380	329,362
Equity attributable to equity holders of the Company		**256,455**	**312,280**
Non-controlling interests	14	6,381	4,283
Total equity		**262,836**	**316,563**
Non-current liabilities			
Interest-bearing loans and borrowings		293,822	121,272
Lease liabilities		17,417	9,510
Provisions		1,324	-
Deferred tax liabilities		28,878	8,677
Derivative liabilities		3,140	186
Other non-current liabilities	17	9,236	27,376
Total non-current liabilities		**353,817**	**167,021**
Current liabilities			
Trade and other payables	17	402,834	398,235
Interest-bearing loans and borrowings		113,297	21,884
Lease liabilities		4,909	3,917
Provisions		2,529	2,124
Income tax liabilities		3,927	5,649
Derivative liabilities		188	17
Total current liabilities		**527,684**	**431,826**
TOTAL EQUITY AND LIABILITIES		**1,144,337**	**915,410**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(EUR '000)

	Notes	Share capital	Share premium	Merger reserve	Other reserves	Business combinations equity adjustment	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
At 1 January 2022		**38,113**	**194,763**	**(25,963)**	**1,465**	**(17,046)**	**84,526**	**275,858**	**8,889**	**284,747**
Profit for the year		–	–	–	–	–	16,630	**16,630**	1,066	**17,696**
Other comprehensive income		–	–	–	8,877	–	–	**8,877**	28	**8,905**
Total comprehensive income		**–**	**–**	**–**	**8,877**	**–**	**16,630**	**25,507**	**1,094**	**26,601**
Capital reduction		(30,006)	(191,805)	–	–	–	221,811	–	–	**–**
Dividends paid		–	–	–	–	–	–	–	(56)	**(56)**
Share-based payments		–	–	–	–	–	6,395	**6,395**	–	**6,395**
Acquisition of a non-controlling interests	14	–	–	–	–	5,644	–	**5,644**	(5,644)	**–**
Put options held by non-controlling interests	17	–	–	–	–	(1,124)	–	**(1,124)**	–	**(1,124)**
Total transactions with owners recognised directly in equity		**(30,006)**	**(191,805)**	**-**	**-**	**4,520**	**228,206**	**10,915**	**(5,700)**	**5,215**
At 31 December 2022		**8,107**	**2,958**	**(25,963)**	**10,342**	**(12,526)**	**329,362**	**312,280**	**4,283**	**316,563**
(Loss)/profit for the year		–	–	–	–	–	(45,637)	**(45,637)**	1,600	**(44,037)**
Other comprehensive (expense)/income		–	–	–	(5,915)	–	–	**(5,915)**	(6)	**(5,921)**
Total comprehensive (expense)/income		**–**	**–**	**–**	**(5,915)**	**–**	**(45,637)**	**(51,552)**	**1,594**	**(49,958)**
Share options exercised		6	–	–	–	–	–	**6**	–	**6**
Dividends paid		–	–	–	–	–	–	–	(142)	**(142)**
Share-based payments		–	–	–	–	–	7,604	**7,604**	–	**7,604**
Acquisition of subsidiaries	10	–	–	–	–	(10,401)	–	**(10,401)**	3,683	**(6,718)**
Sale of subsidiaries	14	–	–	–	–	–	–	–	(525)	**(525)**
Acquisition of a non-controlling interests		–	–	–	–	4,461	(1,949)	**2,512**	(2,512)	**–**
Put options held by non-controlling interests	10	–	–	–	–	(3,994)	–	**(3,994)**	–	**(3,994)**
Total transactions with owners recognised directly in equity		**6**	**-**	**-**	**-**	**(9,934)**	**5,655**	**(4,273)**	**504**	**(3,769)**
At 31 December 2023		**8,113**	**2,958**	**(25,963)**	**4,427**	**(22,460)**	**289,380**	**256,455**	**6,381**	**262,836**

CONSOLIDATED STATEMENT OF CASH FLOWS
(EUR '000)

	Notes	For the year ended 31 December	
		2023	2022
Cash flows from operating activities			
(Loss)/profit before tax for the year		(39,796)	27,976
Non-cash adjustments:			
Depreciation and amortisation		57,529	30,393
Gain on disposal of non-current assets		(209)	(114)
Interest income	7	(219)	(234)
Interest expense	8	19,787	5,815
Movements in provisions		405	541
Impairment losses of financial assets		8,884	3,912
Movements in allowances for inventories		3	183
Impairment of goodwill	11	56,663	–
Foreign currency exchange rate differences		(7,264)	(1,838)
Fair value revaluation of derivatives and securities		(2,114)	2,769
Share-based payments		7,604	6,395
Other non-cash items		477	709
Working capital adjustments:			
(Increase) in trade and other receivables and prepayments		(19,401)	(79,507)
Decrease/(increase) in inventories		7,058	(10,156)
(Decrease)/increase in trade and other payables		(32,027)	75,087
Interest received		219	234
Interest paid		(17,417)	(10,123)
Income tax paid		(9,266)	(7,799)
Net cash inflow from operating activities		**30,916**	**44,243**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,534	289
Proceeds from sale of financial instruments		-	56
Proceeds from sale of subsidiaries	10	150	-
Purchase of property, plant and equipment		(12,582)	(7,271)
Purchase of intangible assets		(37,437)	(37,290)
Purchase of financial instruments		(1,112)	(14,364)
Payments for acquisition of subsidiaries, net of cash acquired		(284,277)	(42,712)
Investment in associates		-	(3,000)
Net cash (outflow) from investing activities		**(333,724)**	**(104,292)**
Cash flows from financing activities			
Payment of principal elements of lease liabilities		(5,352)	(3,112)
Proceeds from borrowings		356,886	–
Repayment of borrowings		(97,283)	(15,014)
Acquisition of non-controlling interests		(6,976)	–
Dividend payments		(142)	(56)
Proceeds from issued share capital		6	–
Net cash inflow/(outflow) from financing activities		**247,139**	**(18,182)**
Net decrease in cash and cash equivalents		(55,669)	(78,231)
Cash and cash equivalents at beginning of the financial year		146,001	224,154
Effect of exchange rate changes on cash and cash equivalents		10	78
Cash and cash equivalents at the end of year (net of bank overdrafts)		**90,342**	**146,001**

1. Corporate information

W.A.G payment solutions plc (the "Company" or the "Parent") is a public limited company incorporated and domiciled in the United Kingdom and registered under the laws of England & Wales under company number 13544823 with its registered address at Third Floor (East), Albemarle House, 1 Albemarle Street, London W1S 4HA. The ordinary shares of the Company were admitted to the premium listing segment of the Official List of the UK Financial Conduct Authority and have traded on the London Stock Exchange plc's main market for listed securities on 13 October 2021.

2. Basis of preparation

The Group's financial information has been prepared in accordance with the recognition and measurement requirements of UK adopted international accounting standards. It has been prepared on a basis consistent with that adopted in the previous year. The Financial statements have been prepared under the historical cost convention except for derivative financial instruments and unquoted investments which are stated at their fair value. Whilst the financial information included in this Preliminary Results Announcement has been prepared in accordance with the recognition and measurement criteria of IFRS, this announcement does not itself contain sufficient information to comply with IFRS.

The Preliminary Results Announcement does not constitute the Company's statutory accounts for the years ended 31 December 2023 and 31 December 2022 within the meaning of Section 435 of the Companies Act 2006 but is derived from those statutory accounts. The Group's statutory accounts for the year ended 31 December 2022 have been filed with the Registrar of Companies, and those for 2023 will be delivered following the Company's Annual General Meeting.

The Auditor has reported on the statutory accounts for 2023 and 2022. Their report for 2023 and 2022 was (i) unqualified, (ii) included no matters to which the auditor drew attention by way of emphasis and (iii) did not contain statements under Sections 498 (2) or 498 (3) of the Companies Act 2006 in relation to the financial statements.

Going concern

The financial statements have been prepared on a going concern basis. Having considered the ability of the Company and the Group to operate within its existing facilities and meet its debt covenants, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The adoption of the going concern basis is based on an expectation that the Group will have adequate resources to continue in operational existence for at least twelve months from the signing of the consolidated full year financial statements.

The Directors considered the Group's business activities, together with the principal risks and uncertainties, likely to affect its future performance and position.

For the purpose of this going concern assessment, the Directors have considered the Group's FY 2024 budget together with extended forecasts for the period to September 2025. The review also included the financial position of the Group, its cash flows and adherence to its banking covenants.

The Group has access to a Club Finance facility which matures in September 2027 comprising of the following:

- Facility A: €150m amortising facility with quarterly repayments plus a €45m balloon;
- Facility B: €180m committed facility with quarterly repayments plus a €45m balloon;
- Revolving Credit Facility ("RCF") of €235m for revolving loans (up to €85m) and ancillary facilities (up to €150m); and
- €150m uncommitted Incremental Facility for acquisitions, capital expenditure and revolving credit facilities up to €50m of which not more than €25m for revolving loans.

The Group's Club Finance facility requires the Group to comply with the following three financial covenants which are tested semi-annually:

- Net leverage: total net debt of no more than 3.75 times Adjusted EBITDA in 2024 and 3.5 times in 2025 and onwards;
- Interest cover: Adjusted EBITDA is not less than 4.0 times finance charges; and
- Adjusted net leverage: Adjusted net debt (including guarantees) of no more than 6.5 times Adjusted EBITDA.

Noting that on 14 March 2024, the Group signed an amendment to its Club Finance facility removing the requirement to calculate the interest cover covenant at 30 June 2024. Furthermore, the Group also increased the amount that can be used for revolving loans from €25m to €40m under the uncommitted Incremental Facility. The total amount of the uncommitted Incremental Facility remains unchanged at €150m (with €83.5m committed as at the year-end). See Note 16 for the covenant assessment as at 31 December 2023.

Throughout the period to September 2025, the Group has available liquidity and on the basis of current forecasts is expected to remain in compliance with all banking covenants.

In arriving at the conclusion on going concern, the Directors have given due consideration to whether the funding and liquidity resources above are sufficient to accommodate the principal risks and uncertainties faced by the Group. The Directors have reviewed the financial forecasts across a range of scenarios and prepared both a base case and severe but plausible downside case. The severe downside case assumes a deterioration in trading performance relating to a decline in product demand, as well as supply chain risks. These downsides would be partly offset by the application of mitigating actions to the extent they are under management's control, including deferrals of capital and other discretionary expenditure. The most extreme downside scenario incorporating an aggregation of all risks considered, showed a year-on-year decline in net revenue by 4% and an EBITDA margin of 41.5% in comparison to the base case of net revenue growth of 15% and a EBITDA margin of 42.4% These adjusted projections do not show a breach of covenants in respect of available funding facilities or any liquidity shortfall.

In all scenarios, the Group has sufficient liquidity and adequate headroom in the Club Finance facility to meet its liabilities as they fall due and the Group complies with the financial covenants at 30 June and 31 December throughout the forecast period. The Group has also carried out reverse stress tests against the downside case to determine the performance levels that would result in a breach of covenants and the Directors do not consider such a scenario to be plausible. The Directors have also considered the impact of climate-related matters on the Group's going concern assessment, and do not expect this to have a significant impact on the going concern assessment throughout the forecast period. Since performing their assessment, there have been no subsequent changes in facts and circumstances relevant to the Directors' assessment of going concern.

3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries undertakings to 31 December each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

4. Summary of significant accounting policies information

The significant accounting policies used in preparing the consolidated financial statements are set out in the Annual Report and Accounts. These accounting policies have been consistently applied in all material respects to all periods presented.

5. Alternative performance measures ("APM")

To supplement its consolidated financial statements, which are prepared and presented in accordance with IFRS, the Group uses the following non-GAAP financial measures that are not defined or recognised under IFRS: Net energy and services sales, Contribution, Contribution margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted basic earnings, Adjusted earnings per share, Adjusted effective tax rate, Net debt/cash and Transformational capital expenditure.

The Group uses Alternative Performance Measures ("APMs") to provide additional information to investors and to enhance their understanding of its results. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS. Moreover, these metrics may be defined or calculated differently by other companies, and, as a result, they may not be comparable to similar metrics calculated by the Group's peers.

Adjusted EBITDA

Adjusted EBITDA is defined as EBITDA before Adjusting items.

Adjusted EBITDA reconciliation

EUR '000	For the year ended 31 December	
	2023	**2022**
Intangible assets amortisation (Note 11)	43,398	22,234
Tangible assets depreciation	8,851	4,790
Right-of-use depreciation	5,280	3,369
Depreciation and amortisation	57,529	30,393
Net finance costs and share of net loss of associates	11,616	4,763
(Loss)/profit before income tax	(39,307)	27,976
EBITDA	**29,838**	**63,132**
Adjusting items	78,862	18,461
Adjusted EBITDA	**108,700**	**81,593**

Adjusted profit before tax

Adjusted profit before tax is calculated by adding back the Adjusting items affecting Adjusted EBITDA, amortisation of acquired intangibles and amortisation due to transformational useful life changes. See Note 9 for further information.

Adjusted earnings (net profit)

Adjusted earnings reconciliation

EUR '000	For the year ended 31 December	
	2023	2022
(Loss)/profit for the year from continuing operations	**(43,548)**	**17,696**
Amortisation of acquired intangibles	17,166	6,562
Amortisation due to transformational useful life changes	-	1,864
Adjusting items affecting Adjusted EBITDA	78,862	18,461
Tax effect	(5,747)	(3,029)
Adjusted earnings (net profit)	**46,733**	**41,554**

Adjusted basic earnings per share

Adjusted basic earnings per share is calculated by dividing the Adjusted earnings (net profit) for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the period. See Note 15 for further information.

Adjusted effective tax rate

Adjusted effective tax rate is calculated by dividing the Adjusted tax expense by the Adjusted profit before tax. The adjustments represent Adjusting items affecting Adjusted earnings (net profit). See Note 9 for further information.

Net debt/cash

Net debt/cash is calculated as cash and cash equivalents less interest-bearing loans and borrowings.

Transformational capital expenditure

Transformational capital expenditure represents investments intended to create a new product or service, or significantly enhance an existing one, in order to increase Group's revenue potential. This also includes systems and process improvements to improve services provided to customers.

6. Other operating income

EUR '000	For the year ended 31 December	
	2023	2022
Gains from revaluation of foreign currency forwards	7,970	-
Other	2,119	449
Total	**10,089**	**449**

7. Finance income

Finance income for the respective periods was as follows:

EUR '000	For the year ended 31 December	
	2023	2022
Gains from revaluation of interest rate swaps	545	3,315
Gains from revaluation of foreign currency forwards and swaps	–	1,179
Total gains from revaluation of derivatives	545	4,494
Foreign exchange gain	12,225	–
Gain from the revaluation of securities	1,646	–
Interest income	219	234
Other	47	22
Total	**14,682**	**4,750**

Foreign exchange gain includes €4.0 million gain impacted by change of functional currency of W.A.G. payment solutions, a.s.

8. Finance costs

Finance costs for the respective periods were as follows:

EUR '000	For the year ended 31 December	
	2023	2022
Bank guarantees fee	1,533	899
Interest expense	19,787	5,815
Factoring fee	4,451	1,348
Foreign exchange loss	–	692
Other	23	48
Total	**25,794**	**8,802**

9. Income tax

Corporate income tax for companies in the United Kingdom for the year 2023 was 23.4% (changed on 5 April 2023 from 19.0% to 25.0%), and in the Czech Republic it was 19.0% (2022: 19.0%).

Structure of the income tax for the respective periods is as follows:

EUR '000	For the year ended 31 December	
	2023	2022
Current income tax charge	8,206	12,148
Adjustments in respect of current income tax of prior years	(195)	495
Deferred tax charge	(3,520)	(2,363)
Deferred tax emerged from the change of tax rate	(250)	-
Total	**4,241**	**10,280**

Reconciliation of tax expense and the accounting (loss)/profit multiplied by the Company domestic tax rate for the below periods:

EUR '000	For the year ended 31 December	
	2023	**2022**
Accounting (loss)/profit before tax	(39,307)	27,976
At UK's statutory income tax rate of 23.44% (2022: 19%)	(9,214)	5,316
Adjustments in respect of current income tax of prior years	(195)	495
Change of deferred tax rate impact	(250)	-
Effect of different tax rates in other countries of the Group	(449)	30
Non-deductible expenses (M&A related)	960	1,350
Non-deductible expenses (goodwill impairment)	13,282	-
Non-deductible expenses (other)	4,340	1,857
Share-based payments	1,284	1,020
Net investment hedge	-	260
Functional currency change impact	(4,172)	-
Tax credits	(1,511)	-
Effect of accumulated tax loss claimed in the current period	-	(68)
Effect of unrecognised deferred tax assets relating to tax losses of current period	166	20
At the effective income tax rate of	(10.79%)	36.75%
Income tax expense reported in the statement of profit or loss	**4,241**	**10,280**

Adjusted effective tax rate is as follows:

EUR '000	For the year ended 31 December	
	2023	**2022**
Accounting (loss)/profit before tax	(39,307)	27,976
Adjusting items affecting Adjusted EBITDA	78,862	18,461
Amortisation of acquired intangibles	17,166	6,562
Amortisation due to transformational useful life changes	-	1,864
Adjusted profit before tax (A)	56,721	54,863
Accounting tax expense	4,241	10,280
Tax effect of above adjustments	5,747	3,029
Adjusted tax expense (B)	9,988	13,309
Adjusted earnings (A–B)	**46,733**	**41,554**
Adjusted effective tax rate (B/A)	**17.6*%**	**24.3%**

* Adjusted effective tax rate in 2023 is mainly impacted by functional currency change. Excluding this item, the 2023 Adjusted effective tax rate would have been 25.0%.

10. Business combinations

The following acquisitions took place in 2023:

Acquisition of Grupa Inelo S.A. ("Inelo")

The acquisition of Inelo was completed on 15 March 2023.

The Group paid €215.3 million in cash upon the acquisition of 100% of the share capital of Inelo and repaid Inelo's bank borrowings of €53.6 million on 16 March 2023. In addition, on 31 August 2023 the Group paid an additional consideration of €8.4 million related to the final price adjustment to Inelo's acquisition of FIRETMS.COM subsidiary. Finally on 3 October 2023, the Group paid €2.0 million related to other purchase price adjustments identified at completion.

There is also a contingent consideration, based on Inelo's EBITDA performance for the year to 31 December 2022, capped at €12.5 million. The Group has assessed the performance conditions based on 2022 EBITDA and concluded it to be below the required target level. As at 31 December 2023, the Group estimates the contingent consideration to be nil.

The acquisition included FIRETMS.COM put option redemption liability and forward contract to acquire NCI in Napredna telematika d.o.o. in the future (disclosed below).

The determined fair values of identifiable assets and liabilities of subsidiaries of Inelo as at the date of acquisition were:

EUR '000	**Fair value recognised on acquisition of Inelo**
Assets	
Property, plant and equipment	11,932
Identifiable intangible assets	129,215
Right of use assets	3,060
Other non-current assets	786
Trade receivables	8,543
Inventories	1,674
Income tax receivables	943
Cash and cash equivalents	3,271
Total Assets	**159,424**
Liabilities	
Interest-bearing loans and borrowings	59,152
Trade payables	13,142
Lease liabilities	3,146
Other non-current liabilities	1,203
Provisions	1,324
Income tax liabilities	625
Deferred tax	23,345
Total Liabilities	**101,937**
Total identifiable net assets at fair value	**57,487**
Non-controlling interest measured at % of net assets	**(3,683)**
Goodwill arising on acquisition	**171,815**
Purchase consideration:	
Cash paid	225,619
Deferred and contingent consideration	-
Total purchase consideration	**225,619**

The goodwill is attributable to expected synergies from combining operations, workforce and other unrecognisable intangible assets. It will not be deductible for tax purposes. The gross contractual receivables acquired amounted to €9,931 thousand. At acquisition date, there were €1,272 thousand of contractual cash flows not expected to be collected. From the date of acquisition until 31 December 2023, Inelo's subsidiaries contributed €37,680 thousand of revenue and €7,883 thousand profit after tax.

If the acquisition had occurred on 1 January 2023, consolidated revenue and consolidated profit after tax of Inelo's entities for the year ended 31 December 2023 would have been €47,260 thousand and €9,846 thousand respectively. Excluding amortisation of acquired intangibles and Adjusting items the Adjusted profit after tax would have been €18,785 thousand. As deferred considerations paid were of short-term nature, no discounting has been applied to the amount payable.

Pay-out of deferred consideration

On 27 April 2023, the Group paid the first part of deferred and contingent consideration of €2,064 thousand related to the of WebEye. On 17 May 2023, the Group paid the second part of deferred consideration of €5,500 thousand related to acquisition of WebEye. On 11 August 2023, the Group paid third part of deferred acquisition consideration of €688 thousand related to acquisition of WebEye.

JITpay call option

As per the original agreement, the Group had a call option to acquire an additional 18.01% share, which was exercised on 4 July 2023 and was subject to approval by German Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), expected to complete in the first half of 2024. The Group entered a strategic partnership with JITpay on 27 September 2022, when it acquired a 9.99% stake for an initial consideration of €14.3 million, of which €3.5 million was used as primary capital. The investment was classified as a financial asset at fair value through other comprehensive income, see Note 13 for further information. The investment is considered to be a strategic investment and is not held for trading.

On 20 February 2024, the Group terminated the call option on account of certain financial status conditions relating to JITpay not having been satisfied, which had been experienced before 31 December 2023. All other contractual commitments in relation to the original acquisition were also considered to be terminated at this point. The Group continues discussions with the other stakeholders of JITpay and will evaluate opportunities for future cooperation regarding JITpay and within the sector.

Acquisition of 10.7% interest in Napredna telematika d.o.o.

As a result of the Inelo acquisition, the Group owned 89.3% interest in Napredna telematika d.o.o. and had a forward contract to acquire the remaining interest. On 7 September 2023, the Group acquired remaining 10.7% share in Napredna telematika d.o.o. for €6,976 thousand.

Acquisition of 49% interest in KomTeS Chrudim, s.r.o.

On 15 December 2023, the Group signed a share purchase agreement to acquire the remaining 49% interest in subsidiary KomTes Chrudim, s.r.o., which had 100% interest in KomTes SK, s.r.o ("KomTes Group"). The Group acquired 100% ownership of the subsidiaries on 1 January 2024. The acquisition price is based on the original put option calculation and is payable in 2024 following preparation and audit of 2023 financial statements of the subsidiaries. The Group recognised deferred acquisition consideration of €8,688 thousand as at 31 December 2023 (2022: €4,435 thousand as put option redemption liability). The liability increase relates to 2021-2023 dividends being included in the expected acquisition price, previously the Group expected distribution prior to 100% interest acquisition.

Sale of subsidiary Tripomatic, s.r.o.

On 15 December 2023, the Group sold its subsidiary Tripomatic s.r.o. for €150 thousand to non-controlling shareholders. Tripomatic was a subsidiary of Sygic, a.s., which represented a non-core business of the Group. The transaction was realised to avoid necessary investments or liquidation of the subsidiary and the result from the transaction is presented as net loss after tax from discontinued operations.

The following acquisitions took place in 2022:

Acquisition of WebEye Group

Further to the subsequent events described in the 2021 Annual Report and Accounts, the Group signed a novated agreement on 16 May 2022 to acquire substantially all of the assets of Webeye Telematics Zrt. ("Webeye"), a leading Fleet Management Solution provider in Central and Eastern Europe. The Group paid €23.3 million in cash upon the acquisition of 100% of the share capital of the non-Hungarian subsidiaries on 16 May 2022 and a further €19.9 million was paid upon completion of the acquisition of the Hungarian subsidiaries on 1 July 2022. In addition, the Company will pay a deferred settlement component within three years of closing, a portion of which is contingent upon the achievement of certain KPIs. The maximum amount, including the deferred amount of the purchase price, is capped at €60.6 million.

The transaction has expanded the Group's customer base, and Webeye's customers will gain access to Eurowag's unrivalled range of integrated end-to-end payment and mobility solutions leading to incremental revenue opportunities. Furthermore, data from the connected trucks will provide insights and enable the continual development of new and improved solutions to address customers' needs.

The provisionally determined fair values of identifiable net assets of subsidiaries of Webeye as at the date of acquisition were €17.1m for the non-Hungarian Webeye subsidiaries and €11.6m for the Hungarian Webeye subsidiaries.

The goodwill arising on acquisition was €31.3m and is attributable to expected synergies from combining operations. It will not be deductible for tax purposes.

The gross contractual receivables acquired amounted to €3,002 thousand. At acquisition date, there were €636 thousand of contractual cash flows not expected to be collected.

From the date of acquisition until 31 December 2022, Webeye entities contributed €8,057 thousand of revenue and €887 thousand loss after tax (mainly driven by amortisation of acquired intangibles and M&A related Adjusting items). Excluding amortisation of acquired intangibles and Adjusting items the Adjusted profit after tax would have been €734 thousand.

If the acquisition had occurred on 1 January 2022, consolidated revenue and consolidated loss after tax of Webeye entities for the year ended 31 December 2022 would have been €15,429 thousand and €865 thousand respectively. Excluding amortisation of acquired intangibles and Adjusting items the Adjusted profit after tax would have been €1,557 thousand.

As at the date of acquisition, discount rate of 2.0% was used to determine the present value of deferred and contingent consideration. As at 31 December 2022, the discount rate was increased to 3.9%. Reasonably possible change in the discount rate does not lead to a significant change in the present value of deferred and contingent consideration.

Contingent consideration is subject to achievement of integration related milestones. Reasonably possible change in milestones achievement does not lead to a significant change in the fair value of contingent consideration.

Acquisition of non-controlling interest in Sygic

On 20 December 2022, the Group signed an agreement with non-controlling shareholders of Sygic, a.s.(“Sygic”), which will enable the Group to take full control of Sygic’s resources. Consideration for the 30% equity interest of €14.4 million is payable in April 2024, in line with the original option agreement. Ownership of the shares remains with non-controlling shareholders until April 2024, however following the agreement with fixed price they are no longer exposed to variable returns from the investment (Note 14).

Under the previous shareholders agreement, the minority shareholders had certain rights pertaining to the application of Sygic’s resources within the Group. Having full control of Sygic has provided the Group with unrestricted access to Sygic’s resources and allowed it to fully utilise Sygic’s digital expertise and people capabilities. This, in turn, will enable the Group to accelerate its digital sales channel and integrated product initiatives by utilising Sygic’s capabilities more effectively across Eurowag’s whole range of mobility solutions.

Pay-out of deferred consideration

On 31 January 2022, the Group paid deferred consideration of €3 million related to acquisition of company Threeforce B.V. (Last Mile Solutions).

11. Intangible assets

Cost of intangible assets subject to amortisation:

EUR ‘000	Goodwill	Client relationships	Internal software development	Patents and rights	External software	Other intangible assets	Internal assets in progress	External assets in progress	Total
1 January 2022	**105,198**	**29,245**	**60,889**	**5,465**	**24,245**	**31**	**19,058**	**459**	**244,590**
Additions	–	–	21,592	–	2,398	–	8,302	3,291	35,583
Acquisition of a subsidiary	31,305	21,080	5,898	105	298	–	–	–	58,686
Transfer	–	–	17,149	–	–	–	(16,972)	(177)	–
Disposals	–	–	(69)	–	(24)	–	(35)	–	(128)
Translation differences	712	(102)	2,579	–	269	–	430	(4)	3,884
31 December 2022	**137,215**	**50,223**	**108,038**	**5,570**	**27,186**	**31**	**10,783**	**3,569**	**342,615**
Additions	-	-	22,422	52	2,293	-	13,200	-	37,967
Acquisition of a subsidiary	171,815	94,676	26,893	2,255	755	2	4,634	-	301,030
Transfer	-	-	11,018	-	-	-	(10,861)	(157)	-
Disposals	(1,018)	-	(7)	(2,674)	(3,294)	(6)	(87)	-	(7,086)
Translation differences	14,712	7,355	5,357	376	(79)	-	796	8	28,525
31 December 2023	**322,724**	**152,254**	**173,721**	**5,579**	**26,861**	**27**	**18,465**	**3,420**	**703,051**

Accumulated amortisation and impairment of intangible assets subject to amortisation:

EUR '000	Goodwill	Client relationships	Internal software development	Patents and rights	External software	Other intangible assets	Assets in progress	Total
1 January 2022	**–**	**(11,687)**	**(23,967)**	**(2,737)**	**(12,720)**	**(26)**	–	**(51,137)**
Amortisation	–	(4,024)	(14,512)	(28)	(3,668)	(2)	–	(22,234)
Disposals	–	–	69	–	10	–	–	79
Translation differences	–	–	(974)	(2)	(176)	–	–	(1,152)
31 December 2022	**–**	**(15,711)**	**(39,384)**	**(2,767)**	**(16,554)**	**(28)**	–	**(74,444)**
Amortisation	–	(10,081)	(27,947)	(1,389)	(3,979)	(2)	–	(43,398)
Disposals	–	–	7	2,643	3,294	5	–	5,949
Impairment	(56,663)	–	–	–	–	–	–	(56,663)
Translation differences	–	(174)	(1,732)	(253)	68	–	–	(2,091)
31 December 2023	**(56,663)**	**(25,966)**	**(69,056)**	**(1,766)**	**(17,171)**	**(25)**	**-**	**(170,647)**

Net book value:

EUR '000	Goodwill	Client relationships	Internal software development	Patents and rights	External software	Other intangible assets	Internal assets in progress	External assets in progress	Total
31/12/ 2022	**137,215**	**34,512**	**68,654**	**2,803**	**10,632**	**3**	**10,783**	**3,569**	**268,171**
31/12/ 2023	**266,061**	**126,288**	**104,665**	**3,813**	**9,690**	**2**	**18,465**	**3,420**	**532,404**

Impairment testing

Goodwill acquired through business combinations is allocated to the respective CGUs for impairment testing.

Carrying amount of the goodwill allocated to each of the CGUs:

EUR '000	31 December 2023	31 December 2022
Energy	93,951	40,180
Navigation	33,592	34,610
Fleet management solutions	138,518	57,963
Tax refund	-	2,401
Toll	-	2,061
Total	**266,061**	**137,215**

The recoverable amount of CGUs has been determined based on a value-in-use calculation using cash flow projections from financial budgets and forecast approved by the Board covering a five-year period.

Key assumptions used for impairment testing

Discounted cash flow model is based on the following key assumptions:

	31 December 2023	31 December 2022
Energy CGU		
Pre-tax discount rate	8.5%	9.5%
Net energy and services sales growth rate*	3.8%	1.9%
Long-term growth rate	2.0%	1.8%
Navigation CGU		
Pre-tax discount rate	11.0%	12.0%
Revenue growth rate*	9.2%	20.0%
Long-term growth rate	2.0%	3.0%
Fleet management solutions CGU		
Pre-tax discount rate	12.0%	12.0%
Revenue growth rate*	9.9%	17.0%
Long-term growth rate	2.5%	3.0%

* Average over 5-year period

Net energy and services sales and revenue growth were determined by management separately for each CGU. They are based on the knowledge of each particular market, taking into account the historical development of revenues, estimated macroeconomic developments in individual regions and the Group's plans regarding new products development, growth opportunities and market share expansion. Estimated net energy and services sales and revenue growth represent the best possible assumption of the Group's management considering the future development as at the end of the period.

Discount rate reflects specific risks relating to the industry in which the Group operates. The discount rate used is based on the weighted average cost of capital ("WACC") of the Group as presumed by Capital Asset Pricing Model.

Decrease in pre-tax discount rate of Energy and Navigation CGUs and stable discount rate of Fleet management solutions CGU are driven by change of company size premium. Previously, the Group applied mid-cap premium, however following acquisition of Inelo, the Group became large enough to decrease the size risk premium as at 31 December 2023.

Impairment charge of €52,217 thousand was recognised in the Fleet management solutions CGU based on value-in-use model. This was a result of an adjustment to the revenue growth assumption for the Fleet management solution CGU, including Inelo, reflecting the impact of macro conditions on near-term revenue growth. The test was also adjusted for our cost synergies assumptions anticipated from the integration of Inelo, which is now lower due to the higher investment in systems and related costs. No class of assets other than goodwill was impaired.

As at 31 December 2023, the recoverable amount of the entire CGU was €314,309 thousand determined based on value-in-use.

An impairment charge of €4,446 thousand was recognised in the Tax refund and Toll CGU's with minor amounts of goodwill, which were mostly resulting from 2019 ADS Group acquisition. In

December 2023, the Group engaged independent experts to perform a valuation of the toll and tax refund ADS businesses and concluded that their carrying amounts exceeds recoverable amounts. No class of assets other than goodwill was impaired.

12. Investments in associates

Commitments and contingent liabilities in respect of associates

The remaining shares of Last Mile Solutions are subject to a put option, which may require the Group to acquire additional 62% shares of the associate. The put option is measured as a derivative instrument and it will be settled at gross margin multiple in case it is exercised. As of 31 December 2023, the fair value of the put option is €127 thousand (31 December 2022: €153 thousand).

13. Financial assets at fair value through other comprehensive income ("FVOCI")

Equity investments at FVOCI comprise the following individual investments:

EUR '000	31 December 2023	31 December 2022
Unlisted securities		
JITpay GmbH	-	14,364
Total	**-**	**14,364**

As at 31 December 2023, fair value of the equity investment in Jitpay was decreased by €15,475 thousand through other comprehensive income (2022: €0 thousand). JITpay performance in second half of 2023 was significantly below expectations, which impacts overall valuation of the investment.

14. Equity

Non-controlling interests ("NCI")

In 2021, the Group acquired KomTes Group. As of 31 December 2023, the NCI related to KomTes Group amounts to €4,993 thousand (31 December 2022: €3,605 thousand). On 15 December 2023, the Group signed an agreement to acquire the NCI in 2024 (see Note 10).

Following the agreement with Sygic non-controlling shareholders in December 2022 (Note 10), NCI of €5,644 thousand was transferred to business combination equity adjustment. In 2023, controlling shareholders have all the risks and rewards associated with ownership, therefore no profit was attributed to NCI from Sygic.

Following the agreement with Tripomatic s.r.o. non-controlling shareholders in December 2023 (Note 10), the controlling interest of 51% (31 December 2022: 51%) was sold to the non-controlling shareholders for a consideration of €150 thousand. The value of NCI as of the date of the transaction was €525 thousand (31 December 2022: €678 thousand).

In 2023, the Group acquired CVS Group and two FIRETMS.COM subsidiaries with NCI as part of Grupa Inelo acquisition (see Note 10). As of 31 December 2023, the NCI relating to CVS Group amounts to €1,053 thousand and the NCI related to FIRETMS.COM amounts to €335 thousand.

15. Earnings per share

All ordinary shares have the same rights.

Basic EPS is calculated by dividing the net profit / (loss) for the period attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit / (loss) for the period attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of shares that would be issued if all dilutive potential ordinary shares were converted into ordinary shares. Adjusted basic EPS is calculated by dividing the Adjusted earnings (net profit) for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the period.

Adjusted diluted EPS is calculated by dividing the Adjusted earnings (net profit) for the period attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of shares that would be issued if all dilutive potential ordinary shares were converted into ordinary shares.

In periods where a net loss is recognised, the impact of potentially dilutive outstanding share-based awards is excluded from the calculation of diluted loss per share as their inclusion would have an antidilutive effect.

The following reflects the income and share data used in calculating EPS:

	For the year ended 31 December	
	2023	**2022**
Net (loss)/profit attributable to equity holders (EUR '000)	**(45,637)**	**16,630**
Basic weighted average number of shares	689,126,206	688,911,333
Effects of dilution from share options	-	816,306
Total number of shares used in computing dilutive earnings per share	689,126,206	689,727,639
Basic (loss)/earnings per share (cents/share)	**(6.62)**	**2.41**
Diluted (loss)/earnings per share (cents/share)	**(6.62)**	**2.41**

Adjusted earnings per share measures:

	For the year ended 31 December	
	2023	**2022**
Net (loss)/profit attributable to equity holders (EUR '000)	**(45,637)**	**16,630**
Loss after tax for the year from discontinued operations	489	-
Adjusting items affecting Adjusted EBITDA (Note 5)	78,862	18,461
Amortisation of acquired intangibles*	16,653	5,499
Amortisation due to transformational useful life changes	-	1,864
Tax impact of above adjustments*	(5,650)	(2,813)
Adjusted net profit attributable to equity holders (EUR '000)	**44,717**	**39,641**
Basic weighted average number of shares	689,126,206	688,911,333
Adjusted basic earnings per share (cents/share)	**6.49**	**5.75**
Effects of dilution from share options	2,629,512	816,306

Diluted weighted average number of shares	691,755,718	689,727,639
Adjusted diluted earnings per share (cents/share)	**6.46**	**5.75**

*non-controlling interests impact was excluded

Options

Options granted to employees under Share-based payments are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required performance criteria would have been met based on the Group's performance up to the reporting date, and to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share as their performance conditions have not been met.

16. Interest-bearing loans and borrowings

On 10 March 2023, the Group received €180 million through Facility B of the Club Finance facility. The new loan was used to finance the Inelo acquisition. On 26 May 2023, the Group received €50 million through Incremental Facility I of the Club Finance facility. The purpose of the new drawdown is financing of the capital expenditures incurred or to be incurred. On 15 November 2023, the Group received €33.5 million through Incremental Facility II of the Club Finance facility. The purpose of the new drawdown was financing of the acquisition related payments incurred or to be incurred.

On 17 May 2023, the Group signed an amendment to the new Club Financing facility which incorporates ESG key performance indicators into margin calculation (ESG adjustment) since 31 December 2023 with overall impact on margin in the range of (0.05 p.p.)-0.05 p.p. If all three sustainability KPI targets are met, the base margin is reduced by 0.05 percentage points. If none of the KPIs is met, the base margin is increased by 0.05 p.p. If one of the KPIs is not met, the base margin is reduced by 0.025 p.p. If two of the KPIs are not met, the base margin is increased by 0.025 p.p.

The Group complied with all financial covenants under the Club Financing facility as of 31 December 2023 and 31 December 2022, and forecasts compliance for the going concern period.

Financial covenant terms of the Club Financing facility are as follows:

Covenant	Calculation	Target	Actual 31 December 2023	Actual 31 December 2022
Interest cover	the ratio of Adjusted EBITDA to finance charges	Min 4.00	4.82	11.20
Net leverage	the ratio of total net debt to Adjusted EBITDA	Max 4.00*	2.90	0.13
Adjusted net leverage	the ratio of the adjusted total net debt to Adjusted EBITDA	Max 6.50	4.22	1.95

*the covenant shall not exceed 3.50 in 2025 and onwards

For the purposes of covenants calculation, alternative performance measures are defined differently by the Club Financing facility:

- Adjusted EBITDA represents full year Adjusted EBITDA of companies acquired during the period;
- net debt includes lease liabilities and derivative liabilities, and

- adjusted net debt includes face amount of guarantees, bonds, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of any liability of the Group.

17. Trade and other payables, other liabilities

EUR '000	31 December 2023	31 December 2022
Current		
Trade payables	303,165	332,676
Employee related liabilities	15,388	9,243
Advances received	12,911	15,325
Miscellaneous payables	8,644	9,790
Payables to tax authorities	18,562	12,734
Contract liabilities	6,971	4,439
Refund liabilities	4,461	2,822
Deferred acquisition consideration	32,732	11,206
Total Trade and other payables	**402,834**	**398,235**
Non-current		
Put option redemption liability	5,825	4,435
Contract liabilities	3,353	2,276
Employee related liabilities	-	765
Deferred acquisition consideration	-	19,898
Other liabilities	58	2
Total Other non-current liabilities	**9,236**	**27,376**

Trade payables are non-interest bearing and are normally settled on 30-day terms.

Miscellaneous payables include mainly payables in respect of sold receivables to factoring companies (for working capital management), representing cash collected from customers on behalf of factoring companies.

Advances received include mainly customer deposits related to OBUs and prepaid cards (Eurowag Mastercard product).

Present value of deferred acquisition consideration relates to the following acquisitions:

EUR '000	31 December 2023	31 December 2022
Sygic, a.s.	14,216	13,735
Webeye Group	9,128	16,669
KomTes Group*	8,688	-
Other	700	700
Total	**32,732**	**31,104**

*presented as put option redemption liability as at 31 December 2022.

18. Trade and other receivables

EUR '000	31 December 2023	31 December 2022
Trade receivables	278,466	240,788
Tax refund receivables	66,953	79,274
Receivables from tax authorities	18,716	24,528
Advances granted	14,346	12,059
Unbilled revenue	4,027	9,728
Miscellaneous receivables	5,879	4,798
Prepaid expenses and accrued income	4,671	3,976
Contract assets	3,885	3,001
Total	**396,943**	**378,152**

Trade receivables are non-interest bearing and are generally payable on terms below 30 days. Trade and other receivables are non-derivative financial assets carried at amortised cost.

Tax refund receivables include receivables from foreign tax authorities and from financing of tax refunds to customers until processing of the application for tax refund by tax authorities.

Advances granted consist mainly of advances related to production of OBU units and other business-related advances.

19. Financial risk management

The Group's classes of financial instruments correspond with the line items presented in the Consolidated Statement of Financial Position

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, leases and trade and other payables. These financial liabilities relate to the financing of the Group's operations and investments. The Group's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations. The Group also enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. Management of the Group identifies financial risks that may have an adverse impact on the business objectives and through active risk management, reduces these risks to an acceptable level. Further information is provided in the Annual Report and Accounts.

Directors' Responsibility Statement Required under the Disclosure and Transparency Rules

The responsibility statement below has been prepared in connection with the Company's full Annual Report and Accounts for the year ended 31 December 2023. Certain parts of that Report are not included within this announcement. We confirm to the best of our knowledge:

- the Group Financial Statements, which have been prepared in accordance with UK adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;

- the Company Financial Statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces