

W.A.G payment solutions plc

FY 2021 results

24 March 2022

Martin Vohánka / Founder and CEO

Magdalena Bartoś / CFO



Disclaimer

This presentation comprises certain written materials/slides prepared by W.A.G payment solutions plc (the Company) for the purposes of the Company's investor relations conference.

This document, its contents and the presentation may not be copied, distributed, published, reproduced or passed on, directly or indirectly, in whole or in part, for any purpose or under any circumstances.

This document is being provided to you solely for your information in connection with the Intended Use. This document and the related presentation do not constitute or form part of, and should not be construed as, any offer, invitation or recommendation to purchase or sell or subscribe for any securities in any jurisdiction and neither the issue of the information nor anything contained herein shall form the basis of or be relied upon in connection with, or act as an inducement to enter into, any investment activity whatsoever. This document and the related presentation are intended to present background information on the Company, its business and the industry in which it operates and are not intended to provide complete disclosure upon which an investment decision could be made. This document and the related presentation do not therefore purport to contain all of the information that may be required to evaluate any investment in the Company or any of its securities and should not be relied upon to form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. You are solely responsible for any assessment of the market and the market position of the Company and its group, and of its securities, assets and liabilities or any part thereof. The merit and suitability of an investment in the Company should be independently evaluated and any person considering such an investment in the Company is advised to obtain independent advice as to the legal, tax, accounting, financial, credit and other related advice prior to making an investment. This document is given in conjunction with an oral presentation and should not be taken out of context.

The information and opinions contained in this document and any information made available orally or in writing at the presentation are provided as at the date of such presentation and are subject to change without notice. The information set out herein and in any related materials and given at the presentation is subject to updating, completion, revision, verification and amendment, and such information may change materially. No representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its subsidiary undertakings, or any of their respective directors, officers, employees, agents, affiliates or advisers, as to, and no reliance should be placed on, the accuracy, completeness or fairness of the information or opinions contained in this document or the related presentation and such persons disclaim all and any responsibility and liability whatsoever, whether arising in tort, contract or otherwise, for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this presentation or its contents or otherwise in connection with this presentation. None of the Company or any of its subsidiary undertakings, or any of their respective directors, officers, employees, agents, affiliates or advisers, undertakes any obligation to amend, correct or update this document or the related presentation or to provide the recipient with access to any additional information that may arise in connection with them.

Certain information contained herein constitutes "forward-looking statements", which can be identified by the use of terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue," "target" or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or actual performance of the Company may differ materially from those reflected or contemplated in such forward-looking statements. As a result, you should not rely on such forward-looking statements in making your investment decision. No representation or warranty (express or implied) is made as to the achievement or reasonableness of and no reliance should be placed on such forward-looking statements, which speak only as of the date of the presentation. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. The Company and its directors, officers, employees, agents, affiliates and advisers expressly disclaim any obligation or undertaking to release any updates or revisions to these forward-looking statements to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based after the date of the presentation or to update or to keep current any other information contained in this document or the related presentation.

Certain information contained herein is based on management estimates and the Company's own internal research. Management estimates have been made in good faith and represent the current beliefs of applicable members of the Company's management. While those management members believe that such estimates and research are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice, and, by their nature, estimates may not be correct or complete. Accordingly, no representation or warranty (express or implied) is given to any recipient of this document that such estimates are correct or complete.

By attending the presentation or reading or accepting a copy of this document, you agree to be bound by the foregoing limitations.



2021 Highlights

Achieved strong revenue growth and high EBITDA profitability

- Financial results in-line with medium term financial guidance

Executed against growth strategy

- Delivered growth from existing customers
- Continued geographic expansion and market penetration
- Expanded go-to-market channels
- Invested into digital platform development and accretive M&A

Listed on the London Stock Exchange

- Strengthened balance sheet by raising €200m in equity capital
- Expanded the management team and established a new Board of Directors with UK plc experience

Implemented methodical approach to ESG

- Collected baseline data for reporting and set future goals

Net energy and services sales

€153.1m

19.1% growth



Adjusted EBITDA

€69.7m

45.5% margin



Active payment solutions trucks

82,640

13.4% growth y/y



Average net revenue retention

>110%

2017-2021





Complementary Business Segments

PAYMENT SOLUTIONS



73.9%

net revenue
20% growth

- Rolled out new Payment Management System
- Launched mobile payments pilot
- Enabled payments for charging stations on the Sygic application
- Added toll access in Poland, Austria, Belgium and Germany on EW-owned on-board units
- Rolled out digital sales channels in Central and Western Europe
- Launched digital onboarding for new customers
- Introduced Automated Credit Approval System for customers with small exposures

MOBILITY SOLUTIONS



26.1%

net revenue
16% growth

- Expanded the acceptance network for roadside service payments
- Offered new supply-chain financing solutions from third parties to customers via EW Cash
- Introduced hybrid financing for tax refunds
- Deployed telematics features for fleet management to the on-board unit for toll payments
 - With anti-fraud protection for energy payments
- Launched Eurowag mobile application for easy access to customer account
- Expanded indirect sales to provide navigation systems to automotive OEMs



Response to War in Ukraine

Humanitarian response

- Provided material support for employees and relatives impacted by the war
- Organizing donations to charities active in Ukraine

Business response

- Continuously screening sanction updates for immediate compliance
- Discontinued fuel sales through acceptance network in Russia (limited exposure to Russia and Ukraine, which together account for less than 0.1% of net energy and services sales in 2021)
- Accelerating measures to transition away from Russian-linked fuel suppliers
- Continuing fuel sales through acceptance network in Ukraine to the extent supplies are available
- Short term fuel supply disruptions managed by an experienced team of regional experts



Financial Results

Magdalena Bartoś / CFO



Highly Attractive Financial Profile



Large scale and network

15,020

Active payment solutions customers

82,640

Active payment solutions trucks



Proven growth track record

12.3%

CAGR 19-21
Active payment solutions customer growth

15.6%

CAGR 19-21
Net energy and services sales growth



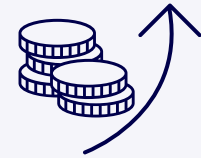
High revenue retention and diversification

>110%

Average net revenue retention 2017-2021

6.6%

Net revenue contribution from top 50 customers⁽¹⁾



Highly profitable

45.5%

Adjusted EBITDA margin

85.2%

Adjusted operating cash flow conversion⁽²⁾



2021 Group Financial Highlights

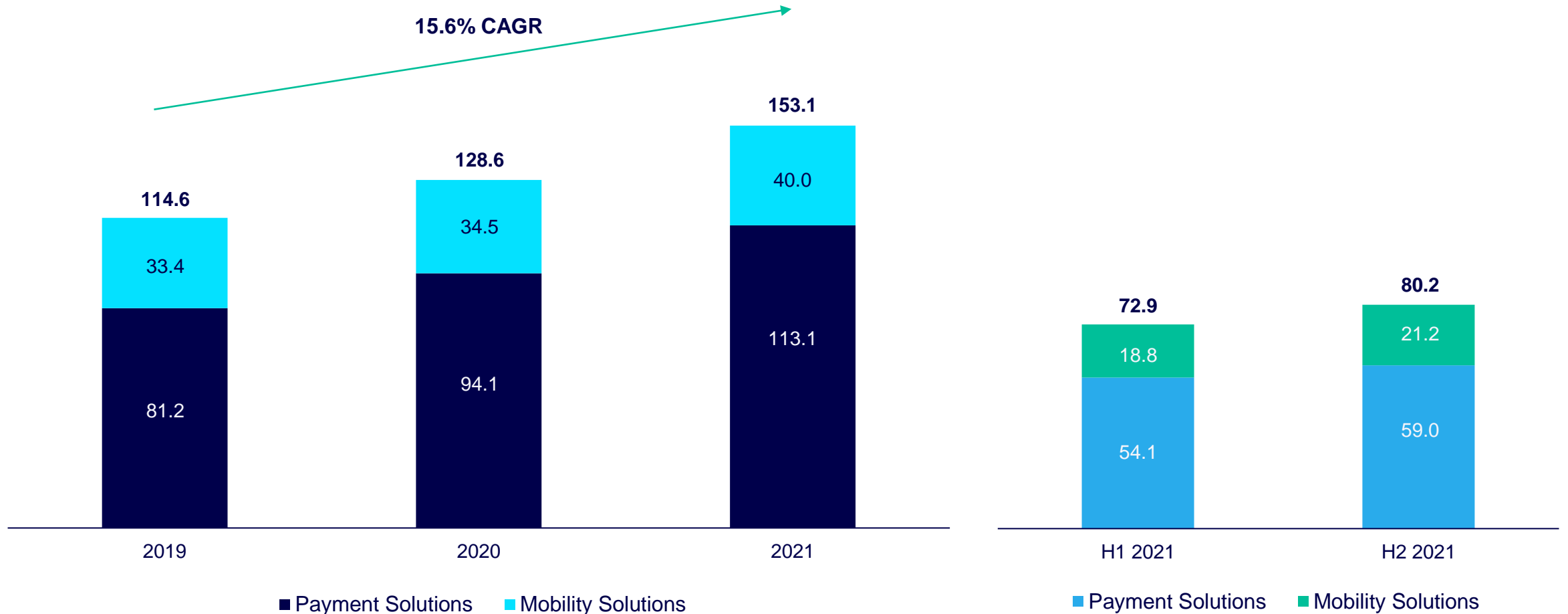
All figures in € million

	2021	2020	YoY%
Net energy and services sales	153.1	128.6	+19.1%
Adjusted EBITDA	69.7	58.6	+18.9%
Adjusted EBITDA margin	45.5%	45.6%	
Investing Activities: Capex and M&A	70.3	23.2	
<i>Transformational CAPEX</i>	23.3	16.4	
Net cash/debt	61.7	(53.1)	
Net Leverage	(0.9)	0.9	

- Revenue growth enhanced by:
 - Organic Net energy and services sales growth at 17.1%
 - Net revenue retention at >110%
 - Increasing penetration in key markets (e.g. Romania)
 - Effective cross sell and up sell with 2.83 products per customer
- Maintained cost discipline with focus on:
 - Priority hires
 - Upskilling the organization
 - Technology-related spend
- Continued to invest into digital transformation and inorganic growth
- Net cash position of €61.7m as at 31 December 2021
- Strong balance sheet allowing the business to take advantage of strategic opportunities

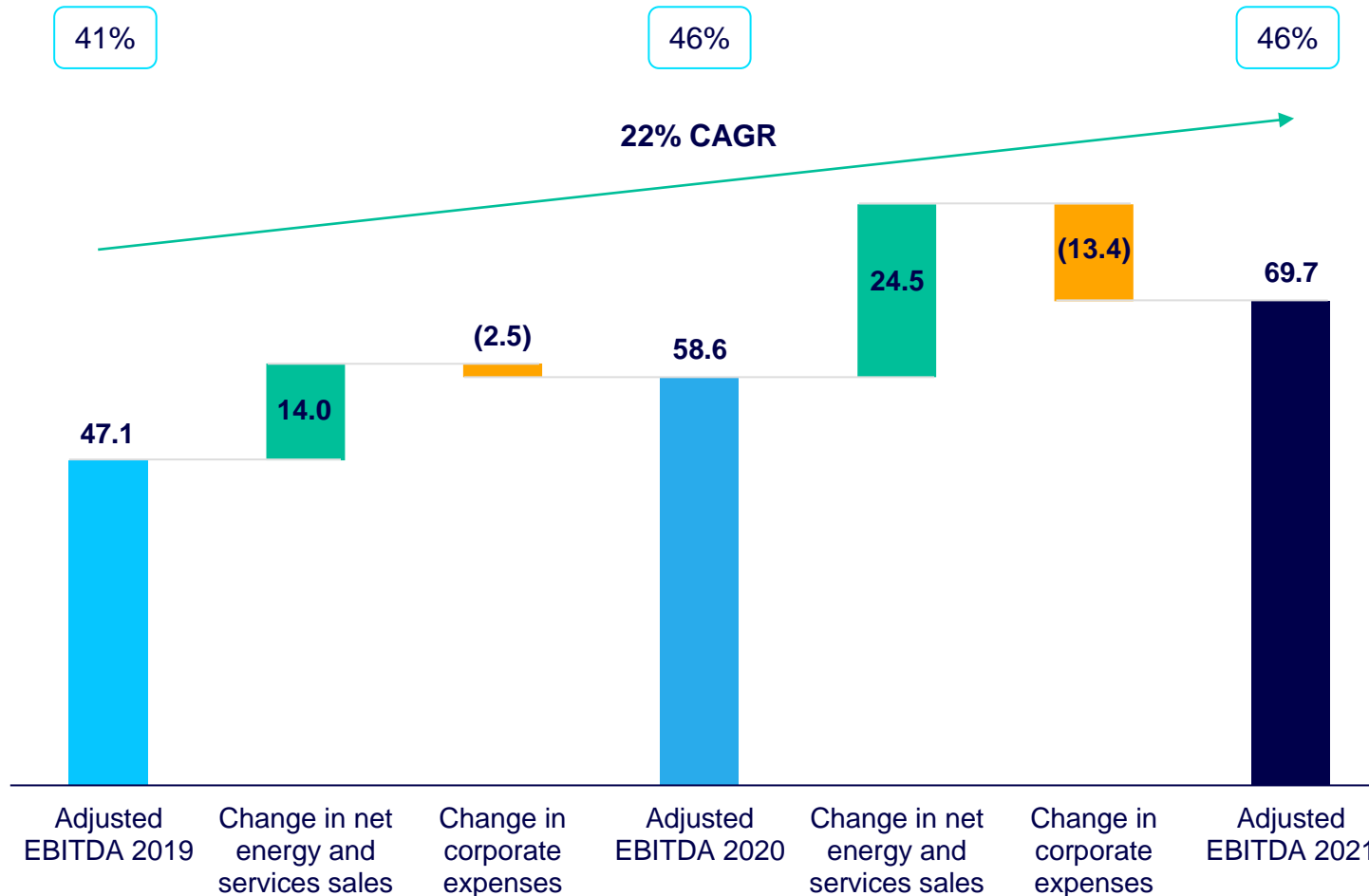


Robust Net Revenue Growth





EBITDA Bridge



- Adjusted EBITDA growth driven by organic growth in payment solutions (€19m) and mobility solutions (€2.9m) supported by consolidation of KomTes (€2.6m)
- Growth in expenses driven by investment into organization and technology to support our strategy delivery and listed company standards
- Maintained Adjusted EBITDA profitability in the mid forties reflecting costs discipline and focus on priorities
- More than half of 2020-2021 top line growth fell through to EBITDA



Corporate Expenses

<i>All figures in € million</i>	Reported			Adjusted		
	2021	2020	YoY%	2021	2020	YoY%
Employee expenses	(55.7)	(41.4)	34.5%	(47.1)	(39.4)	19.4%
Impairment losses of financial assets	(3.1)	(4.1)	(24.4%)	(3.1)	(4.1)	(24.4%)
Technology expenses	(6.8)	(4.0)	70.0%	(6.2)	(3.5)	75.3%
Other operating income	0.7	0.9	(22.2%)	0.4	0.4	(9.3%)
Other operating expenses	(41.3)	(24.6)	67.9%	(27.4)	(23.4)	17.1%
Depreciation and amortisation	(21.9)	(18.2)	20.3%	(14.8)	(12.5)	18.4%
Total	(128.1)	(91.4)	40.2%	(98.2)	(82.5)	19.0%

- Employee expenses increased as the Group focused on priority hires, talent retention, strengthening the structure and remuneration schemes appropriate for a listed company
- Impairment losses of financial assets decreased thanks to a focus on credit risk management and cash collection (improvement in credit losses ratio 0.2% to 0.1%)
- Technology expenses increase due to the Group's focus on cloud transition and expenses related to the new generation ERP system
- Other corporate expenses developed in line with the growth of the business on an adjusted basis
- Depreciation and amortization increase primarily as a result of increased transformational technology being put into production



Capital Expenditure

Ordinary
CapEx % Net
Revenue⁽¹⁾

9%

4%

7%

Transformational
CapEx (€m)

13.5

16.4

23.3

High single digit
% of net revenue

€50m cumulative
for 2022-2023

Investing in value
enhancing technology
(e.g. RoadLords) rather
than legacy infrastructure
maintenance

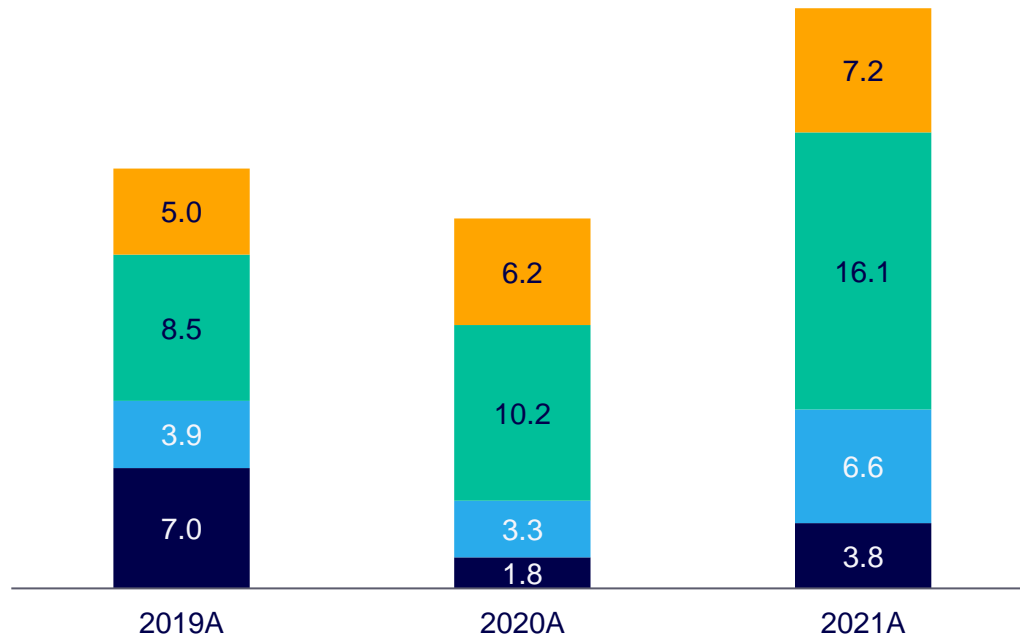
No additional
Transformational
CapEx expected from
2024 onwards

Expanding customer capabilities

- Enhanced CRM systems
 - Improved customer acquisition and retention
- Next-Gen ERP implementation
 - Scaling transaction processing capabilities
- Customer digital journey
 - High quality user interaction and experience

Expanding product capabilities

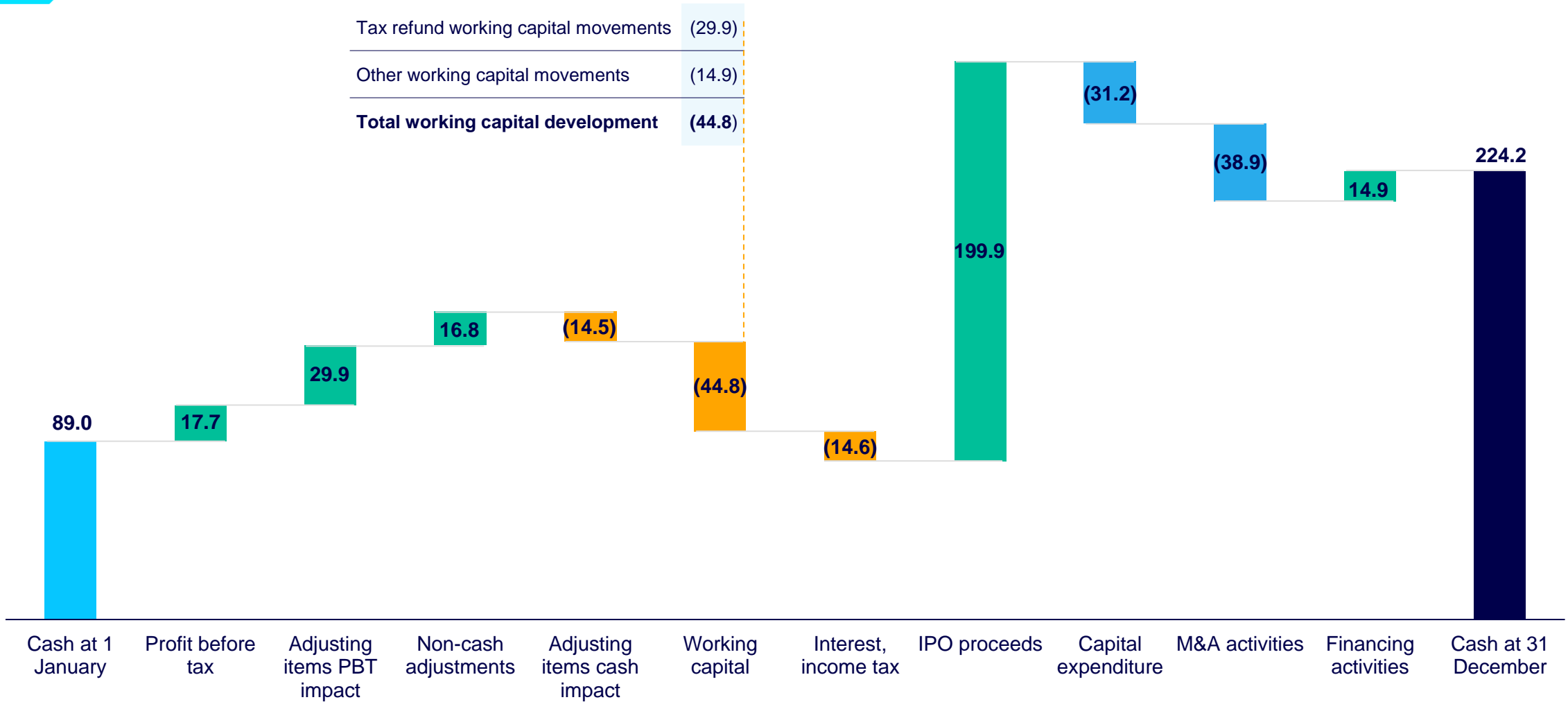
- Toll / EETS capabilities
 - Bolster competitive moat
- eWallet / PMS offerings
 - Tech-forward payment offerings
- Telematics / EVA platform expansion
 - Differentiated fully integrated solution



■ Ordinary Infrastructure CapEx ■ Ordinary Capex
 ■ Transformational IT CapEx ■ Transformational Non-IT CapEx



Cash Flow Bridge





Capital Allocation Principles



Investment in Business for Organic Growth

- End-to-end integrated ecosystem
- Investments into technology
- Expanding capabilities



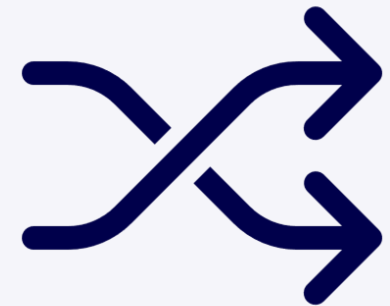
Disciplined Strategic M&A

- Looking at accretive acquisitions
- Business and operational fit with financial discipline
- Delivering synergies



Robust Balance Sheet

- Financial strength providing strategic flexibility



Prioritise growth over dividends

- No intention to declare a dividend in the near term
- Prioritise growth opportunities



Current Trading and Outlook

- Net energy and services sales for Q1 estimated at least €39m evidencing strong LTM growth at approximately 19% YoY
 - Q1 22 growth of approximately 12% y/y has been affected by changing seasonality, resulting in a very strong comparator, especially in March last year
 - Growth rate expected to accelerate in H2 2022 as comparators soften
- Business is demonstrating its resilience and adaptability despite headwinds, notably
 - Continuing Covid-related supply chain disruptions
 - Occasional fuel shortages in some regions of Eastern Europe caused by the war in Ukraine
 - Price cap on retail fuel sales in Hungary
- Eurowag has been able to respond dynamically and pro-actively to emerging risks and opportunities given:
 - Strong pan-European network
 - Long-standing relationships with suppliers
 - Business-critical nature of products and services provided to our customers
 - Management with experience proven throughout the cycle

Based on current trading, and assuming no worsening of the current environment, our expectations for 2022 are unchanged and we anticipate delivering results in line with our mid-term financial guidance



Summary Financial Guidance

NET REVENUE GROWTH	<ul style="list-style-type: none">▪ Organic net revenue growth between high teens and low twenties over the medium term<ul style="list-style-type: none">▪ Expect both payment solutions and mobility solutions to grow at a similar pace over the medium term
ADJUSTED EBITDA MARGIN	<ul style="list-style-type: none">▪ Adjusted EBITDA margin from mid forties trending to high forties over the medium term<ul style="list-style-type: none">▪ Incremental PLC related costs to impact level of margin expansion in the short term
CAPITAL EXPENDITURE	<ul style="list-style-type: none">▪ Ordinary CAPEX at around high single digit % of net revenue over the medium term▪ Transformational CAPEX expected in the range of €23-24m in 2021, €50m cumulative for 2022–23
CAPITAL STRUCTURE AND DIVIDEND POLICY	<ul style="list-style-type: none">▪ Leverage target of 1.5x–2.5x over the medium term<ul style="list-style-type: none">▪ Our leverage ratio may temporarily exceed the top end of the range depending on the quantum and timing of potential acquisitions▪ The Group intends to prioritise growth opportunities over dividends in the near-term



Strategic Update

Martin Vohánka / Founder and CEO



Substantial Market Opportunity

Vast Road Mobility Markets



Energy payments



Toll payments

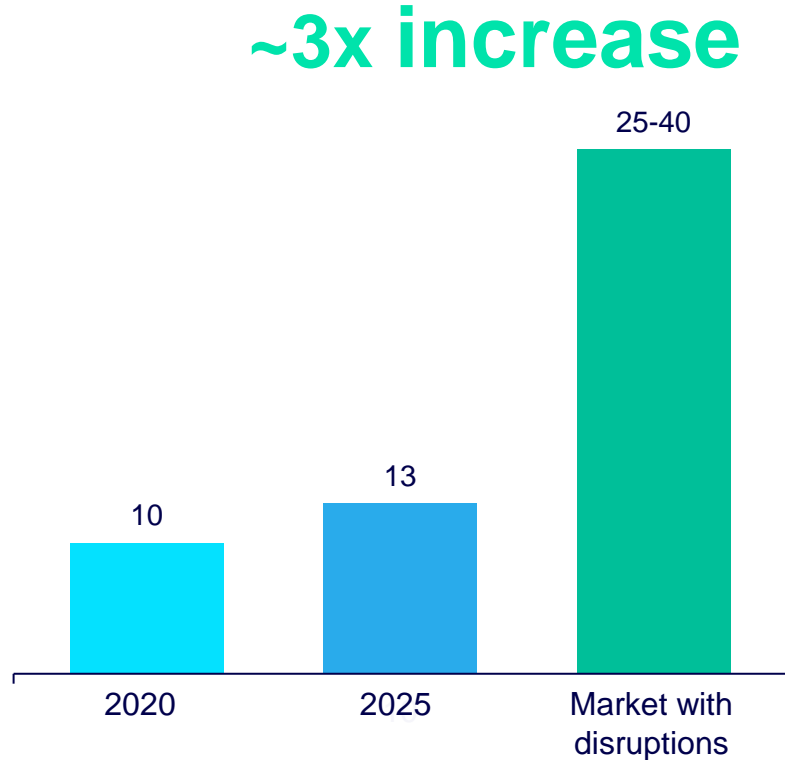


Fleet management

€361bn Total transaction value in Europe by 2027 ⁽²⁾	13% 2020-27 TTV CAGR
€33bn Total transaction value in Europe by 2027	7% 2020-27 TTV CAGR
€4.7bn European Fleet Management market 2026	17% 2020-26 market size CAGR

Growing serviceable addressable market driven by CRT digitalisation

Serviceable addressable market⁽¹⁾ (net revenue in €bn)





Enabling Growth for Customers and Partners

BUSINESS OWNERS

- Data-driven insights to support business decisions
- Payments for energy at competitive prices
- Working capital financing and tax refunds
- Optimised routing
- Truck capacity utilization

We help owners make better business decisions, driven by data

Truck drivers

- Network of fuel stations and road services
- Easy processing of toll payments
- Payment card for out-of-pocket expenses
- Accurate maps and navigation tools
- Mobile application for the driver community

We help drivers focus on delivering goods easier and safer

Fleet dispatchers

- Manage the entire fleet from a single tool
- Calculate optimal routes and get an accurate ETA
- Deploy driving directions to navigation system in the cabin
- Pre-select loads
- Detailed visibility of trip and truck travel costs

We help dispatchers complete jobs on time

Backoffice

- Estimate the cost of a trip
- Collect invoices in customer self-care portal
- Process tax refunds from multiple countries
- Manage FX risk on liabilities

We help backoffice staff be more efficient

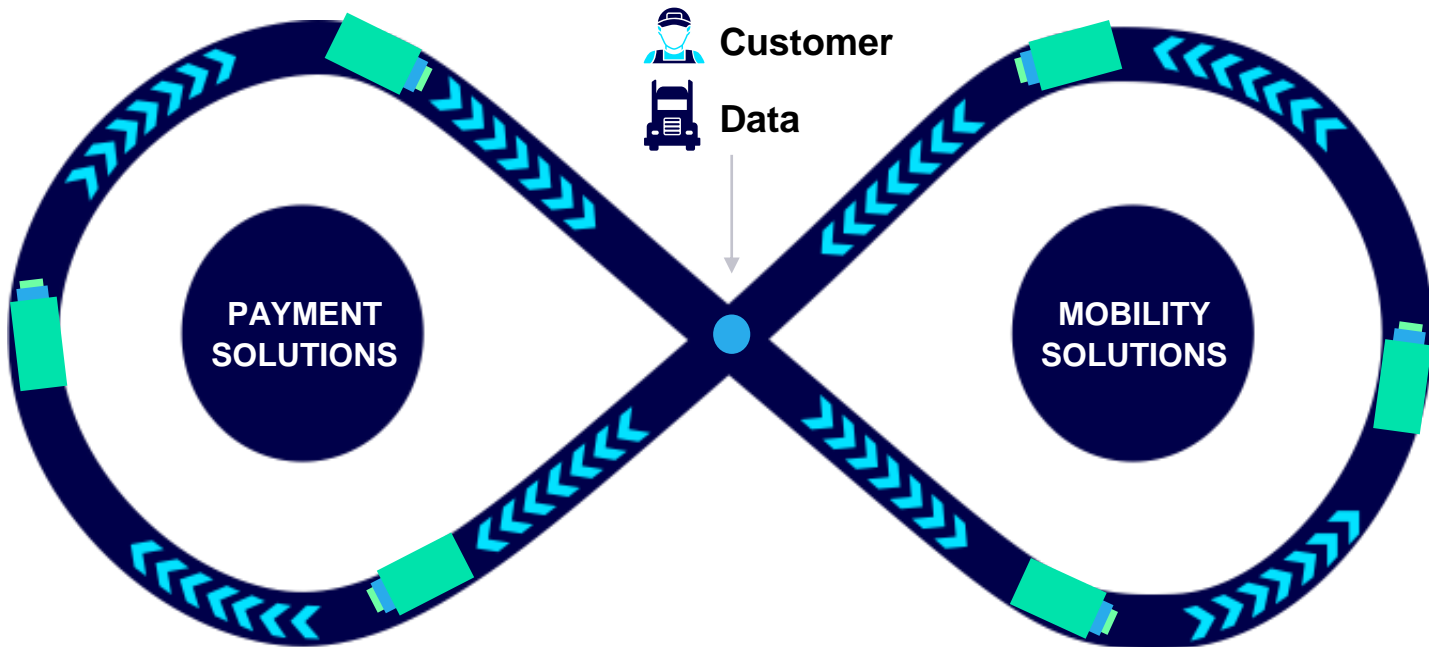
MERCHANTS AND PARTNERS

- Driving traffic in energy sales network
- Integrating seamlessly with toll providers
- Sales channel for financial services
- Developing solutions for OEMs

We help merchants and partners grow their businesses



Powerful Flywheel Effect



Integrated payments and mobility platform

- Creating lasting customer relationships
- Deeply entrenching Eurowag into the operations of carriers
- Enabling Eurowag to grow share of wallet

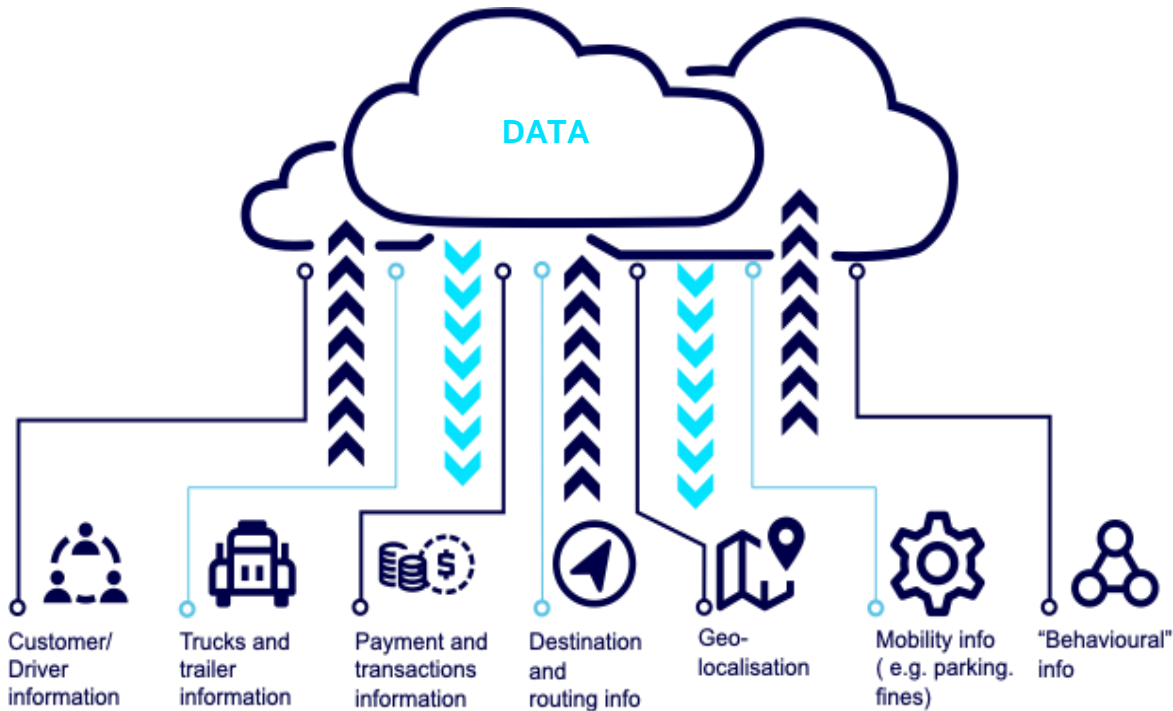
Building a powerful flywheel effect: from payment transactions to a life-time 24/7 relationship with customers



Millions of Data Points

A tech platform leveraging data will underpin growth and industry innovation

Deep and detailed customer data creates further sales opportunities, increasing the lifetime value of each customer and bringing economies of scale.



- **Credit-risk management**
 - Data sources optimized per country (ACAS)
- **Tax refund**
 - Simplify the processing of refund applications
- **Pricing**
 - Multiple parameters driving price (spot prices, exchange rates, relationship history)
- **Cross-sell and up-sell**
 - Digital applications (Eurowag Application)
- **Digital channel expansion**
 - Launch of digital customer journey supporting growth in Western Europe
- **Actionable insights driving efficiency**
 - Match available capacity and suitable loads
 - Optimize route and manage traffic (Road Lords for Drivers) and calculate ETA (Road Lords for Dispatchers)
 - Monitor driver behavior (Sygic Truck)





Responsibility and Sustainability

Our industry

Innovating structural solutions to empower the CRT industry's transition to a low-carbon future

- Building a better-connected industry
- Increasing access to low carbon solutions
- Reducing emissions in the CRT value chain

Our customers

Developing targeted solutions to help SME customers prosper in the low-carbon economy

- Enabling the energy transition and efficiency
- Improving wellbeing and safety
- Driving business success

Our company, colleagues & communities

Achieving the highest standards of responsible business and being a great place to work

- Reducing direct and supply chain emissions
- Embracing inclusion and diversity
- Giving back to our communities

Reduce direct emissions by

50%

by 2030

Increase female representation among senior managers to

40%

by 2025

Reach the top

25%

of employee engagement score in EU Tech companies by 2025

Donation

1%

of consolidated earnings before tax annually to charitable causes



Multiple Drivers for Sustained Long-Term Growth

Embedded in guidance

Growth

from existing customers

- ✓ Industry tailwinds
- ✓ Focus on solving evolving customer needs
- ✓ Deeper entrenchment and retention
- ✓ Proven upsell and cross-sell strategy

- Products per customer
- Net revenue retention

Geographic

expansion and penetration

- ✓ Consolidating market shares
- ✓ Enter new markets to serve existing and new customers

- Expanding in Western Europe
- Penetrating core markets in Central and Southern Europe

Go-to

market channel expansion

- ✓ Digital, telesales and field channels
- ✓ Seamless customer experience

- Connected digital journey from onboarding to customer selfcare
- Introduced automated credit scoring
- Launched Eurowag App

Upside to guidance

Digital

platform development

- ✓ Fully digital end-to-end ecosystem
- ✓ Financing platform
- ✓ Expanding the services and partnership network with API integration
- ✓ Digital freight forwarding

- Acquiring digital payment capabilities
- Launched pilot for the financing platform
- Building foundation to integrate shippers

Accretive

M&A

- ✓ Proven M&A track record and integration capabilities
- ✓ Acquire accretive capabilities
- ✓ Potential revenue / cost synergies via strategic acquisitions

- Completed the acquisition of ADS
- Acquired stakes in KomTeS, Drivitty and Last Mile Solutions
- Announced the intended acquisition of WebEye



Key Takeaways

- Achieved strong revenue growth and high EBITDA profitability in line with medium-term guidance
- Strengthened balance sheet to support further growth following the IPO
- Delivering on technology transformation with disciplined execution of CAPEX plan
- Exploring options to facilitate the acquisition of WebEye and further expand the customer base
- Benefiting from diverse talent on the expanded management team and strong governance from the Board of Directors with UK plc experience
- Committed to sustainable future through methodical ESG program
- Seeing immaterial direct impacts from the war in Ukraine and responding to emerging risks
- Drawing on resilient business model proven over previous economic cycles
- Anticipate delivering results in line with medium term financial guidance



Q&A

investors@eurowag.com

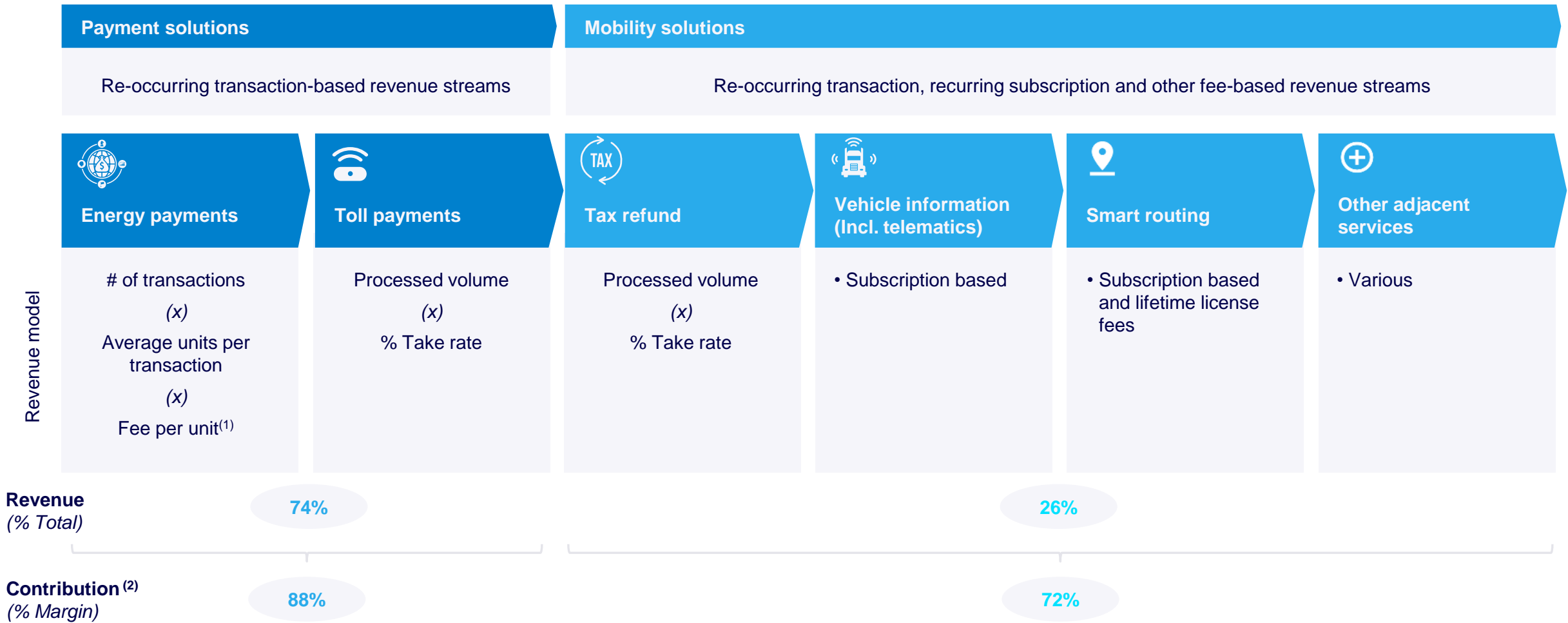




Appendix



Revenue Model





Comprehensive Go-To-Market Strategy

Multi-channel sales strategy



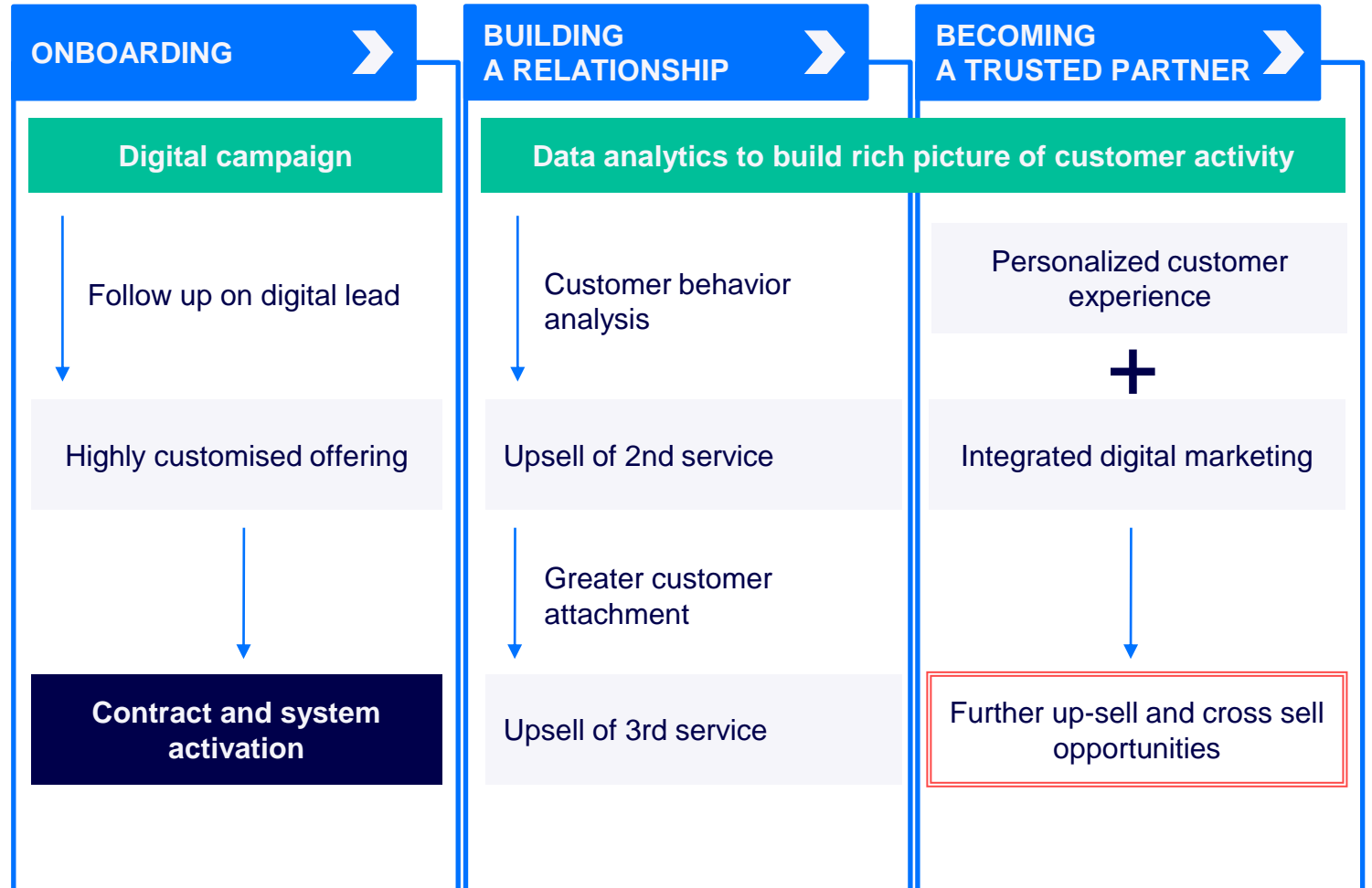
Full control of the client acquisition process - direct “pitching”, on-boarding, sales and post-sales support



Extending our reach through strategic partnerships (incl. OEM)



Recently build-up front-end platform to convert digital leads (e.g. Client Selfcare platform, RoadLords)
>50% leads from digital source





Differentiated Integrated CRT Offering

Eurowag is a comprehensive network built to serve the CRT industry



International oil companies and single product providers



Fuel card issuers and other truck service providers



Telematics and Fleet Management providers



Logistics brokers / DFF

Integrated - bind customers

INTEGRATION



Advanced - monetize data

FLEET MANAGEMENT SYSTEM NAVIGATION



Relationships - build loyalty

SELF CARE AND APPS RELATIONSHIP ASM AND CUSTOMER CARE COMMUNITY



Basic - up-sell

ENERGY TOLL TAX REFUND FINANCING

