

6 September 2022

**W.A.G payment solutions plc ("Eurowag", "EW" or the "Group")
Interim results for the six months ended 30 June 2022**

DELIVERING STRONG AND RESILIENT GROWTH

W.A.G payment solutions plc ("Eurowag", "EW" or the "Group"), a leading pan-European integrated payments & mobility platform focused on the Commercial Road Transportation industry ("CRT"), today announces its interim results for the six-month period ended 30 June 2022.

Financial highlights

The Group achieved strong half-year results with growth in line with mid-term financial guidance.

- Net energy and services sales¹ up 19.4% year-on-year to €87.0m, with organic growth¹ of 18.0% year-on-year;
- Payment solutions¹ grew by 17.2% year-on-year to €63.5m, while mobility solutions¹ grew 25.7% year-on-year to €23.5m;
- Adjusted EBITDA¹ up 5.7% to €35.0m resulting in adjusted EBITDA margin of 40.2% impacted by incremental PLC costs and WebEye consolidation;
- Adjusted EBITDA margin¹ on a comparable basis, excluding WebEye consolidation, incremental PLC costs would be 43.3%;
- Significant progress on transformational capital expenditure¹ plan with €13.3m spent, in line with mid-term guidance set at the IPO;
- Net cash¹ position of €28.7m (gross cash €181.5m) as at 30 June 2022 providing for significant leverage headroom to take advantage of strategic opportunities.

Growing scale and network within a high-quality payments-oriented business model and highly diversified revenue base, underpinned by strong net energy and services sales growth.

- Average active payment solutions customers¹ up 13.0% year-on-year to 16,523;
- Average active payment solutions trucks¹ up 7.3% year-on-year to 87,626;
- Payment solutions transactions¹ up 8.6% year-on-year to 17.7m;
- Net revenue retention¹ for the last five years over 110%.

Key statutory financials	6M2022	6M2021	YoY
Revenue from contracts with customers (€m)	1,160.8	784.4	48.0%
Profit before tax (€m)	13.4	12.4	8.1%
Basic EPS (cents/share)	1.29	1.53	(15.7%)

Alternative performance measures	6M2022	6M2021	YoY
Net energy and services sales (€m)	87.0	72.9	19.4%
Adjusted EBITDA (€m)	35.0	33.1	5.7%
Adjusted EBITDA margin (%)	40.2	45.4	(5.2 pp)
Adjusted basic EPS ¹ (cents/share)	2.35	2.57	(8.6%)

Strategic and operational highlights

- Successfully managed volatile environment in fuel supplies (shortages, surging fuel prices, changing regulations) and increased resilience of the business.
- Completed the acquisition of substantially all of the assets of WebEye Telematics Zrt. ("WebEye"), a leading fleet management solutions provider in Central and Eastern Europe, broadening the Group's customer base (non-Hungarian subsidiaries acquired on 16 May 2022 and Hungarian subsidiaries acquired on 1 July 2022).

- Expanded our acceptance network with a focus on LNG to support the energy transition and decarbonization of the CRT industry. The total number of contracted LNG stations rose to 304, representing more than 50% of the European market.
- Continued to strengthen our competitive moats by completing trial operations for EETS in Germany, the largest tolling market in Europe, resulting in the signing of the final admission by the German Toll Charger and going live. Germany represents the biggest share of toll transactions volumes across our business.
- Simplified settlement and improved security by activating mobile payments on all owned truck parks, as well as in the acceptance network resulting in 388 POS ready for mobile payment.
- Expanded the senior leadership team through key hires in the product and technology area to accelerate digital platform development.
- Tax refund has become more flexible adapting to several regulatory changes in the legal framework across the EU countries. Our consulting services help clients navigate through additional complexity from the reciprocity agreements with countries outside the EU territory.
- RoadLords app is now installed on more than 3m mobile devices across Europe with the active installation base reaching 600k drivers during the H1 2022. Engagement of the regular users/drivers increased by 25%.
- Expanded the automation of credit scoring mechanism, allowing us to benefit from the digital client journey and tailor customer credit limit requirements.
- Joined new consortium to advance Hydrogen for the CRT sector and engage across the eMobility sector to promote standards for e-Trucks.

Outlook

The Group has performed in line with management expectations year-to-date. Looking ahead, we estimate organic net energy and services sales for Q3 2022 of at least €44.5m which would represent strong LTM growth in excess of 19.0% year-on-year. In addition, Webeye's contribution to the top line for Q3 2022 is expected to be at least €3.5m.

During the first half of 2022, fuel supply risks and macroeconomic conditions have deteriorated, with inflation and higher fuel prices moderately impacting the Group's operations and operating expenses. Despite these challenges we expect to deliver a resilient full year performance, with Adjusted EBITDA for the year-to-date developing in line with expectations. While inflation, the post Covid-19 cost rebase and additional PLC costs continue to impact our profitability, we expect these incremental costs will be offset by the profit delivered from WebEye in the second half of the year.

Whilst the business has navigated with confidence through the challenging environment, the Directors note elevated risks and uncertainties with respect to the future of the European economy, and potential impacts of the sanctions related to imports of Russian oil introduced by the European Commission. Notwithstanding these headwinds, and assuming no significant worsening of the current environment, we remain confident in our future outlook and reaffirm our mid-term guidance.

Martin Vohánka, Founder and CEO, commented:

"Along with many other businesses across Europe, Eurowag has had to adapt to unprecedented circumstances over the past six months. Still, the Group has delivered a strong set of results, demonstrating the resilience of our business model, and highlighting the importance of our services to the CRT industry.

I am particularly pleased that we completed the WebEye acquisition and established a public market track-record of delivering value-accretive strategic M&A. Eurowag can now offer integrated payment and mobility solutions to significantly more customers across our core markets, and capitalise on the data from even more connected trucks to help our customers run their businesses more efficiently.

We continue to strengthen our senior leadership team with appointments in the product and technology areas, to accelerate the digital platform development. Our strong performance in the first half would not have been possible without the commitment of our people, so I would like to say thank you to all our employees."

Magdalena Bartoś, CFO said:

“Eurowag traded strongly in the first half and delivered significant organic growth in net revenue and adjusted EBITDA. Our business continues to grow scale, evidenced by the increasing number of active trucks using our payment solutions, and the expanding customer base provides more opportunities for effective cross-selling, which improves loyalty and drives revenue retention. Our robust balance sheet, which remains in a net cash position, provides significant headroom to further invest in our platform.

Looking ahead, whilst there continues to be a high level of uncertainty, our expectations for the full year of 2022 remain unchanged and we anticipate delivering results in line with our mid-term financial guidance. With a clear strategy, we believe Eurowag is well positioned to capitalise on further growth opportunities and will continue delivering sustainable long-term value for all our stakeholders.”

Investor and analyst presentation today

Martin Vohánka (CEO) and Magdalena Bartoś (CFO) will host a virtual presentation and a Q&A session for investors and analysts today, 6 September 2022, at 9.00am BST. 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/f87d5021-326a-40f1-b3c9-4d5ded2885be>

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About Eurowag

Eurowag was founded in 1995 and is a leading pan-European integrated payments & mobility platform focused on the Commercial Road Transportation (“CRT”) industry. Eurowag’s innovative solutions makes life simpler for small and medium businesses in the CRT industry across Europe through its unique combination of payments solutions, seamless technology, a data-driven digital eco-system and high-quality customer service. <https://investors.eurowag.com>

Strategic review

Our strategy has been developed with the aim of democratising the on-road mobility industry through a technological revolution. It is built on five core pillars that will enable Eurowag to capitalise on the opportunities that lie ahead and deliver growth for all our stakeholders.

In H1 2022, we demonstrated substantial progress against our strategy, differentiated our offerings, and grew scale and network within a high-quality payment-oriented business model and highly diversified revenue base.

1. Growth from existing customers.

Through further innovation in core payment services, and integration and cross-selling with mobility services, we can retain and expand our existing customer relationships by continuing to meet their evolving needs. In H1 2022, the Group:

- Expanded the acceptance network with a focus on LNG to support the energy transition and adoption of low carbon fuels.
- Continued to strengthen our competitive moats by completing trial operations for EETS in Germany.
- Maintained strong net revenue retention above 110%.

2. Geographic expansion and penetration.

We apply our scalable business model to new markets serving both existing and new customers, thus expanding market share. In H1 2022, the Group:

- Increased the number of Payment solutions active customers by 13%. The majority of the growth came from already established markets in the Southern and Central cluster.
- Started to expand into the DACH region (Germany, Austria, Switzerland), establishing a new sales team of 15 strong industry experts in Germany with a focus on acquisition of new customers in this region which will support future growth.
- Continued the roll out of digital sales channels in Western Europe to expand its footprint.

3. Go-to-market channel expansion.

We continue to acquire new customers through our marketing strategy based on geographic clusters, and three sales channels (direct, indirect and digital) with an increasing focus on digital sales. In H1 2022, the Group:

- Launched an end-to-end, fully automated digital customer acquisition, credit scoring and onboarding channel in the Czech Republic, Slovakia, Poland, Spain and France.
- Built an extensive base of digital leads and achieved a high conversion rate for turning these leads into new active customers.

4. Digital platform development.

We continue to develop our end-to-end platform to be a conduit for intermediate payments and data exchange between all parties, thereby connecting digital services and physical assets. This allows us to expand our client base to include shippers and freight forwarders, as well as seamlessly integrating third-party providers and financiers into our platform, thereby facilitating frictionless interactions among industry participants to create a fully connected marketplace. In H1 2022, the Group:

- Further developed the digital platform by expanding the pilot for receivables financing.
- Simplified settlement and improved security by activating mobile payments on all owned truck parks, as well as in the acceptance network.
- Went live with SAP ERP with energy payments transactions processed and enriched in the new system.

5. Accretive M&A.

We have a strong track record of identifying and executing strategic M&A.

- On 15 May 2022 and 1 July 2022, Eurowag completed the acquisition of substantially all of the assets of WebEye Telematics Zrt., a leading fleet management solutions provider in Central and Eastern Europe. The transaction expands the Group's customer base, and provides WebEye's 5,000 customers, and over 58,000 connected trucks, which now have access to Eurowag's unrivalled range of integrated end-to-end payment mobility solutions.
- The Group continues to screen acquisition targets that will create cross-sell and up-sell opportunities, generate cost and revenue synergies, and further develop our product and technology capabilities. We continue to actively manage a pipeline of future opportunities that can support our inorganic growth.

Operational review

The Group is structured with two business segments, which each deliver a range of services to clients, while also delivering cross and up selling opportunities.

Payment solutions <i>Serve customers with mission critical needs and often serve as an introduction to our services</i>	Mobility solutions <i>Provide a mix of re-occurring transaction revenue, recurring subscription and other fee-based revenue streams</i>
Energy payments	Tax-refund services and Consulting Services
Toll payments	Telematics
	E-Fleet management
	Location-based products and services
	Roadside services

Payment solutions

Payments are a core part of our ecosystem and are comprised of economically efficient and secure means of energy payments through pre-pay or post-pay fuel cards, and toll payments by on-board units ("OBU"). They often serve as an introduction to our services for customers. Payment solutions grew by 17.2% year-on-year to €63.5m, representing 73% of total net energy and services sales.

Energy payments

Our energy payment solutions generate mainly re-occurring transactional revenue through our network of acceptance points and bunkering sites located on major transportation routes. These offer customers a more efficient way to purchase and finance their energy needs while on the road, offering competitive prices for their energy at accessible locations across Europe, through pre-pay or post-pay fuel cards.

In H1 2022, to support our geographic expansion and penetration, we focused on adding acceptance points and bunkering sites (capacity extension or new sites) with focus on TEN-T corridors, both in traditional energy as well as alternative fuels. We extended our card acceptance network for traditional fuels by additional 104 locations to more than 17,000 in total.

Our business model is technology agnostic, with growing alternative fuels network and strong eMobility presence. Our key objective is to help our customers compete and grow in a low-carbon economy – and we use our position to facilitate the transition to low carbon fuels, including LNG. The Eurowag acceptance network now includes LNG and compressed natural gas (CNG) stations in 12 European countries, covering 304 LNG stations, with new stations being added almost daily.

As we continue reducing our carbon footprint with the shift to renewable electricity at our sites, we installed photovoltaic panels on truck park in the Arraia, Spain during 1H 2022. This will further contribute to reducing GHG emissions from our operations.

To support convenience, security and facilitate digital journey of our CRT clients, EW activated mobile payments on all our truck parks, as well as in the acceptance network in the first merchant countries (Czech Republic, Slovakia, Poland, Hungary, Germany, Belgium, Spain, Lithuania and Austria), resulting in 388 POS ready for mobile payment as of 30 June 2022.

Toll payments

The EU has recently increased the requirements for European member states to comply with the European Electronic Toll Service ("EETS"), aiming to create a harmonised EU-wide toll system to simplify the administrative burden and reduce the associated costs. We have taken the opportunity to build a proprietary EETS toll payment solution, that from the outset integrates with our other services, such as telematics, energy payment and fraud prevention.

In H1 2022, we ran a successful trial EETS operation in Germany. Germany is the single biggest toll volume domain in Europe and is located at the intersection of major European international transport routes according to EU TEN-T network, and EW is the first EETS provider to manage the certification procedure under a new mandatory regime. Pilot operations with real customers have been completed, resulting in the signing of the final admission by the German Toll Charger effective 1 August 2022. All

prerequisites are met in order to successfully grow in Germany, which is the largest tolling market in Europe and represents the biggest share of toll transaction volumes in Eurowag.

Part of the competitive moat is not only to certify and operate new domains but also to manage the complexity of recertification in already certified Toll domains caused by certification of new domains. As expected, certification in Germany made recertification in Austria and Belgium necessary, which we also successfully underwent in Q2. This demonstrates that we are not only capable of certifying our system in new domains but also to keep our existing toll domains certified and operate successfully in a complex setup with many technical dependencies across toll domains

We continue to expand the coverage in our core market of Central Europe. In the last few months, we have finished the technical implementation of private highways in Poland, which starts to be offered commercially. In addition, we are in active preparation for the start of EETS Czech Republic and Slovakia with aim to retain our strong position within Central and Eastern Europe as soon as these markets open up for EETS. In the meantime, we serve customers with currently available national toll service. In line with our strategy, we continue with certification of all available domains.

Mobility solutions

Through our mobility solutions segment, we offer customers tax refund services, telematics products, smart routing and other adjacent services. The segment provides a mix of re-occurring transactional revenue, recurring subscription and other fee-based revenue streams. Mobility solutions grew by 25.7% year-on-year to €23.5m, representing 27% of total net energy and services sales.

Tax refund and consulting services

Tax refund has continued to be one of the leading tax refund providers offering all clients of Eurowag a broad array of products and services. We offer tax refund services on standard VAT, ED partial refund, pre-financed VAT, and advance payment of excise duty ("APED"). Since January 2022, the product and service portfolio has been enhanced with a new type of refund. This type of tax refund includes *hybrid financing*, whereby the customers can decide which of the submitted transaction shall or shall not be financed. Alongside that, a customer can choose a *standard refund with a financing limit*, which allows the customers to decide which refundable tax amount shall be financed. These features create maximum flexibility for the customers to utilize the tax refund and its benefits.

During the reporting period, Tax refund has also improved the efficiency of its processes by implementing fully automated electronic submissions of tax refund applications in France, including customers based outside the European Union, as well as obtaining access to the Croatian tax refund portal, which also allows customers to request tax refunds from Croatia.

In 2022, Tax refund was impacted by legislative changes in the tax rate, which, in turn, affected the business model. These changes have an impact on the tax refund as refundable rates (e.g. Slovenia, Belgium, France, Italy) and VAT (e.g. Germany, Poland) were reduced by the governments in order to support businesses and consumers to respond to growing energy prices. Some of these changes are temporary, whilst others are permanent.

As part of its commitment to delivering an integrated offer, in close cooperation with an external partner Eurowag provides a range of broader consulting services to its customers. This includes supporting drivers and transport companies with the Minimum wage regulations across Europe, and providing advice and guidance around registering the necessary documents with local authorities.

The business also supports with CO2 emissions calculations which subsequently enables customers to compensate for these either financially or through certified projects.

The EU Commission rules for the road transport sector, Mobility Package I, represent a key challenge for transport companies across Europe as they include regulations on driving times, rest periods and tachographs, and a very important directive on posting of drivers including the minimum wage regulations in some EU countries. Eurowag provides a digital solution to enable customers to navigate Mobility package I, covering 12 languages.

Telematics

Combining advanced telematics data with state-of-the-art software enables us to provide value added fleet management services to our customers. Customers can easily track the real-time location of their fleet and other key indicators from the trucks such as mileage, fuel consumption, speed, load weight, driving time and idling. Users can also plan routes based on real truck and route parameters and get accurate estimations on the expected transport costs.

Telematics enable customers to optimise their fleet management processes; key innovative features include

- Remote tachograph download;
- Border crossing reports;
- Travel allowance and European Road Transport Agreement (AETR) calculations;
- Fuel transaction visualisation.

Driving behaviour is also analysed via an in-house algorithm, which provides valuable tailored insights on drivers and outlines recommendations. The platform also supports the majority of electric vehicles, both Battery electric vehicles (BEVs) and Plug-in hybrid electric vehicles (PHEVs).

During H1 2022, we have added valuable new features to automate fleet operations and improve efficiency:

- The new Maintenance Module helps our customers to manage vehicle maintenance plans and connect it with the utilisation and planning management. The automated workflows can be set up based on an odometer status event. There is also a possibility to setup customised reminders, deadlines and automated triggers.
- We have improved the ETA near-real-time calculation and prediction by new insight – Border Crossing Times. The prediction of the time is based on Telematics Big Data, which we collect from all our telematics and toll units and is based on our proprietary analytical algorithms.
- To improve the profitability and planning process, we have added a new Toll Costs Calculation and prediction based on the real truck and route parameters.
- Our customers can now offer their unutilised vehicles to third-party fleets using the new Vehicle Sharing functionality to improve not only the overall fleet efficiency but also contribute to a solution tackling utilisation problem within the road-freight transportation industry.
- To improve the transportation management efficiency, we have added new POI Alerts to inform dispatchers and shippers about vehicles arriving or leaving important locations, e.g. loading or unloading sites.
- To help our customers to transition to low carbon future, we have developed a Calculation of Energy Consumption and GHG emissions tool. This tool can help our customers to calculate and communicate the emissions of a shipment in the value chain to help shippers understand and identify opportunities to reduce indirect (Scope 3) GHG emissions.

Additionally, we introduced new features to help our customers in Poland with:

- Integration with the PUESC e-customs system developed by the Customs Agency in Poland, which enables the mandatory submission of electronic export declarations. We can now automate the process by creating a PUESC account and registering required information for the electronic declaration. Once a truck enters the territory of Poland the electronic declaration process is automatically triggered, leading to an easier and faster custom clearance process.
- Integration with Trans.eu freight exchange to enable dispatchers to see the real-time recommendations for future transports. These recommendations are rated based on various parameters, such as distance and load weight, and provide information on expected costs and the final shipment price. Once selected, the shipment can be booked via the Trans.eu portal which can be seen on the dispatcher's dashboard as an actual planned route.

E-Fleet management

Customers can benefit from using a single telematics solution with fleets that combine standard diesel/petrol engines, battery electric vehicles, and plug-in hybrids. With an eMobility licence subscription, the on-board unit can read additional metrics such as state of charge, driving range, or battery status. With this data available, a dispatcher can plan a trip for an electric vehicle, manage home/company charging, or assess charging behavior of a plug-in hybrid vehicle user.

At the beginning of Q2, we started the next phase of the eTruck pilot project with DHL and installed Eurowag telematics unit into the first electric truck in the Czech Republic. Based on the collected data (e.g. state of charging or range), we can help our customers even more to lead their journey toward the electrification of their fleets.

Location based products and services

We offer smart navigation products and location-based services through our brand Sygic, one of the leaders in providing smart routing worldwide for both individual truck drivers and various size fleets.

Key highlights from H1 include:

- New navigation functionalities aimed at reducing driver distraction and supporting road safety, while mirroring navigation instructions on a car display. A phone can also be operated as a stand-alone device with some extra and camera-based features used simultaneously.
- We introduced an enhanced navigation feature over Low emission zones and Clear air zones in the UK. Using the latest map data combined with a vehicle profile allows our algorithm to find the best route over those zones.

During H1 2022, the Group's community-based trucking ecosystem linking drivers with each other and crowdsourcing unique trucking data, RoadLords app was installed on more than 3m mobile devices across Europe, whilst the active installation base has reached 600k drivers. The engagement of regular users/drivers has also improved by 25%.

Community or RoadLords truck drivers have already created more than 30,000 new trucking-related points of interest, including more than 12,000 new parking places suitable for trucks and 14,300 company addresses used for loading or unloading. During H1 2022, truck drivers informed the community about more than 18,000 road incidents and over 45,000 hazards or vehicles blocking the route.

To improve near-real-time visibility, during the reporting period, we added a new Share ETA functionality for drivers allowing them to share their position and ETA with shipper, forwarder, consignee, or dispatcher. We also added Toll Costs Calculation feature in order to provide more reliable planning based on more precise cost estimation.

Sygic's GPS navigation & eMobility app offers drivers an all-in-one solution with integrated payment for charging electric vehicles: it helps to find a charging station, get navigated to it and pay for a service.

Key developments in H1 2022 include:

- Introduced simplified ways of connecting our eMobility Service Provider (EMSP) accounts with partners to enhance user experience. This helps both EW and partners expand our cooperation and share end-users both ways.
- Cooperated with Plugsurfing, TomTom, Polyfazer, ChargeUp, eJoin, GreenWay and Elec2Go, to increase the coverage of our charging points network to more than 466,000 charging points, of which approximately 290,000 have online data and payment capabilities.

Roadside services

The Group currently offers its customers 5 roadside services: parking, washing, cleaning, truck repairs and ferry booking, across more than 1,300 locations in 18 countries. This not only supports one of the Group's strategic pillars aimed at growth from existing customers by extending share of the wallet, but also provides truck drivers with safety and comfort of using EW card for various payments, making their life easier.

Responsibility and sustainability

Introduced in 2021, Eurowag's sustainability strategy is based on its social and environmental responsibilities, aiming to create sustainable financial and technological solutions for the benefit of the industry, society and the environment. While these sustainability principles have always been at the core of Eurowag's purpose, we have formalized our approach to help our customers prosper, make

road transport cleaner, fairer and more efficient, and help our employees and communities thrive in a healthy environment.

We set targets including:

- A carbon reduction target to reduce emissions from our own operations (Scope 1 and Scope 2) by 50% by 2030 on a 2019 baseline with Scope 3 target under development;
- A Diversity, Equity, and Inclusion target to have 40% female representation in leadership roles on a 2021 baseline by 2025;
- Achievement of a top 25% of employee engagement score as compared to EU Tech companies benchmark by 2025.

We are now:

- Making steady progress against our sustainability commitments and targets in H1;
- Enhancing partnerships to drive a more efficient and better connected and lower carbon CRT sector;
- Enhancing and expanding transitional, low carbon and eMobility solutions for our customers;
- Supporting colleagues and communities in the response to the war in Ukraine;
- Transitioning to renewable electricity to reduce our operational emissions;

Key highlights from H1 include:

Collaborating with the Industry to drive a more efficient, better connected and lower carbon CRT sector

- Joined new multistakeholder consortium to advance Hydrogen for CRT sector.
- Participated in CharIN, the leading global association dedicated to promote interoperability for E-Charging Systems through our LMS business. Thanks to this, we are monitoring and engaging in industry developments including discussions about a future charging standard for heavy commercial vehicles.

Enhancing and expanding our low carbon solutions and services for customers to help make their operations more efficient and sustainable

- Commissioned customer research in nine European markets aimed at identifying and improving ways we can help customers accelerate the move to low carbon solutions.
- Expanded transitional, low carbon and eMobility solutions by adding 101 new POS into our LNG acceptance network, starting construction of two new LNG sites in the Czech Republic and increasing eMobility network coverage to more than 466,000 charging points for passenger cars.
- Introduced via Sygic a navigation support feature over low emission zones and Clear air zones in the UK. Using the latest map data combined with a vehicle profile allows our algorithm to find the best route over those zones.
- Developed an energy consumption and GHG emissions calculation feature in EW Telematics application. GHG emissions of rides can help EW Telematics customers to communicate the GHG emissions of a shipment in the value chain to help shippers understand indirect (Scope 3) GHG emissions.
- Continued support and services for customer wellbeing
 - Financial wellbeing partnerships: partnering with a non-profit organization (Institut prevence a řešení předlužení) to offer debt relief and financial wellbeing services to all drivers in the Czech Republic. In addition, the Group entered into a cooperation agreement with an external partner to provide advisory services to drivers and transport companies to meet minimum wage regulations across Europe.
 - New functionalities to Sygic navigation aimed at reducing driver distraction and supporting road safety - while mirroring navigation instructions on a car display, a phone can also be used as a stand-alone device with some extra and camera-based features used simultaneously.

Reducing our carbon footprint and supporting employees and communities affected by the war in Ukraine.

- Continued to reduce our carbon footprint with the shift to renewable electricity at our sites by installing photovoltaic panels on truck park in Arraia, Spain.
- Continued supporting employees and communities affected by the war in Ukraine: financial support provided to 46 people; direct support of 14 NGOs through Ukraine Aid and Philanthropy and You; 69 employees participated in matched fundraising campaign to support People in Need's humanitarian efforts in Ukraine and in neighbouring countries
- Completed our 2022 employee driven charity programme with more than 83% of employees participating in 227 projects across 14 countries.

Organizational culture and change management

At Eurowag we continue to build on and embed our Company values by promoting the following:

- Be a good person - our focus is on our social responsibility programmes as well as ensuring all our colleagues are acting fully in accordance with our compliance and ethics standards.
- Be a true colleague - by working towards a culture of collaboration, flexibility and two-way communication.
- Embrace change - improving our change management capability and creating a culture of continual improvement and learning.
- Deliver your best - ensuring we have the right skills in the organisation and insisting on razor sharp accountability and increased performance management.

Listing on the London Stock Exchange has helped us to follow our talent strategy of attracting critical skills to Eurowag from a far larger and more diverse talent pool across Europe. This capability will enable us to transform and change our business and deliver our longer term business goals, giving us a great competitive advantage. Examples of this are key hires in the product and technology area to accelerate our digital platform development.

We ran our first employee engagement survey (previously we used eNPS) in the first quarter of 2022. It was completed by 90% of our colleagues and we achieved an engagement score of 68%. The aim of reaching the top quartile by 2025 remains a top priority KPI for us.

Financial review

Eurowag delivered a strong set of results in the first half, demonstrating the resilience and strength of our business model and proposition, as well as further highlighting the importance of our services to the CRT industry. This result is testament to the commitment and resourcefulness of our team.

The first six months of the year had an exceptional range of challenges, many of which are expected to continue into the second half. We had to rapidly respond to all these challenges and ensure continued and seamless operations across all our regions.

The war in Ukraine is shocking and has had a number of knock-on effects on the macroeconomic environment, including a hike in energy prices and inflation. Faced with a rising cost of living, multiple governments have introduced measures to ease the burden of high energy prices on consumers, some permanently, some on a temporary basis. Among others, this includes fuel prices being capped in Hungary, a Government fuel price compensation scheme introduced in Spain, as well as a temporary reduction of VAT rates applied in Poland. This uncertain regulatory landscape has represented a headwind to the business, and Eurowag has also had to respond quickly to the various sanctions imposed by European markets across its operations, targeting Russia. All of this has come off the back of the two years of disruption caused by the Covid-19 pandemic.

To grow our customer base and maintain customer retention, as well as deliver an increase in revenues and adjusted EBITDA against this backdrop, represents a significant achievement. Along with successfully completing our first acquisition post IPO, we have further developed our digital capabilities and strengthened our team to ensure we can continue to deliver on our ambitious strategy. The trading performance reported in the first six months confirms the strength of our proposition to

CRT industry. Group Net energy and services sales growth of 19.4% year-on-year was delivered through further expanding our customer base in the payment solutions segment (average number of active customers up by 13.0%), enhanced by effective cross selling of our mobility solutions and strong average net revenue retention of above 110%.

Adjusted EBITDA increased by 5.7% year-on-year to €35.0m (2021: €33.1m). Adjusted EBITDA margin decreased year-on-year to 40.2% (2021: 45.4%), reflecting €2.0m incremental PLC related costs and impact of WebEye consolidation (€0.1m). Adjusted EBITDA margin on a comparable basis, excluding incremental PLC costs and WebEye consolidation would be 43.3%. Increased operating costs due to lower Covid-19 impacted base and inflation of €0.8m, as well as €0.6m severance payments and the €0.5m share-based payment (“PSP”) cost further impacted Adjusted EBITDA margin in the first half of 2022.

Adjusted basic EPS decreased by 8.6% year-on year to 2.35 cents per share (2021: 2.57), predominantly due to higher basic weighted average number of shares in 2022 as a result of new shares issued in Eurowag's IPO.

On a statutory basis, profit before tax increased by 8.1% year-on-year to €13.4m (2021: €12.4m), while basic EPS decreased by 15.7% to 1.29 cents per share (2021: 1.53) due to higher basic weighted average number of shares in 2022.

As a result of our IPO primary equity raise and supported by our underlying highly cash generative business model, our overall financial position remains strong with reported €28.7m of net cash as of the end of June 2022.

In line with the strategy announced at the IPO, we continued investing in our digital transformation and inorganic growth. During the first six months of 2022, our transformational capital expenditure totaled €13.3m, while investments in our subsidiaries and associates reached €25.9m.

Performance review

Below is a summary of the segmental performance and explanatory notes related to items including corporate expenses, alternative performance measures, taxation, interest, investment and cash flow generation.

Segments

	6M2022 (€m)	6M2021 (€m)	YoY (€m)	YoY
Segment revenue total	1,160.8	784.4	376.4	48.0%
Payment solutions	1,137.3	765.7	371.6	48.5%
Mobility solutions	23.5	18.7	4.8	25.7%
Net energy and services sales total	87.0	72.9	14.1	19.4%
Payment solutions	63.5	54.2	9.3	17.2%
Mobility solutions	23.5	18.7	4.8	25.7%
Expenses included in Contribution ¹	15.1	12.1	3.0	24.8%
Contribution total	71.9	60.8	11.1	18.3%
Payment solutions	54.9	47.8	7.1	14.9%
Mobility solutions	17.0	13.0	4.0	30.8%
Contribution margin¹ total	83%	83%	0 pp	N/A
Payment solutions	87%	88%	(1 pp)	N/A
Mobility solutions	72%	70%	2 pp	N/A
Corporate overhead and indirect costs before adjusting items	(36.9)	(27.7)	(9.2)	33.2%
Adjusted EBITDA	35.0	33.1	1.9	5.7%
Adjusting items affecting Adjusted EBITDA	(5.5)	(5.4)	(0.1)	1.9%
EBITDA¹	29.5	27.7	1.8	6.5%
Depreciation and amortisation	12.4	10.5	1.9	18.1%
Operating profit	17.1	17.2	(0.1)	(0.6%)

The Group's total revenues increased by 48.0% year-on-year to €1,160.8m driven by higher energy prices (a corresponding growth was reported for costs of energy sold) and as a result of the growing scale of our payment solutions.

The Group delivered double-digit Net energy and services sales growth and strong Contribution margins in both segments. Growth in organic Net energy and services sales was 18.0%, while the overall Net energy and services sales were up 19.4% given a €1.0m positive impact from WebEye.

Payment solutions Net energy and services sales grew by 17.2% year-on-year, driven by strong new customer and truck acquisitions underpinned by strong Net revenue retention.

Mobility solutions Net energy and services sales grew by 25.7% year-on-year, mainly as a result of effective cross-sell, as well as sales to automotive partners and WebEye's consolidation.

In terms of geographic breakdown, the Central cluster remains the largest segment with nearly 50% share of total Net energy and services sales (2022: €43.3m, 2021: €35.4m). All markets in the Central cluster delivered strong double-digit growth. Southern cluster has kept the momentum from 2021 and remains the fastest growing area with 35.8% (32.2% organic) year-on-year increase (2022: €28.1m, 2021: €20.7m). A decline of Western cluster's Net energy and services sales by 12.2% (2022: €12.1m, 2021: €13.8m) was mainly due to lower number of average active payment solutions customers (500 customers). Customer churn has been driven by business closures reflecting challenging market environment and ADS client base migration to Eurowag platform which is expected to conclude by end of 2022.

Corporate expenses

	6M2022 (€m)	6M2021 (€m)	YoY (€m)	YoY
Expenses included in Contribution	15.1	12.1	3.0	24.8%
Corporate overhead and indirect costs before adjusting items	34.4	27.7	6.7	24.2%
Incremental PLC related costs and PSP	2.5	0.0	2.5	N/A
Adjusting items affecting Adjusted EBITDA	5.5	5.4	0.1	1.9%
Depreciation and amortisation	12.4	10.5	1.9	18.1%
Total	69.9	55.7	14.2	25.5%

The above table is relevant for segmental review, while below table summarises corporate expenses based on statutory financials categories:

	6M2022 (€m)	6M2021 (€m)	YoY (€m)	YoY
Employee expenses	32.8	26.5	6.3	23.8%
Impairment losses of financial assets	2.7	1.2	1.5	125.0%
Technology expenses	3.9	2.8	1.1	39.3%
Other operating income	(0.2)	(0.3)	0.1	(33.3%)
Other operating expenses	18.3	15.0	3.3	22.0%
Depreciation and amortisation	12.4	10.5	1.9	18.1%
Total	69.9	55.7	14.2	25.5%

Employee expenses increased by 23.8% year-on-year to €32.8m as the Group focused on priority hires, talent retention, strengthening the structure and implementing remuneration schemes appropriate for a listed company. Adjusting items included in employee expenses amounted to €4.2m in the first half of 2022 (2021: €2.1m).

Impairment losses of financial assets amounted to €2.7m (2021: €1.2m) as a result of increased risk due to higher notional credit exposure reflecting higher energy prices. Our customer exposure impacted credit losses ratio² that increased from 0.1% to 0.2%. Nevertheless, our expertise in managing credit risk and cash collections resulted in strong and stable ageing performance of our receivables portfolio with approximately 80% current balances as of the end of June 2022.

Technology expenses increased by 39.3% to €3.9m, largely as a result of the Group's focus on technology transformation, cloud transition and expenses related to the new generation ERP system. Adjusting items included in technology expenses amounted to €0.2m in the first half of 2022 (2021: €0.1m).

Other operating expenses increased by 22.0% to €18.3m, mainly due to PLC related costs of €1.6m (2021: €0.0m), return of travel and other costs post Covid-19 and inflation of €0.8m. Adjusting items included in other operating expenses amounted to €1.1m in the first half of 2022 (2021: €3.2m).

Depreciation and amortisation grew by 18.1% to €12.4m, primarily as a result of increased transformational technology being put into production. Adjusting items included in depreciation and amortisation amounted to €3.4m in the first half of 2022 (2021: €3.6).

Net finance expense

Net finance expense in the first six months of 2022 was €3.3m (2020: €4.5m). The decrease reflects mainly improved result on revaluation of derivatives and lower foreign exchange losses, partially offset by higher factoring fees related to higher average factoring limits utilization throughout the year to date and interest charges reflecting higher average level of borrowings in the first six months ending 30 June 2022 compared to the corresponding period of 2021.

Taxation

The Group tax charge of €4.3m (2021: €3.6m) represents an effective tax rate of 31.7% in 2022 (2021: 28.9%). Corporate income tax for companies in the Czech Republic and the United Kingdom for 2021-2022 was 19%, while in Spain it was set at 24%. They represent the major tax regimes in which the Group operates.

The Group's effective tax rate is impacted by the tax impact of Adjusting items. It is, therefore, helpful to consider the underlying and adjusting items affecting tax rates separately:

- The effective tax rate on Adjusted earnings¹ before tax for the year decreased to 24.4% (2021: 29.0%), largely due to taxes in respect of prior years paid in 2021.
- The effective tax rate for Adjusting items was 13.3% (2021: 28.9%) and was driven mainly by equity-settled share-based payments.

We adopted a prudent approach to our tax affairs, aligned with business transactions and economic activity. We have a constructive and good working relationship with the tax authorities in the countries in which we operate and there are no outstanding tax audits with the exception of Hungary and Slovakia.

EPS

Basic EPS for 2022 was 1.29 cents per share, a decrease of 15.7% relative to 2021. This was predominantly due to higher basic weighted average number of shares in 2022 as a result of new shares issued in Eurowag's IPO.

Adjusted basic EPS¹ for 2022 was 2.35 cents per share, representing a decrease of 8.6% relative to 2021, based on the weighted average number of ordinary shares in issue during the year of 688,911,333. After accounting for the impact of PSP, adjusted diluted earnings per share was 2.35 cents per share. Adjusting items are as described below.

Investments in subsidiaries and associates

Acquisition of WebEye Group

Further to the subsequent events discussed in the 2021 Annual Report, the Group signed a novated agreement on 16 May 2022 to acquire substantially all of the assets of WebEye Telematics Zrt., a leading fleet management solutions provider in Central and Eastern Europe. The Company paid €23.3m in cash upon the acquisition of 100% of the share capital of the non-Hungarian subsidiaries and a further €19.9m 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 €60.6m.

The transaction will expand 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 assets and liabilities of non-Hungarian subsidiaries of WebEye as at the date of acquisition were:

	(€m)
Total Assets	19.8
Total Liabilities	2.6
Total identifiable net assets at fair value	17.2
Goodwill arising on acquisition	19.7
Purchase consideration:	
Cash paid	23.3
Deferred consideration (discounted)	13.6
Total purchase consideration	36.9

From the date of acquisition until 30 June 2022, non-Hungarian subsidiaries of WebEye contributed €1.0m of revenue and €0.2m loss after tax (mainly driven by amortisation of acquired intangibles).

If the acquisition of combined Hungarian and non-Hungarian WebEye entities had occurred on 1 January 2022, consolidated revenue and consolidated loss after tax for the half year ended 30 June 2022 would have been €7.4m and €0.1m respectively. Excluding amortisation of acquired intangibles the profit after tax would have been €1.2m. Consolidated revenue for the six months would have been evenly distributed between the two acquisitions.

Pay-out of deferred consideration related to Last Mile Solutions

On 31 January 2022, the Group paid deferred acquisition consideration of €3.0m related to acquisition of company Threeforce B.V. (Last Mile Solutions).

Balance sheet

Net assets of the Group increased by 6.3% to €302.6m, mainly reflecting profit for the six months ending 30 June 2022 and positive revaluation of cash-flow hedges.

Intangible assets of the Group excluding goodwill increased by €23.8m to €112.0m in the reporting period, predominantly due to WebEye acquisition and investments into the strategic IT transformation.

Goodwill comprises mainly CGU¹ Energy of €40.2m, CGU Navigation of €34.6m and CGU Telematics of €45.8m. Goodwill is tested for impairment on an annual basis, there was no impairment posted in 2021 and no impairment indicators were identified in the first six months of 2022.

Inventories increased by €9.8m to €19.4m mainly due to higher stock of on-board units resulting from the Group's decision to move production to an alternative supplier, thus, cancelling cooperation with a manufacturer owned by Russian individuals. The remaining growth mainly reflects the WebEye consolidation and higher value of fuel inventory reflecting increased energy prices in the reporting period.

Trade and other receivables increased by €131.7m to €432.3m, mainly due to higher volume of transactions and increased energy prices.

Trade and other payables increased by €127.1m to €441.7m as a result of the factors mentioned above.

Cash performance

	6M2022 (€m)	6M2021 (€m)	YoY (€m)	YoY
Net cash generated from operating activities	16.4	4.0	12.4	310.0%
Net cash used in investing activities	(47.5)	(27.1)	(20.4)	75.3%
Net cash used in financing activities	(11.5)	(0.1)	(11.4)	11400.0%

Net increase in cash and cash equivalents	(42.6)	(23.2)	(19.4)	83.6%
Cash and cash equivalents at beginning of period	224.2	89.0	135.2	151.9%
Cash and cash equivalents at end of period (presented in statement of cash flows)	181.5	65.8	115.7	175.8%
Bank overdrafts	0.0	(12.7)	12.7	(100.0%)
Cash and cash equivalents at end of period (presented in statement of financial position)	181.5	78.5	103.0	131.2%
Interest-bearing loans and borrowings	152.8	162.5	(9.7)	(6.0%)
Net cash/(debt)	28.7	(84.0)	112.7	(134.2%)

As at 30 June 2022, the Group's net cash position stood at €28.7m compared to €61.7m as at 31 December 2021.

The decrease in the level of cash is due to the cash outflows used in investing activities, including technology transformation investments, the acquisition of WebEye, deferred consideration due on LMS, as well as repayments of borrowing compensated by underlying cash generation, which was in turn offset by the settlement of IPO related expenses.

Net cash flows from operating activities increased from €4.0m in 2021 to €16.4m, primarily due to business performance supported by stable working capital movements. Impact related to Adjusting items in the reporting period amounted to of €7.7m (2021: €3.3m).

Interest paid increased to €2.3m reflecting higher average level of borrowings in the first six months ending 30 June 2022 compared to the corresponding period of 2021.

Tax paid decreased by €1.0m due to lower advance payments.

Net cash used in investing activities increased by €20.4m in the first six-month period to €47.5m, largely due to the outflows in connection with capital expenditure related to investment in the development of technology (increase of €4.8m) and outflows related to investments in subsidiaries and associates (increase of €14.5m).

Net cash from financing activities amounted to an outflow of €11.5m in the reporting period representing the repayments of borrowings due to amortisation of Senior Facilities Agreements and lease payments.

The cash impact of Adjusting items was €0.5m for M&A-related expenses, €1.7m for strategic transformation expenses, €5.3m for non-recurring IPO-related expenses and €0.1m for share-based compensation in 2022.

Capital expenditure

Capital expenditure in the first six months of 2022 amounted to €19.9m compared to €15.3m for the previous year. This increase relates to investments into our technology platform and existing asset base.

The Group's transformational investment programme was €13.3m (2021: €11.6m) and continued to focus on expanding the customer and products capabilities for the Group, including the digital customer journey, EETS Toll and new Telematics and Pro Navi, as well as new generation ERP and the integrated offering.

The Group's ordinary capital expenditure totalling €6.6m (2021: €3.6m) represents reinvestment into the platform and assets base and amounted to 7.6% of Net energy and services sales compared to 5.0% in the corresponding period of previous year.

Alternative performance measures

The Group has identified certain Alternative Performance Measures ("APMs") that it believes provide additional useful information to the readers of 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.

	6M2022 (€m)	6M2021 (€m)	YoY (€m)	YoY
Profit before tax	13.4	12.4	1.0	8.1%
Net finance expense and share of net loss of associates	3.7	4.8	(1.1)	(22.9%)
Depreciation and amortisation	12.4	10.5	1.9	18.1%
EBITDA	29.5	27.7	1.8	6.5%
M&A-related expenses	0.5	0.1	0.4	400.0%
Non-recurring IPO-related expenses	0.0	2.8	(2.8)	(100.0%)
Strategic transformation expenses	1.7	0.8	0.9	112.5%
Share-based compensation	3.3	1.7	1.6	94.1%
Adjusting items	5.5	5.4	0.1	1.9%
Adjusted EBITDA	35.0	33.1	1.9	5.7%

	6M2022 (€m)	6M2021 (€m)	YoY (€m)	YoY
Profit for the year	9.2	8.8	0.4	4.5%
Amortisation of acquired intangibles	2.8	2.7	0.1	3.7%
Amortisation due to transformational useful life changes	0.7	0.9	(0.2)	(22.2%)
Adjusting items affecting Adjusted EBITDA	5.5	5.4	0.1	1.9%
Tax effect	(1.3)	(2.6)	1.3	(50.0%)
Adjusted earnings (net profit)	16.9	15.2	1.7	11.2%

	6M2022 (€m)	6M2021 (€m)	YoY (€m)	YoY
Adjusted net profit attributable to equity holders (€m)	16.2	14.5	1.7	11.7%
Basic weighted average number of shares	688,911,333	565,931,997	122,979,336	21,7%
Adjusted basic EPS (cents/share)	2.35	2.57	(0.22)	(8.6%)

Costs arising in connection with the IPO have been separately identified in recognition of the nature, infrequency and materiality of this capital markets transaction. IPO expenses were incurred in 2021 and had no impact on expenses in 2022.

M&A-related expenses are fees and other costs relating to the Group's acquisitions activity. M&A-related expenses differ every year based on acquisition activity of the Group. Exclusion of these costs allows for better result comparability.

Strategic transformation expenses are costs relating to broadening the skill bases of the Group's employees (including executive search and recruiting costs) as well as costs related to transformation of key IT systems. As previously announced, the strategic transformation is expected to complete in 2023.

In addition, adjustment has been made for the compensations provided to the Group's management before the IPO. These legacy incentives comprise a combination of cash and share-based payments and those that have not yet vested will vest across each of the subsequent financial years ending 31 December 2024. The Group believes that it is appropriate to treat these costs as an adjusting item as they relate to a one-off award, designed and implemented whilst the Group was under private ownership (and are reasonably typical of that market and appropriate in that context). The Group now operates in a new environment and the Remuneration Committee has applied the Remuneration Policy in a listed company context, hence, similar awards are not expected in future. For clarity, where share-based payment charges arise as a consequence of the operation of the Group's post-IPO

Remuneration Policy, these are not treated as adjusting items as they represent non-cash element of annual remuneration package. This includes costs of €0.5m in the first six months ending 30 June 2022 relating to grants in connection with the 2024 and 2025 PSP.

Amortisation of acquired intangibles represents amortisation of assets recognised at the time of an acquisition (primarily ADS and Sygic). The item is prone to volatility from period to period depending on the level of M&A.

Amortisation due to transformational useful life changes represents accelerated amortisation of assets being replaced by strategic transformation of the Group. The Group expects this adjustment to be relevant until 2024.

Capital allocation

Our priority will continue to be organic and inorganic investment to drive long term sustainable growth. As previously advised, the Group will incur aggregated transformational capital expenditures of €50m during 2022 and 2023 to develop our integrated end-to-end digital platform and invest in the quality of our integrated product and service offering. Our transformational capex is firmly on track to complete in 2023, by which point we will have the most modern, complete and modular tech stack and product offering in the industry. We will continue to consider value-accretive M&A opportunities in our current and adjacent markets and in product and technology areas that will accelerate growth. We will only look to make acquisitions where the acquisition is complementary to our strategy and in line with our acquisition criteria. We will also maintain a robust balance sheet. As set out in our financial guidance the Group does not intend to pay dividends as we continue to prioritise investment in growth.

Treasury management

The Group maintains a disciplined approach to its financing and is committed to maintain a net debt to adjusted EBITDA leverage ratio of 1.5-2.5 times over the medium term. Our leverage ratio may temporarily exceed the top end of the range depending on the quantum and timing of potential acquisitions.

The Group holds financial debt under the Senior Multicurrency Term and Revolving Facilities Agreement ("Syndicated Facilities Agreement"), which consists of the following tranches:

- Amortising EUR term loan facility for a maximum amount of €47.5m
- Non-amortising EUR term loan facility for a maximum amount of €47.5m
- Amortising EUR term loan facility for a maximum amount of €95.0m (Acquisition/CAPEX)
- Multicurrency revolving credit facility for a maximum amount of €120.0m, split as
 - €45.0m Revolving Credit Facility
 - €15.0m Multicurrency Overdraft Facility
 - €60.0m Bank Guarantee Facilities

As of 30 June 2022, the Revolving Credit Facility and Multicurrency Overdraft Facility remained undrawn.

Additionally, subject to certain conditions, the Group can request to raise additional debt through uncommitted Incremental Facility mechanism under the Syndicated Facilities Agreement up to an amount of €100.0m, of which up to €50.0m can be used to finance certain acquisitions which are specifically permitted under the Syndicated Facilities Agreement, and the remaining €50.0m can be used to finance or refinance working capital of companies, businesses or undertakings acquired as a result of such permitted acquisition or utilized by way of a guarantee, documentary or stand-by letter of credit. As of 30 June 2022, the Incremental Facility II was fully drawn to establish limits for Bank Guarantees for a total amount of up to €50m.

The Syndicated Facilities Agreement contains financial covenants at the level of W.A.G. payment solutions, a.s. Financial covenants are governed by financial definitions under The Syndicated Facilities Agreement:

- Interest Cover (the ratio of Adjusted EBITDA to finance charges) is not less than 5.00:1 for each twelve-month period ending on the last day of each financial quarter. As of 30 June 2022, Interest Cover was at 16.26.

- Net Leverage (measured quarterly on the basis of Total Net Debt on the measurement date and rolling twelve months Adjusted EBITDA) does not exceed 3.50:1 for each twelve-month period ending on the last day of each financial quarter in 2022. As of 30 June 2022, Net Leverage was at negative 0.15 (The Group had more Cash and Cash Equivalent Investments than Borrowings).
- Adjusted Net Leverage (measured quarterly on the basis of Adjusted Total Net Debt on the measurement date and rolling twelve months Adjusted EBITDA) does not exceed 6.50:1 for each twelve-month period ending on the last day of each financial quarter. As of 30 June 2022, Adjusted Net Leverage was at 1.47.
- Borrowing Base (the ratio of the sum of outstanding amount of revolving facility less cash and cash equivalents, to trade receivables) must not exceed 1.00:1 in relation to any three-month period ending on the last day of each financial quarter. As at 30 June 2022, Borrowing Base was at negative 0.55 (The Group had more Cash and Cash Equivalent Investments than aggregate amount of outstanding Revolving Facility Loans).

During the first half of 2022, the Group repaid €10.0m (principal) of the Syndicated Facilities Agreement borrowings resulting in a notional outstanding debt of €155m as of 30 June 2022.

During year-to-date, the Group utilised €21.0m of Incremental Facility in the way of Bank Guarantees.

The Group concentrates cash on bank accounts held with financial institutions that participate in the Syndicated Facilities Agreement. Balances may be held on bank accounts with other financial institutions to fund outgoing payments especially in countries outside of the Economic and Monetary Union.

Directors' responsibility statement

We confirm that to the best of our knowledge:

The unaudited condensed consolidated financial statements have been prepared in accordance with UK-adopted IAS 34 Interim Financial Reporting.

The interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report in Financial statements dated 24 March 2022 that could do so.

On behalf of the Board of Directors

Martin Vohánka

Chief Executive Officer

Financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR '000)

	Notes	For the six months ended 30 June	
		2022 (unaudited)	2021 (unaudited)
Revenue from contracts with customers	7	1,160,815	784,369
Costs of energy sold		(1,073,837)	(711,513)
Net energy and services sales	8	86,978	72,856
Other operating income		221	341
Employee expenses	9	(32,768)	(26,567)
Impairment losses of financial assets		(2,719)	(1,152)
Technology expenses		(3,882)	(2,782)
Other operating expenses		(18,325)	(15,009)
Operating profit before depreciation and amortisation (EBITDA)		29,505	27,687
Analysed as:			
Adjusting items	8	5,498	5,367
Adjusted EBITDA	8	35,003	33,054
Depreciation and amortisation	8	(12,431)	(10,457)
Operating profit		17,074	17,230
Finance income		1,275	31
Finance costs		(4,553)	(4,571)
Share of net loss of associates		(353)	(295)
Profit before tax		13,443	12,395
Income tax expense	10	(4,256)	(3,588)
PROFIT FOR THE YEAR		9,187	8,807
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
Change in fair value of cash flow hedge recognised in equity		4,976	3,123
Exchange differences on translation of foreign operations		302	925
Deferred tax related to other comprehensive income		-	-
TOTAL OTHER COMPREHENSIVE INCOME		5,278	4,048
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		14,465	12,855
Total profit for the financial year attributable to equity holders of the Company		8,902	8,657
Total profit for the financial year attributable to non-controlling interests		285	150
Total comprehensive income for the financial year attributable to equity holders of the Company		14,137	12,688
Total comprehensive income for the financial year attributable to non-controlling interests		328	167
Earnings per share (in cents per share):	14		
Basic earnings per share		1.29	1.53
Diluted earnings per share		1.29	1.52

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR '000)

	Notes	As at	
		30 June 2022 (unaudited)	31 December 2021
ASSETS			
Non-current assets			
Intangible assets	11	237,043	193,453
Property, plant and equipment	11	37,225	34,763
Right-of-use assets		10,827	8,112
Investments in associates		12,581	12,934
Financial assets		37	37
Deferred tax assets		9,291	7,642
Derivative assets	6	5,928	252
Other non-current assets		3,498	3,554
Total non-current assets		316,430	260,747
Current assets			
Inventories	12	19,365	9,557
Trade and other receivables	13	432,268	300,601
Income tax receivables		6,095	5,095
Derivative assets	6	2,208	2,694
Cash and cash equivalents		181,546	224,164
Total current assets		641,482	542,111
TOTAL ASSETS		957,912	802,858
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		8,107	38,113
Share premium		2,958	194,763
Merger reserve		(25,963)	(25,963)
Other reserves		6,700	1,465
Business combinations equity adjustment		(17,220)	(17,046)
Retained earnings		318,857	84,526
Equity attributable to equity holders of the Company		293,439	275,859
Non-controlling interests		9,160	8,889
Total equity		302,599	284,747
Non-current liabilities			
Interest-bearing loans and borrowings		133,928	143,579
Lease liabilities		8,198	5,973
Deferred tax liabilities		7,649	5,495
Derivative liabilities	6	130	657
Other non-current liabilities	15	31,173	20,281
Total non-current liabilities		181,078	175,985
Current liabilities			
Trade and other payables	15	441,660	314,522
Interest-bearing loans and borrowings		18,871	18,894
Lease liabilities		3,084	2,601
Provisions		1,627	1,545
Income tax liabilities		7,437	4,208
Derivative liabilities	6	1,556	356
Total current liabilities		474,235	342,126
TOTAL EQUITY AND LIABILITIES		957,912	802,858

The accompanying notes form an integral part of these financial statements.

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

	Notes	Share capital	Share premium	Other reserves	Merger reserve	Business combinations equity adjustment	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
At 1 January 2021		4,158	2,927	(3,263)	–	(46,009)	72,177	29,990	34,115	64,105
Profit for the year		–	–	–	–	–	8,657	8,657	150	8,807
Other comprehensive income		–	–	4,031	–	–	–	4,031	17	4,048
Total comprehensive income		–	–	4,031	–	–	8,657	12,688	167	12,855
Share options exercised		11	200	–	–	–	–	211	–	211
Dividends paid		–	–	–	–	–	–	–	(1,980)	(1,980)
Share-based payments		–	–	–	–	–	892	892	–	892
Acquisition of subsidiaries		–	–	–	–	–	–	–	2,259	2,259
Acquisition of a non-controlling interests		–	–	–	–	27,003	(966)	26,037	(26,037)	–
Put options held by non-controlling interests		–	–	–	–	(4,495)	–	(4,495)	–	(4,495)
At 30 June 2021		4,169	3,127	768	–	(23,501)	80,760	65,323	8,524	73,847
At 1 January 2022		38,113	194,763	1,465	(25,963)	(17,046)	84,526	275,858	8,889	284,747
Profit for the year		-	-	-	-	-	8,902	8,902	285	9,187
Other comprehensive income		-	-	5,235	-	-	-	5,235	43	5,278
Total comprehensive income		-	-	5,235	-	-	8,902	14,137	328	14,465
Capital reduction		(30,006)	(191,805)	-	-	-	221,811	-	-	-
Dividends paid		-	-	-	-	-	-	-	(57)	(57)
Share-based payments		-	-	-	-	-	3,618	3,618	-	3,618
Put options held by non-controlling interests		-	-	-	-	(174)	-	(174)	-	(174)
At 30 June 2022		8,107	2,958	6,700	(25,963)	(17,220)	318,857	293,439	9,160	302,599

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR '000)

	Notes	For the six months ended 30 June	
		2022	2021
		(unaudited)	(unaudited)
Cash flows from operating activities			
Profit before tax for the period		13,443	12,395
Non-cash adjustments:			
Depreciation and amortisation	8	12,431	10,457
Gain on disposal of non-current assets		(51)	22
Interest income		(79)	(21)
Interest expense		2,650	2,234
Movements in provisions		17	375
Impairment losses of financial assets		2,719	1,152
Foreign currency exchange rate differences		39	5
Fair value revaluation of derivatives		457	140
Share-based payments		3,618	892
Other non-cash items		423	413
Working capital adjustments:			
(Increase)/decrease in trade and other receivables and prepayments		(134,596)	(65,262)
(Increase)/decrease in inventories		(9,302)	1,422
Increase in trade and other payables		130,046	45,942
Interest received		79	21
Interest paid		(2,261)	(2,014)
Income tax paid		(3,207)	(4,173)
Net cash flows generated from operating activities		16,417	4,000
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		144	89
Purchase of property, plant and equipment		(3,664)	(2,445)
Purchase of intangible assets	5	(18,104)	(13,283)
Payments for acquisition of subsidiaries, net of cash acquired		(22,924)	(746)
Investment in associates		(3,000)	(10,685)
Net cash used in investing activities		(47,548)	(27,071)
Cash flows from financing activities			
Payment of principal elements of lease liabilities		(1,415)	(1,047)
Proceeds from borrowings		-	39,786
Repayment of borrowings		(10,012)	(8,593)
Acquisition of non-controlling interests		-	(27,003)
Dividend payments		(57)	(3,480)
Proceeds from issued share capital (net of expenses)		-	211
Net cash used in financing activities		(11,484)	(126)
Net increase in cash and cash equivalents		(42,614)	(23,196)
Effect of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		224,154	88,961
Cash and cash equivalents at end of period		181,540	65,765

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 since 13 October 2021.

The Parent and its subsidiaries (together the “Group”) are principally engaged in:

- Providing payment solutions for fleets of professional transport and forwarding companies, as well as running a network of petrol stations for commercial road transportation;
- Providing unified way of electronic toll payments on a number of European road networks for fleets of professional transport and forwarding companies;
- Recovery of VAT refunds and excise duty from European countries;
- Creating an automated journey book and optimising traffic with the use of integrated digital maps;
- Combine advanced solutions in the field of electronics, software engineering and applied mathematics;
- Sale of navigation licenses; and
- Other services.

Prior to the Initial Public Offering (“IPO”), W.A.G. payments solutions, a.s. was the parent company of the Group for which consolidated financial statements were produced. On 7 October 2021, the Shareholders of W.A.G. payments solutions, a.s. transferred all of their shares in W.A.G. payments solutions, a.s. to W.A.G payment solutions plc in exchange for ordinary shares of equal value in W.A.G payment solutions plc (“Group reorganisation”). This resulted in W.A.G payment solutions plc becoming the new Parent Company of the Group. On 8 October 2021, the IPO was completed, with 13 October 2021 representing admission to trading on the London Stock Exchange (“Admission”).

These condensed interim financial statements were approved for issue on 6 September 2022 and have been neither reviewed nor audited.

These condensed interim financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2021 were approved by the Board of Directors on 24 March 2022 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

2. BASIS OF PREPARATION

The condensed interim financial statements for the six-months ended 30 June 2022 have been prepared in accordance with UK-adopted IAS 34 Interim Financial Reporting and the Disclosure and Transparency Rules of the Financial Conduct Authority. The condensed interim financial statements should be read in conjunction with the Annual Report and Consolidated financial statements for the year ended 31 December 2021, which have been prepared in accordance with UK-adopted International Accounting Standards (UK-adopted IFRS).

As there was no change in control with the Group reorganisation (see Note 1) involving the Company becoming the new holding company of the Group in a share for share exchange, the financial information for the six months ended 30 June 2022 (and comparative information for the six months ended 30 June 2021) is presented as a continuation of W.A.G. payment solutions, a.s.

The condensed interim financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The interim condensed financial

statements are presented in EUR and all values are rounded to the nearest thousand (EUR '000), except where otherwise indicated.

These unaudited condensed interim financial statements have been prepared on the going concern basis. The Board of Directors have considered the financial prospects of the Company and the Group for the foreseeable future, over the period to 31 December 2023 and made an assessment of the Company's and the Group's ability to continue as a going concern. The Directors' assessment included consideration of the availability of the Company's and the Group's credit facilities, cash flow forecasts and stress scenarios. The stress scenarios considered the Group's principal risks including: potential downside pressures on product demand, increasing operating costs of technology security and resilience and physical assets security risk. The Directors continue to carefully monitor the impact of the war in Ukraine including impact of sanctions, impact on fuel supplies, impact of macroeconomic environment including inflation and increasing interest rates and impact of supply chains disruption as a result of Covid-19 pandemic.

The Board of Directors are satisfied that the Company and the Group has the resources to continue business for the foreseeable future, in particular given the level of cash balances available following the IPO, and furthermore are not aware of any material uncertainties that may cast significant doubt upon the Company's and the Group's ability to continue as a going concern and the Board of Directors considers it is appropriate to adopt the going concern basis of accounting in preparing the condensed interim financial statements.

The condensed interim financial statements are prepared for the six months beginning on 1 January and ending on 30 June 2022.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted, as well as significant judgements and key estimates applied, are consistent with those in the annual financial statements for the year ended 31 December 2021, as described in those financial statements, except as described below:

- Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.
- Significant estimates:

Business combination

Accounting for business combinations requires significant judgment and assumptions at the acquisition date, including estimating the fair value of acquired intangible assets, estimated income tax assets and liabilities assumed, and determination of the fair value of contractual obligations, where applicable. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash-flows from acquired customers, acquired software and trade names from a market participant perspective, useful lives and discount rates. The estimates are based on historical experience and information obtained from the management of the acquired companies and are inherently uncertain.

Details of the business combination are disclosed in Note 5.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES, ADOPTION OF NEW AND REVISED STANDARDS

4.1. Application of new IFRS – standards and interpretations effective in the reporting period

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:

- **Property, Plant and Equipment: Proceeds before intended use** – Amendments to IAS 16
- **Reference to the Conceptual Framework** – Amendments to IFRS 3
- **Onerous Contracts – Cost of Fulfilling a Contract** – Amendments to IAS 37
- **Annual Improvements to IFRS Standards 2018–2020** – Amendments to IFRS 9, IFRS 16, IFRS 1, and IAS 41

These Amendments did not have a significant impact on the Group's condensed interim financial statements.

4.2. New IFRSs and IFRICs published by the IASB that are not yet effective

The Group is currently assessing the potential impacts of the new and revised standards and interpretations that are expected to be effective from 1 January 2023 or later.

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** – amendments to IFRS 10 and IAS 28
- **IFRS 17 "Insurance Contracts"**
- **Classification of liabilities as current or non-current** – Amendments to IAS 1
- **Amendments to IAS 1 and IFRS Practice Statement 2** – Disclosure of Accounting policies
- **Amendments to IAS 8** – Definition of Accounting Estimates
- **Deferred tax related to assets and liabilities arising from a single transaction** – Amendments to IAS 12

These new standards and amendments are not expected to have any significant impacts on the Group's consolidated financial statements.

5. BUSINESS COMBINATION

As of 30 June 2022, the following acquisitions took place:

Acquisition of WebEye Group

Further to the subsequent events described in 2021 Annual Report, the Group signed a novated agreement on 16 May 2022 to acquire substantially all of the assets of WebEye Telematics Zrt., a leading fleet management solutions provider in Central and Eastern Europe. The Group paid EUR 23.3 million in cash upon the acquisition of 100% of the share capital of the non-Hungarian subsidiaries (Note 17) and a further EUR 19.9 million was paid upon completion of the acquisition of the Hungarian subsidiaries on 1 July 2022. Acquisition of Hungarian subsidiaries is disclosed as a subsequent event (Note 18). 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 EUR 60.6 million.

The transaction will expand 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 assets and liabilities of non-Hungarian subsidiaries of WebEye as at the date of acquisition were:

EUR '000	Fair value recognised on acquisition non-Hungarian WebEye subsidiaries
Assets	

Property, plant and equipment	1,219
Identifiable intangible assets	16,217
Right-of-use assets	483
Trade receivables	1,000
Cash and cash equivalents	395
Inventories	505
Other assets	11
Total Assets	19,830
Trade payables	361
Lease liabilities	483
Deferred tax	1,752
Total Liabilities	2,596
Total identifiable net assets at fair value	17,234
Goodwill arising on acquisition	19,678
Purchase consideration:	
Cash paid	23,319
Deferred consideration (discounted)	13,593
Total purchase consideration	36,912

The gross contractual receivables acquired amounted to EUR 1,594 thousand. At acquisition date, there were EUR 594 thousand of contractual cash flows not expected to be collected.

From the date of acquisition until 30 June 2022, non-Hungarian subsidiaries of WebEye contributed EUR 1,039 thousand of revenue and EUR 178 thousand loss after tax (mainly driven by amortisation of acquired intangibles).

Consolidated revenue and consolidated profit after tax for the half year ended 30 June 2022, if the acquisition had occurred on 1 January 2022, is disclosed in Note 18.

Discount rate of 2.00% was used to determine present value of deferred consideration.

Pay-out of deferred consideration

On 31 January 2022, the Group paid deferred acquisition consideration of EUR 3,000 thousand related to acquisition of company Threeforce B.V. (Last Mile Solutions).

Net outflows of cash to acquire subsidiaries were as follows:

EUR '000	30 June 2022 (unaudited)	30 June 2021 (unaudited)
Cash consideration paid	23,319	2,356
Cash acquired	(395)	(1,610)
Net outflow of cash – investing activities	22,924	746

Cost of acquisition of subsidiaries recognised in other operating expense:

EUR '000	For the six months ended	
	30 June	
	2022	2021
	(unaudited)	(unaudited)
Acquisition costs	524	111

6. FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Fair value measurement hierarchy for assets and liabilities as at 30 June 2022 (unaudited):

EUR '000	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
Derivative financial assets					
Foreign currency forwards	30 June 2022	-	2,208	-	2,208
Interest rate swaps	30 June 2022	-	5,928	-	5,928
Liabilities measured at fair value					
Derivative financial liabilities					
Foreign currency forwards	30 June 2022	-	1,545	-	1,545
Put options	30 June 2022	-	-	130	130
Foreign currency swaps	30 June 2022	-	11	-	11

There have been no transfers between Level 1, Level 2 and Level 3 during the six months ended 30 June 2022.

Fair value measurement hierarchy for assets and liabilities as at 31 December 2021:

EUR '000	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
Derivative financial assets					
Foreign currency forwards	31 December 2021	-	2,694	-	2,694
Interest rate swaps	31 December 2021	-	252	-	252
Liabilities measured at fair value					
Derivative financial liabilities					
Foreign currency forwards	31 December 2021	-	356	-	356

EUR '000	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Put options	31 December 2021		-	130	130
Interest rate swaps	31 December 2021	-	527	-	527

There have been no transfers between Level 1, Level 2 and Level 3 during the year ended 31 December 2021.

Management assessed that the fair values of cash and cash equivalents, trade and other receivables and trade and other payables approximates their carrying amounts largely due to the short-term maturities of these instruments. Interest-bearing loans and borrowings are at floating rates with margin corresponding to market margins.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

7. SEGMENTAL ANALYSIS

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The Group considers the Executive Committee to be the CODM effective from July 2021. The Board of Directors was considered as CODM prior to that date. The CODM reviews net energy and services sales and contribution to evaluate segment performance and allocate resources to the overall business.

For management purposes and based on internal reporting information, the Group is organised in two operating segments; Payment solutions and Mobility solutions. Payment solutions represent the core of the Group's revenues, which are based on recurring and frequent transactional payments. The segment includes Energy and Toll payments, which are a typical first choice of a new customer. Mobility solutions represent a number of services, which are subsequently sold to customers using Payment solutions products. The segment includes Tax refund, Telematics, Navigation, and other service offerings.

Net energy and services sales, contribution, EBITDA, and Adjusted EBITDA are non-GAAP measures, see Note 8.

The CODM does not review assets and liabilities at segment level.

Six months ended 30 June 2022 (unaudited) EUR '000	Payment solutions	Mobility solutions	Total
Segment revenue	1,137,314	23,501	1,160,815
Net energy and services sales	63,477	23,501	86,978
Contribution	54,938	16,971	71,909
Contribution margin	87%	72%	83%
Corporate overhead and indirect costs before adjusting items			(36,906)
Adjusting items affecting Adjusted EBITDA			(5,498)

Depreciation and amortisation	(12,431)
Net finance costs and share of net loss of associates	(3,631)
Profit before tax	13,443

Six months ended 30 June 2021 (unaudited)	Payment solutions	Mobility solutions	Total
EUR '000			
Segment revenue	765,649	18,720	784,369
Net energy and services sales	54,136	18,720	72,856
Contribution	47,780	13,032	60,812
Contribution margin	88%	70%	83%
Corporate overhead and indirect costs before adjusting items			(27,758)
Adjusting items affecting Adjusted EBITDA			(5,367)
Depreciation and amortisation			(10,457)
Net finance costs and share of net loss of associates			(4,835)
Profit before tax			12,395

Geographical split – segment revenue from contracts with customers

The geographical analysis is derived from the base location of responsible sales teams, rather than reflecting the geographical location of the actual transaction.

EUR '000	For the six months ended 30 June	
	2022 (unaudited)	2021 (unaudited)
Czech Republic (“CZ”)	242,813	150,604
Poland (“PL”)	199,284	137,490
Central Cluster (excluding CZ and PL)	133,417	89,406
Portugal (“PT”)	205,110	172,081
Western Cluster (excluding PT)	38,117	18,322
Romania (“RO”)	153,735	83,085
Southern Cluster (excluding RO)	183,556	129,378
Not specified	4,783	4,003
Total	1,160,815	784,369

There were no individually significant customers, which would represent 10% of revenue or more.

Geographical split – net energy and services sales

EUR '000	For the six months ended	
	30 June	
	2022	2021
	(unaudited)	(unaudited)
Czech Republic	15,861	12,642
Poland	15,323	12,956
Central Cluster (excluding CZ and PL)	12,120	9,786
Portugal	8,638	11,114
Western Cluster (excluding PT)	3,492	2,702
Romania	12,570	8,588
Southern Cluster (excluding RO)	15,559	12,133
Not specified	3,415	2,935
Total	86,978	72,856

Timing of revenue recognition was as follows:

EUR '000	For the six months ended	
	30 June	
	2022	2021
	(unaudited)	(unaudited)
Payment solutions		
Goods and services transferred at a point in time	1,125,804	755,207
Services transferred over time	11,510	10,442
	1,137,314	765,649
Mobility solutions		
Goods and services transferred at a point in time	6,357	5,489
Services transferred over time	17,144	13,231
	23,501	18,720
Total segment revenue	1,160,815	784,369

8. ALTERNATIVE PERFORMANCE MEASURES

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, EBITDA, Adjusted EBITDA, Adjusted 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.

Net energy and services sales

Net energy and services sales is an alternative performance measure, which is calculated as total revenues from contracts with customers, less cost of energy sold. The Group believes this subtotal is relevant to an understanding of its financial performance on the basis that it adjusts for the volatility in underlying energy prices. The Group has discretion in establishing final energy price independent from the prices of its suppliers as explained in its accounting policies.

This measure also supports comparability of the Group's performance with other entities, who have concluded that they act as an agent in the sale of energy and, therefore, report revenues net of energy purchased.

Contribution

Contribution is defined as net energy and services sales less operating costs that can be directly attributed to or controlled by the segments. Contribution does not include indirect costs and allocations of shared costs that are managed at a group level and hence shown separately under indirect costs and corporate overhead.

The CODM reviews net energy and services sales and contribution to evaluate segment performance and allocate resources to the overall business (Note 7).

EBITDA

EBITDA is defined as operating profit before depreciation and amortisation.

The Group presents EBITDA because it is widely used by securities analysts, investors, and other interested parties to evaluate the profitability of companies. EBITDA eliminates potential differences in performance caused by variations in capital structures (affecting net finance costs), tax positions (such as the availability of net operating losses, against which to relieve taxable profits), the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortisation expense).

Adjusted EBITDA

Adjusted EBITDA is defined as EBITDA before adjusting items:

Adjusting item	Definition	Exclusion justification
M&A-related expenses	Fees and other costs relating to the Group's acquisitions activity	M&A-related expenses differ every year based on acquisition activity of the Group. Exclusion of these costs allow better result comparability.
Non-recurring IPO-related expenses	Non-recurring advisory and other expenses relating to the Admission	IPO costs are related to a one-off event, which has significant impact on 2021 profitability. IPO does not have any impact on expenses in 2022.
Strategic transformation expenses	Costs relating to broadening the skill bases of the Group's employees (including in respect of executive search and recruiting costs), as well as costs	<u>Broadening the skill base</u> IPO and IT strategic transformation requires different skill base of the Group's employees. Expenses related to these strategic events were excluded as otherwise they would not be incurred. The expenses are expected to end in 2022. <u>Transformation of key IT systems</u>

	related to transformation of key IT systems	Transformational expenditure represents investments intended to create a new product or service, or significantly enhance an existing one, in order to increase the Group's revenue potential. This also includes systems and processes improvements to improve services provided to customers. Transformational expenditures, which cannot be capitalised as they are mainly related to research, were excluded as the Group is executing its strategic transformation programme, which is expected to end in 2023 and due to the fact that annual investments compared to Group's Net sales are significantly higher than regular investments of a technology company.
Share-based compensation	Equity-settled and cash-settled compensation provided to the Group's management before IPO	Share options and cash-settled compensation have been provided to management and certain employees in connection with the IPO. Total share-based payment charge to be excluded in period 2021–2024 amounts to EUR 21.9 million, from which EUR 1.3 million is a one-off and EUR 20.6 million is amortised over three years. Although these costs will be amortised over the next three years based on accounting policies, they were excluded as they relate to a one-off event. Anticipated expense adjustment amounts to EUR 6.9 million in 2022, EUR 6.1 million in 2023 and EUR 2.6 million in 2024. Share awards provided post-IPO were not excluded as they represent non-cash element of annual remuneration package.

Management believes that Adjusted EBITDA is a useful measure for investors because it is a measure closely tracked by management to evaluate the Group's operating performance and to make financial, strategic, and operating decisions. It may help investors to understand and evaluate, in the same manner as management, the underlying trends in the Group's operational performance on a comparable basis, period on period.

Adjusted EBITDA reconciliation

EUR '000	For the six months ended 30 June	
	2022 (unaudited)	2021 (unaudited)
Intangible assets amortisation (Note 11)	8,830	7,274
Tangible assets depreciation (Note 11)	2,176	2,022
Right of use depreciation	1,425	1,161
Depreciation and amortisation	12,431	10,457
Net finance costs and share of net loss of associates	3,631	4,835
Profit before tax	13,443	12,395
EBITDA	29,505	27,687

M&A-related expenses (Note 5)	524	111
Non-recurring IPO-related expenses	-	2,827
Strategic transformation expenses	1,661	764
Share-based compensation	3,313	1,665
Adjusting items	5,498	5,367
Adjusted EBITDA	35,003	33,054

Adjusted earnings (net profit)

Adjusted earnings are defined as profit after tax before adjusting items:

Adjusting item	Definition	Exclusion justification
Amortisation of acquired intangibles	Amortisation of assets recognised at the time of an acquisition (primarily ADS and Sygic)	The Group acquired a number of companies in the past and plans further acquisitions in the future. The item is prone to volatility from period to period depending on the level of M&A.
Amortisation due to transformational useful life changes	Accelerated amortisation of assets being replaced by strategic transformation of the Group	Strategic IT transformation programme of the Group is replacing selected softwares before their originally estimated useful life. This may also include early fixed asset write-offs. Amortisation of such assets has been accelerated and abnormally high difference between original and accelerated depreciation was excluded to allow period on period result comparability. Total expected amortisation charge to be excluded in period 2020–2022 amounts to EUR 3.3 million, from which EUR 1.3 million is expected to be excluded in 2022. The amount represents assets replaced by strategic IT transformation at the end of 2021, however, decisions may be taken as the Group continues with its strategic IT transformation in 2022 and 2023, which may lead to new assets being replaced and either accelerated or written-off. The Group expects this adjustment to be relevant until 2024.

Adjusting items affecting Adjusted EBITDA	Items recognised in the preceding table, which reconciles EBITDA to Adjusted EBITDA	Justifications for each item are listed in the preceding table.
Tax effect	Decrease in tax expense as a result of above adjustments	Tax effect of above adjustments is excluded to adjust the impact on after tax profit.

The Group believes this measure is relevant to an understanding of its financial performance absent the impact of abnormally high levels of amortisation resulting from acquisitions and from technology transformation programmes.

Adjusted earnings reconciliation

EUR '000	For the six months ended 30 June	
	2022 (unaudited)	2021 (unaudited)
Profit for the period	9,187	8,807
Amortisation of acquired intangibles	2,761	2,710
Amortisation due to transformational useful life changes	651	851
Adjusting items affecting Adjusted EBITDA	5,498	5,367
Tax effect	(1,188)	(2,584)
Adjusted earnings (net profit)	16,909	15,151

Adjusted earnings per share

Adjusted earnings per share is calculated by dividing the adjusted net profit for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the period. See Note 14 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. See Note 10 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 processed improvements to improve services provided to customers.

9. EMPLOYEE EXPENSES

Employee expenses for the respective periods consist of the following:

EUR '000	For the six months ended 30 June	
	2022 (unaudited)	2021 (unaudited)

	Total personnel	Key management*	Total personnel	Key management*
Wages and salaries	26,335	2,406	21,289	1,306
Social security and health insurance	6,797	349	5,667	242
Social cost	699	2	666	-
Share-based payments	3,807	3,421	1,665	1,665
Own work capitalised	(4,870)	-	(2,720)	-
Total employee expense	32,768	6,178	26,567	3,213

**Until 30 June 2021, included Chief Officers (Board of Directors) and Non-Executive Directors (Supervisory Board) of W.A.G. payment solutions, a.s. From 1 July 2021 includes the Board and Executive Committee of W.A.G payment solutions PLC.*

Expenses arising from share-based payment transactions

EUR '000	For the six months ended 30 June	
	2022 (unaudited)	2021 (unaudited)
Equity-settled plans (pre-IPO option plans)	3,124	892
Cash-settled plans (pre-IPO)	189	773
Total pre-IPO expenses (Note 8)	3,313	1,665
Equity-settled plans (PSP)	494	-
Total	3,807	1,665

10. INCOME TAX

The taxation charge for the interim period has been calculated based on estimated effective tax rate for the full year of 31.7% (six months ended 30 June 2021: 28.9%).

The tax rate is higher in 2022 mainly due to tax non-deductible costs of equity-settled share-based payments of EUR 3,618 thousand (six months ended 30 June 2021: EUR 892 thousand). Related tax impact amounts to EUR 687 thousand in the six months ended 30 June 2022, which represents 5.1 percentage points of the effective tax rate (six months ended 30 June 2021: EUR 131 thousand, which represented 1.0 percentage point of the effective tax rate).

Adjusted effective tax rate is as follows:

EUR '000	For the six months ended 30 June	
	2022 (unaudited)	2021 (unaudited)
Accounting profit before tax	13,443	12,395
Adjusting items affecting adjusted EBITDA	5,498	5,367
Amortisation of acquired intangibles	2,761	2,710
Amortisation due to transformational useful life changes	651	851
Adjusted profit before tax (A)	22,353	21,323
Accounting tax expense	4,256	3,588
Tax effect of above adjustments	1,188	2,584

EUR '000	For the six months ended 30 June	
	2022 (unaudited)	2021 (unaudited)
Adjusted tax expense (B)	5,444	6,172
Adjusted earnings (A–B)	16,909	15,151
Adjusted effective tax rate (B/A)	24.35%	28.95%

11. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

EUR '000	Intangible assets	Property, plant and equipment
Cost		
Opening balance as at 1 January 2022	244,590	60,582
Acquisition of a subsidiary	35,918	2,917
Additions	16,193	3,708
Disposals	-	(530)
Translation differences	446	(208)
Closing balance at 30 June 2022 (unaudited)	297,147	66,469
Accumulated amortisation / depreciation		
Opening balance as at 1 January 2022	(51,137)	(25,819)
Acquisition of a subsidiary	(23)	(1,698)
Amortisation / depreciation	(8,830)	(2,176)
Disposals	-	443
Translation differences	(114)	6
Closing balance at 30 June 2022 (unaudited)	(60,104)	(29,244)
Net book value		
As at 1 January 2022	193,453	34,763
As at 30 June 2022 (unaudited)	237,043	37,225

Impairment testing

The Group has tested the intangible assets with an indefinite useful life for impairment as at 31 December 2021. As at 30 June 2022, the Group had not identified any indicators of impairment. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in the annual consolidated financial statements for the year ended on 31 December 2021.

12. INVENTORIES

EUR '000	30 June 2022 (unaudited)	31 December 2021
Raw materials	367	136
Goods (excluding on-board units)	11,210	6,470
Finished products	3	3
On-board units	7,785	2,948
Total	19,365	9,557

Goods recognised as an expense are presented in full under cost of energy sold.

13. TRADE AND OTHER RECEIVABLES

EUR '000	30 June 2022 (unaudited)	31 December 2021
Trade receivables	302,517	201,924
Receivables from tax authorities	16,677	11,729
Advances granted	13,243	10,948
Unbilled revenue	11,375	5,533
Miscellaneous receivables	3,159	4,000
Tax refund receivables	78,952	60,945
Prepaid expenses and accrued income	3,597	3,038
Contract assets	2,748	2,484
Total	432,268	300,601

14. EARNINGS PER SHARE

All ordinary shares have the same rights. Until 8 January 2022, the Company had 1 Class B share, which was excluded from earnings per share ("EPS") calculation as it had no voting rights, rights to distributions or rights to the return of capital on winding up.

Basic EPS is calculated by dividing the net profit 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 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 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.

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

	For the six months ended 30 June	
	2022 (unaudited)	2021 (unaudited)

Net profit attributable to equity holders (EUR '000)	8,902	8,657
Basic weighted average number of shares	688,911,333	565,931,997
Effects of dilution from share options	517,940	3,657,993
Total number of shares used in computing dilutive earnings per share	689,429,273	569,589,990
Basic earnings per share (cents/share)	1.29	1.53
Diluted earnings per share (cents/share)	1.29	1.52

The weighted average number of shares for the six months ended 30 June 2021 of 565,931,997 has been determined based on the number of shares of W.A.G. payment solutions, a.s. multiplied by the ratio at which these shares were exchanged for shares in the Company on 7 October 2021.

Adjusted earnings per share measures:

	For the six months ended 30 June	
	2022 (unaudited)	2021 (unaudited)
Net profit attributable to equity holders (EUR '000)	8,902	8,657
Adjusting items affecting Adjusted EBITDA (Note 8)	5,498	5,367
Amortisation of acquired intangibles*	2,229	2,120
Amortisation due to transformational useful life changes	651	851
Tax impact of above adjustments*	(1,080)	(2,464)
Adjusted net profit attributable to equity holders (EUR '000)	16,200	14,531
Basic weighted average number of shares	688,911,333	565,931,997
Adjusted basic earnings per share (cents/share)	2.35	2.57
Diluted weighted average number of shares	689,429,273	569,589,990
Adjusted dilutive earnings per share (cents/share)	2.35	2.55

*non-controlling interests' impact was excluded

Options

Options granted to employees under Share-based Option Plans 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.

15. TRADE AND OTHER PAYABLES, OTHER LIABILITIES

EUR '000	30 June 2022 (unaudited)	31 December 2021
Current		
Trade payables	383,848	260,530
Employee related liabilities	10,214	10,656
Advances received	16,523	13,464
Miscellaneous payables	7,896	10,941
Payables to tax authorities	14,540	9,728

Contract liabilities	3,164	3,151
Refund liabilities	2,526	3,052
Deferred acquisition consideration	2,949	3,000
Total Trade and other payables	441,660	314,522
Non-current		
Put option redemption liability	17,220	17,046
Contract liabilities	1,521	1,742
Employee related liabilities	1,090	747
Deferred acquisition consideration	11,318	-
Other liabilities	24	746
Total Other non-current liabilities	31,173	20,281

16. FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks including foreign currency risk, fair value interest rate risk, credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2021. There have been no changes in any risk management policies since the year end.

17. RELATED PARTY DISCLOSURES

Company

The Company controlling the Group is disclosed in Note 1.

Subsidiaries

As at 30 June 2022, there were the following changes in the Group's subsidiaries:

Name	Principal activities	Country of incorporation	Registered address	Effective economic interest	
				2022	2021
WebEye International s.r.l.	<i>Mobility solutions</i>	Romania	Oradea, str. Nufărului nr. 28E, Județul Bihor, Romania	100%	-
Webeye Polska sp. z.o.o.	<i>Mobility solutions</i>	Poland	30-663 Kraków (Poland), 250 Wielicka Str., Poland	100%	-
WebEye Deutschland GmbH	<i>Mobility solutions</i>	Germany	Schatzbogen 33, 81829 München, Germany	100%	-
WebEye Slovakia s.r.o	<i>Mobility solutions</i>	Slovakia	Sliačska 1E, 831 02 Bratislava, Slovakia	100%	-
Webeye International d.o.o	<i>Mobility solutions</i>	Slovenia	Kidričeva ulica 13D, 1236 Trzin, Slovenia	100%	-
WEBEYE Hrvatska d.o.o.	<i>Mobility solutions</i>	Croatia	Zagreb (Grad Zagreb) Buzinski prilaz 10, Croatia	100%	-

Name	Principal activities	Country of incorporation	Registered address	Effective economic interest	
				2022	2021
WEBEYE BULGARIA LTD	<i>Mobility solutions</i>	Bulgaria	Sofia 1528, Iskar district, 41 "Nedelcho Bonchev" Str., floor 3, apt. 16., Bulgaria	100%	–
MYWEBEYE IBÉRIA, LDA	<i>Mobility solutions</i>	Portugal	Rua Francisco Pinto Júnior n 5 2690-390 Santa Iria da Azóia, Portugal	100%	–
WebEye CZ s.r.o.	<i>Mobility solutions</i>	Czech Republic	Tuřanka 1222/115, Slatina, 627 00 Brno, Czech Republic	100%	–

Key management personnel compensation

Key management personnel compensation is disclosed in Note 9.

Paid dividends

Paid dividends are disclosed in Consolidated Statement of Changes in Shareholders' Equity.

Other related party transactions

There were no material changes in other related party transactions in the six months period up to 30 June 2022 compared to corresponding period in 2021.

18. SUBSEQUENT EVENTS

Acquisition of WebEye Group – Hungarian subsidiaries

As disclosed in Note 5, on 1 July 2022 the Company acquired 100% share capital of the Hungarian subsidiaries of Webeye, a leading fleet management solutions provider in Central and Eastern Europe.

Financial effects of this transaction have not been recognised at 30 June 2022. The operating results, assets and liabilities of the acquired companies will be consolidated from 1 July 2022.

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

EUR '000	Fair value recognised on acquisition Hungarian WebEye subsidiaries
Assets	
Property, plant and equipment	722
Identifiable intangible assets	11,274
Trade receivables	862
Cash and cash equivalents	102
Inventories	492
Total Assets	13,452

Trade payables	726
Deferred tax	955
Total Liabilities	1,681
Total identifiable net assets at fair value	11,771
Goodwill arising on acquisition	11,336
Purchase consideration:	
Cash paid	19,891
Deferred consideration	3,216
Total purchase consideration	23,107

If the acquisition had occurred on 1 January 2022, consolidated revenue and consolidated loss after tax of combined Hungarian and non-Hungarian WebEye entities for the half year ended 30 June 2022 would have been EUR 7,372 thousand and EUR 110 thousand respectively. Excluding amortisation of acquired intangibles the profit after tax would have been EUR 1,186 thousand. Consolidated revenue for the six months would be evenly distributed between the two acquisitions.

Principal risks and uncertainties

The overall responsibility for the identification and management of the principal and emerging risks to the Group lies with the Board of Directors.

The Group has included to its assessment risks related to Russian invasion to Ukraine, which are mostly reflected in the Group's supplies disruptions, new sanctions and potential physical threats to Group's employees, clients, and assets. Further the Group has amended its risk assessment by risks derived from economic uncertainties. Besides those amendments, the principal risks remain unchanged from those set out in the Group's most recent Annual Report and Accounts, which are accessible at <https://investors.eurowag.com/investors/results-center>.

Risk	Description	Mitigation
Product demand decline risk	<p>Our operating results are dependent on the conditions in the European economy and its cycles. The volume of customer payment transactions and customer demand for the products and services provided by the Group correlate with current and prospective economic conditions across Europe. Economic downturns are generally characterised by reduced commercial activity and trade, resulting in reduced demand and use of our products and services by customers.</p> <p>As a result of Covid-19 and the Russian invasion to Ukraine, the economy especially across Central and Eastern Europe is already experiencing indications of recession. These are expressed by persisting disruptions in supply chains, high inflation, increasing of nominal interest rates, currency weakening</p>	<ul style="list-style-type: none"> • Reducing dependency on a single economy • Reducing dependency on non-EUR currency • Diversification of products and services offering • Subscription-based revenues

	<p>and reduced customer demand. Together with expected recession there are high uncertainties regarding energy supplies across the region which creates additional pressures on the supply chains in the region and underlying demand for the Group's products and services. Eventual decline in demand would adversely affect the Group's current and prospective business and financial conditions. Further the Group recognises a risk of governmental interventions, which can have an adverse impact on the Group's contribution margin for its products and services.</p>	
Fuel supplies risk	<p>The Group recognises a high risk of the dry outs of its bunkering sites and across its payments network, which is a consequence of emerging energy crisis and imposed sanctions due to the Russian invasion to Ukraine. Moreover, due to the same reasons complemented by local governmental interventions, the Group experiences higher risks in securing sufficient fuel supplies at its bunkering sites, at favourable financial and operational terms. These risks have an adverse impact on the Group's financials, operations, and business.</p>	<ul style="list-style-type: none"> • Optimised and diversified fuel suppliers portfolio with long lasting experience of mutual cooperation • Centralised procurement team for energy supplies and logistics • Continuous monitoring and reporting on the situation development of fuel supplies crisis • Scenarios analysis of potential future development and preparation of preventive and mitigation actions in case of different scenario materialisation • Diversification of different types of energies (eMobility, LNG)
Sanctions risk	<p>The Group must continuously monitor its compliance with various sanctions regimes. Currently, one of the consequences of the Russian invasion to Ukraine are sanctions imposed by the European Union, or the United Kingdom.</p> <p>The Group's policies and procedures, which are designed to ensure that it, its employees, agents, and intermediaries comply with applicable sanctions, may fail to effectively work all of the time. Any violation of the sanctions regime could result in significant expenses or reputational harm, divert management attention, and otherwise have a negative impact on the Group.</p> <p>Given the nature of the Group's business the sanctions are also exposing us to the risk of adverse business and operational impacts. Currently valid – 6th sanctions package is introducing prohibitions related to crude oil and petroleum products, mainly in terms of their purchase, import and transfer. Due to the 6th sanctions package, the Group is exposed to the risk of product balancing</p>	<ul style="list-style-type: none"> • The Group uses system for partner screening with automatically updating sanctions database. Any new sanctions are also monitored by external law firm within legislative monitoring and by the internal team which dedicates capacities to screen subscribed notifications from respective authorities and press releases. • The internal team analyse thoroughly any new sanctions and their impacts on the Group's business and operations. In complex matters the team cooperates with specialised external advisers. • New sanction legislation relevant for the Group's business is regularly reported and towards the Executive Committee together with

	<p>disruption in the central region caused by ban on the export of the products produced from Russian origin crude oil delivered via the Druzba pipeline. Disrupted product balancing in Central Europe (AT, CZ, SK, HU) could lead to a lack of products in certain markets at certain periods.</p> <p>Additionally, to the already issued sanctions, the Group recognises a risk of new sanctions significantly impacting the current and prospective business model.</p>	<p>scenario planning and impact assessment.</p>
Growth strategy implementation risk	<p>Our growth strategy is to build an integrated end-to-end digital platform around the needs of our customers in the CRT industry. Its implementation relies significantly on technology development and increased power to analyse and utilise data. Inability to successfully achieve the necessary technology developments, or not completing strategic acquisition targets (as a result of unavailability of targets or insufficient funding), would expose the Group to an inability to achieve its growth objectives. This would result in a decline in revenue and a more difficult position to recover from.</p>	<ul style="list-style-type: none"> • Continual diversification of products and services • Geographic expansion and expansion of sales channels • Activities to introduce financing platform • Activities to introduce digital freight-forwarding platform • Establishment and regular reviews of the M&A strategy
Competitors risk	<p>The Group faces competition in each of its product lines from many companies offering similar capabilities and services, including international oil companies, single-product providers of fuel cards, and other services. In addition, markets where we operate are characterised as oligopolistic or monopolistic and are burdened by heavy regulation and restrictions for entering or expanding. These factors could cause an adverse impact on revenues and prospects if we cannot compete or expand our business activities effectively.</p>	<ul style="list-style-type: none"> • Reducing dependency on a single economy, single market or single revenue stream • Geographical diversification and products or services offering diversification • Fast inorganic growth through M&A activities
External party dependency risk	<p>The Group's business is dependent on several key strategic relationships with third parties, the loss of which could adversely affect our results. Key partners mainly fall into the following categories – fuel suppliers, acceptance network, toll chargers, authorisation centres and technology service providers. Furthermore, the Group has also initialised an internalisation of the authorisation centre of its fuel cards transactions that is currently being provided by an external authorisation centre – AEVI. The project is significantly dependent on the current external provider of the authorisation centre and an inability to complete the internalisation, in an expected quality and time-frame, would expose Group to additional costs and potential business disruptions.</p>	<ul style="list-style-type: none"> • IT vendors management policy – setting the standards for vendors selection, contracts reviews and signature and vendors monitoring • Newly established centralised vendors management role • Centralised procurement team for energy supplies and logistics • Centralised development and maintenance role for acceptance network • Contract management rules and attestation rules • Centralised legal counsel – aids in the contracts elaboration and reviews

		<ul style="list-style-type: none"> • Project on the internalisation of the authorisation centre in execution
Technology security and resilience risk	<p>The Group's business relies on technology and data confidentiality, integrity, and availability. As with other businesses, we are subject to the risk of external security and privacy breaches, such as cyber-attacks. In the last half year, these attacks have increased in their number and sophistication, as a result of war in Ukraine.</p> <p>If we cannot adequately protect our information systems, including the data we collect on customers, it could result in a liability and damage to our reputation. Also, if the technology we use to operate the business and interact with customers fails, does not operate to expectations or is not available, then this could affect our business and results adversely.</p>	<ul style="list-style-type: none"> • The Group prevents itself against cyber-attacks by continuous implementation and improvement of the cyber security standards, in line with the ISO27001. • The Group has established a central project on continuous information security improvement that comprises key security functions from Technology and Risk departments. • The Group, as part of crisis management task force, which has been activated as a response to Russian invasion of Ukraine, additionally funded and assigned highest priority to immediate improvement of cyber security tools to achieve better prevention against increasing number of cyber-attacks. The situation is constantly monitored and reported upon to the executive management.
Personnel dependency risk	<p>The Group's success depends, in part, on its Executive officers and other key personnel, and our ability to secure the capabilities to achieve our strategic objectives. Lack of capability and the loss of key personnel could adversely affect our business. Nowadays, the economic environment and competition result in increasing of the risk of retaining key personnel. Moreover, the Group recognises a risk of worsened knowledge resilience, conflicts of interests and internal fraud caused by key personnel being embedded to one region and a function for a long time period.</p> <p>In addition, we depend on our founder and CEO. Inability to secure a ready successor could reduce our ability to achieve our strategic goals and an adverse reaction from stakeholders.</p>	<ul style="list-style-type: none"> • Establishing and maintenance of the list of key talents to prevent from losing of the key personnel • Annual salary reviews, which will reflect affordability and inflation • Long-term retention plans for key talents, retention bonuses <ul style="list-style-type: none"> • Strengthening of HR teams – enhanced HR processes and expenditure of the Recruitment team • Elaboration of the succession plans, providing of adequate trainings for determined successors • Key personnel rotation for selected functions • Internal controls system to prevent knowledge resilience, conflicts of interests and internal frauds risks • Forward-looking plan for interim CEOs, in case of CEO unavailability

<p>Climate change risk</p>	<p>Climate change and the energy transition represent both a risk and opportunity for the Group. Our reputation, operating and compliance costs, and diversification of revenue, may be influenced by our pace of action, the pace of the energy transition in the CRT sector and by our customers in the short, medium and long term. We currently derive a significant portion of our revenues from fees for fossil fuels transactions. We note that changes in road-transport policy and regulations, the cost of carbon, carbon taxation, changes in market demand for alternative fuel and clean mobility solutions, and pace of adoption of low-carbon powertrains by our customers, can all influence the level of risk and opportunity for the business. We also recognise that extreme weather events could pose a risk to business continuity for our physical assets, as well as the health, safety and wellbeing of our workforce and customers. In addition, we recognise we are responsible for reducing our own carbon footprint, as well as for contributing to solutions to help customers make the transition to a low-carbon future.</p>	<ul style="list-style-type: none"> • Investing in a portfolio of alternative fuels and technologies, including eMobility, to support the transition to a low-carbon future in the CRT sector • Investing in eMobility solutions, including in Last Mile Solutions, to provide industry-leading eMobility services to customers throughout Europe • Investing in digitalisation and technologies to help our customers improve efficiency in CRT and reduce energy intensity • ESG strategy in place, including carbon reduction targets for our operations as well as develop targets for, and means of, reducing Scope 3 emissions across our value chain • Reviewing business-continuity plans to take into account the potential impacts of extreme weather events caused by climate change, and the impact on people and physical assets • Increased transparency of carbon emissions and related efforts to reduce them • Formal, structured scenario analysis to assess the physical and transition risks for the business and its assets, and to inform ongoing risk-assessment and mitigation measures, as well as to report in line with TCFD
<p>Physical security risk</p>	<p>The Group operates a number of truck parks and these are exposed to security threats. A security threat materialising as a result of insufficient protection would result in danger to the health of our employees and customers, and significant business disruptions.</p> <p>The risk increased further in the last half year by the Russian invasion of Ukraine and potential escalation of the conflict to the other countries, including those where the Group has its employees and assets. In addition, there is an increasing risk of security threats as a result of the war impacts. These are not limited to energy crisis and dry outs at Group' bunkering sites.</p>	<ul style="list-style-type: none"> • Implementation of the Health and safety plans on the Group's truck parks to avoid security threats materialisation • Having in place emergency plans and staff trained on the acting in the emergency situations • Petrol stations security rules and system for prevention against physical security threats and their regular control and revision • Business continuity plans in place and their regular testing and revision

<p>Regulatory and licensing risk</p>	<p>The Group relies on numerous licences for the provision of its on-road mobility products, these include wholesale and retail permits required for the provision of fuel products, as well as fuel station operating licences for its truck parks, EETS licence and EETS certifications in a number of countries, Electronic money institution licence required for the provision of financial services and an insurance distribution licences. As a consequence of holding the licences and certifications, the Group is subject to strict regulatory requirements (Governance, Products, IT security and Operational) of regulatory bodies in respective jurisdictions. Non-compliance with these can result in fines, suspension of business or loss of licences. Key regulatory requirements are operationalised by governance and compliance with UK plc listing rules, anti-money laundering (“AML”) and sanction laws, personal data-protection laws, Czech national bank regulation, fuel-reselling legislation and EETS regulation. In addition, changes in laws, regulations and enforcement activities may adversely affect our products, services and markets.</p>	<ul style="list-style-type: none"> • Legal and compliance business partners dedicated for all business units, with regulation watch implied • Continuously implementing risk management control framework specifically in terms of regulatory and licensing risk. • Involving legal and compliance counsels in new-markets entry process • Implementing Group-wide AML policy, partner screening directive and detailed AML directive • Regular AML re-screening of customers who use regulated financial services • Implementing Group-wide personal-data protection policy and detailed GDPR directive
<p>Clients default risk</p>	<p>The Group is subject to the credit risk of its customers, many of whom are small and mid-sized CRT businesses. We are exposed to credit risk for particular customers in our payment solutions segment who we finance through post-payment of their energy consumption and toll balances and also for customers with invoices on 30-day payment terms. If we fail to assess and monitor adequately the credit risks posed by counterparties, we could experience an increase in credit losses and other adverse effects.</p>	<ul style="list-style-type: none"> • Credit assessment at onboarding (scoring) – in determining the credit risk of its customers, the Group performs a credit assessment, which consists of a financial analysis of recent results and development as well as a business analysis and verification using available databases. • The Group’s credit risk department conducts ongoing credit exposure monitoring, revising credit limits at regular intervals and upon utilisation of available limits, and updating collateral from customers as needed. • The ageing of receivables is regularly monitored by the Group management to assess credit risk, based on expected loss calculations, which evaluate probability of default, exposure at default and loss given default. • The Group has credit insurance subject to first loss policies on both individual and aggregate bases to ensure

		<p>against the risk of default from customers on its trade and other receivables.</p> <ul style="list-style-type: none"> • Collateral (guarantees, pledge of receivables, pledge of physical assets) – The Group accepts cash deposits and advance payments from customers to secure credit exposure. The Group also accepts other types of security (such as pledges of assets or promissory notes) to mitigate credit risk.
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Explanation of Alternative Performance Measures

Category	Name	Definition
Financial	Adjusted EBITDA	Adjusted EBITDA represents profit before tax, finance income and costs, depreciation, amortisation, M&A-related expenses, non-recurring IPO-related expenses, strategic transformation expenses and pre-IPO share-based compensation.
Financial	Adjusted EBITDA margin	Adjusted EBITDA margin represents Adjusted EBITDA for the period divided by Net energy and services sales
Financial	Adjusted earnings	Adjusted earnings represents profit for the year, before adjusting items affecting adjusted EBITDA, amortisation of acquired intangibles and amortisation due to transformational useful life changes and related tax effects
Financial	Adjusted basic earnings per share	Adjusted basic EPS is calculated by dividing the adjusted earnings by the weighted average number of ordinary shares during the period.
Financial	CGU	CGU (Cash generating unit) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.
Financial	Contribution	Contribution represents Net energy and services sales less operating costs that can be directly attributed to or controlled by the segments. Contribution does not include indirect costs and allocation of shared costs that are managed at group level and hence shown separately under Indirect costs and Corporate overhead. Contribution is before Adjusting items.
Financial	Contribution margin	Contribution margin represents, for each of the Group's two operating segments, that segment's contribution as a proportion of that segment's Net energy and services sales.
Financial	EBITDA	EBITDA is calculated as profit before tax, finance income and costs, depreciation and amortisation.
Financial	Net cash / Net debt	Net debt / Net cash is calculated as Cash and cash equivalents less Interest-bearing loans and borrowings.

Financial	Net energy and services sales	Net energy and services sales represents revenues from contracts with customers, less cost of energy resold to customers. The Group believes this subtotal is relevant to an understanding of its financial performance on the basis that it adjusts for the volatility in underlying energy prices. The Group has some discretion in establishing final energy price independent from the prices of its suppliers.
Financial	Organic Net energy and services sales growth	Growth in Net energy and services sales excluding the net sales of the Group's acquisitions in the current period. In 2022, organic growth includes an adjustment related to WebEye acquisition to enhance year-on-year comparability.
Financial	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 the Group's revenue potential. This also includes systems and processes improvements to improve services provided to customers.
Operational	Average active payment solutions customers	Average active payment solutions customers represents the number of customers who have used the Group's payment solutions services in a given period, calculated as the average of the number of active customers for each month in the period. A customer is considered an active customer if it uses the Group's payment solutions products at least once in a given month.
Operational	Average active payment solutions trucks	Average active payment solutions trucks represents the number of customer vehicles that have used the Group's payment solutions services in a given period, calculated as the average of the number of active customer vehicles for each month in the period. A customer vehicle is considered an active truck if it uses the Group's payment solutions products at least once in a given month.
Operational	Payment solutions transactions	Payment solutions transactions represents the number of payment solutions transactions (fuel and toll transactions) processed by the Group for customers in that period. A fuel transaction is defined as one completed (i.e. not cancelled or otherwise terminated) fuelling transaction. AdBlue transactions are not counted as stand-alone fuel transactions. A toll transaction is defined as one truck passing through a given toll gateway per day and per merchant country (meaning multiple passages by the same truck through any toll gateway in one merchant country in a given day is still counted as one transaction).
Operational	Mobility solutions segment	Mobility solutions segment represents number of services, which are subsequently sold to customers using Payment solutions products. The segment includes Tax refund, Telematics, Navigation and other service offerings.
Operational	Payment solutions segment	Payment solutions segment represents core of Group's revenues, which are based on re-occurring and frequent transactional payments. The segment includes Energy and Toll payments, which are typical first choice of a new customer.

Operational	Net revenue retention	Average net revenue retention represents, for Eurowag only (i.e., excluding ADS and Sygic), the average retained proportion of the Group's net revenues derived from its payment solutions and tax refund customers during the entirety of the previous years.
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Notes:

- 1) Please refer to section Explanation of Alternative Performance Measures for a definition.
- 2) Calculated as impairment losses of financial assets to total revenue increased by toll payment solutions turnover