

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

25 October 2022

EUROWAG

Trading Update and Board Changes

Strong performance with results for the nine months of 2022 in line with expectations

W.A.G payment solutions plc ("Eurowag", or the "Group") a leading pan-European integrated payments & mobility platform focused on the Commercial Road Transportation industry ("CRT"), today provides its trading update for the nine months ending 30 September 2022.

Financial and Operational highlights

- Group net energy and services sales ("net revenue") for 9M 2022 up 23.3% year-on-year to €135.6 million in line with management's expectations;
 - Organic net revenue growth for the same period represented 19.2%.
- Payment solutions net revenue for 9M 2022 of €96.9 million, up 20.1% year-on-year.
- Mobility solutions net revenue for 9M 2022 of €38.7 million, up 32.4% year-on-year.
 - Webeye's contribution to the top line for the same period amounted to €4.5 million.
- Net revenue for the last twelve months reached €178.8 million, representing 23.1% year-on-year;
 - Organic net revenue growth for the last twelve months represented 19.9%.
- Payment solutions net revenue growth was primarily driven by new customers and trucks acquisitions underpinned by strong net revenue retention;
 - Average number of payment solutions active customers increased 12.9% in 9M 2022 (from 14,834 in the comparable period of 2021 to 16,749);
 - Average number of payment solutions active trucks increased 6.4% in 9M 2022 (from 82,017 in the comparable period of 2021 to 87,258).
- Mobility solutions net revenue growth was primarily driven by WebEye consolidation, effective cross-sell and sales to automotive partners.

Strategic highlights

- Announced separately today, the Group has reached agreement to acquire Grupa Inelo S.A. ("Inelo"), a leading fleet management solutions and work time management software provider.
- Launched strategic partnership with JITpay™ Group, a leading provider of digitalised billing, receivables management and financing solutions, including invoice discounting.
- Signed a Multicurrency Term and Revolving Facilities Agreement in September 2022 consisting of €565 million committed and €150 million uncommitted facilities to refinance and expand the Group's existing credit facilities, securing favourable terms on a strengthened debt package.
- Admitted to FTSE 250.

Further progress against long-term strategy

Acquisition of Inelo

The Group separately announced today that it has reached an agreement for W.A.G. payment solutions a.s., a wholly-owned subsidiary of Eurowag, to acquire 100% of the share capital of Inelo for up to €306 million (subject to certain closing adjustments). Inelo is a leading fleet management solutions provider in Poland, the largest CRT market in Europe, with critical mass in Slovenia, Croatia and Serbia. Along with

a larger geographic footprint, the proposed acquisition would also add approximately 87,000¹ connected trucks to Eurowag's platform, which roughly doubles Eurowag's number of connected trucks, as well as Inelo's mission critical Working Time Management software.

The proposed acquisition offers compelling strategic and financial benefits to the Group, and takes Eurowag a significant step closer to achieving its ambition of delivering a fully integrated, end-to-end digital platform for the CRT industry.

The acquisition is a Class 1 transaction for Eurowag under the Listing Rules of the Financial Conduct Authority (the "FCA"). Completion is conditional, amongst other things, on approval of the class 1 circular by the FCA, Eurowag shareholder approval and the receipt of approval from relevant foreign direct investment regulatory bodies and antitrust authorities in Poland, Slovenia and North Macedonia. Full details can be found in the separate announcement made by Eurowag today.

Strategic partnership with JITpay™ Group

In September 2022, Eurowag entered into a strategic partnership with JITpay™ Group, a Germany-based payment service provider specialising in the logistics industry. The transaction expands the Group's product portfolio by adding invoice discounting, digitalised billing and receivables management solutions and strengthens its presence in Germany, one of the most strategically important trucking markets in Europe. As part of the strategic partnership, Eurowag has acquired a 9.99% stake in JITpay™ for an initial consideration of €14 million, with the flexibility for a potential increase in its ownership over time subject to regulatory approvals.

Refinancing of existing debt

On 22 September 2022, the Group signed a Multicurrency Term and Revolving Facilities Agreement to refinance and expand the Group's existing credit facilities (the "Refinancing"). Recognising the resilient growth and strong financial results Eurowag has consistently delivered, the Refinancing secured favourable terms on a strengthened debt package, extended maturities for all facilities, and expanded the Group's club of financing banks. The effective date of the Refinancing is 17 October 2022. Further details were announced on 22 September 2022.

Board Changes

After three very successful years with the Group, Magdalena Bartoś has informed the Board that she intends to step down as Chief Financial Officer and as a Board director of Eurowag to pursue her other interests. To support an orderly transition, Magdalena will remain with the business for the next six months to support the business as it completes the acquisition of Inelo and finalises the Group's 2022 full year results.

The Group has clear succession processes in place and will provide a further update on the recruitment of a new CFO when appropriate.

Capital Markets Day

Eurowag intends to host a Capital Markets Day on 25 April 2023. Save the Date and details will be circulated in due course.

Outlook

¹ Inelo connected trucks represent the number of medium and heavy commercial vehicles over 3.5 tonnes that have an Inelo on-board unit installed within the vehicle.

Whilst Eurowag has navigated with confidence through the challenging environment, the Board notes that there are 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, following the completion of the acquisition of Inelo, Eurowag expects to continue to deliver organic net revenue growth of between high teens and low twenties per cent over the medium-term. The acquisition of Inelo significantly increases the revenue contribution to the Group from the mobility solutions segment, which has lower operational gearing, but generates naturally more recurring revenues. Consequently, the change in the revenue mix may impact the pace of the margin expansion of mid-forties trending to high-forties per cent over the medium-term.

The Group continues to expect transformational capex to be €50m in aggregate for 2022 to 2023 and ordinary capex to be approximately a high single digit percentage of net revenue over the medium term. The Group expects to exceed the top end of its leverage target by around half a turn of adjusted pro-forma EBITDA on completion of the acquisition of Inelo, and return back to the leverage target range of 1.5x to 2.5x in the near term.

Martin Vohánka, Founder and CEO, commented:

“The Group delivered another quarter of strong organic growth, in line with management’s expectations. This performance is testament to the value our platform provides to the CRT sector.

Maintaining capital discipline while pursuing strategic growth opportunities is a key priority for Eurowag and the refinancing gives us the scope and financial flexibility to deliver our growth strategy while retaining a strong balance sheet, and also optimises our capital structure and liquidity position. The proposed acquisition of Inelo combined with our strategic partnership with JITpay takes us a significant step closer towards achieving our vision of delivering a fully integrated, digital end-to-end platform for the CRT industry.

On behalf of the Group and the Board, I would like to thank Magda for her dedicated service to Eurowag over the past three years. She has played an important role at a transformational time for the Group and her knowledge and expertise have been invaluable. Her many achievements include leading us through the IPO and recent refinancing, and further building Eurowag’s strong track record of delivering strategically important partnerships and acquisitions. Magda leaves the business well positioned to deliver further growth and achieve its objectives, and we wish her all the best in her future endeavours.”

Magdalena Bartos, CFO of Eurowag, added:

“It has been a privilege to help lead this Group over the last three years and I would like to thank the talented and dedicated team at Eurowag for their support in developing this company into what it is today. The milestones we have hit are a testament to the strength of the business and our work together. While now is the right time for me to step aside and allow someone else to deliver the next steps in Eurowag’s journey, I remain committed to the business and will ensure a smooth transition. I look forward to seeing the Group go on to realise its full potential as it continues to move from strength to strength.”

ENQUIRIES

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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 ecosystem and high-quality customer service. <https://investors.eurowag.com>

The person responsible for arranging the release of this announcement is Tomáš Novotný (Head of Investor Relations).