EUROWAG

Transforming the European transportation industry

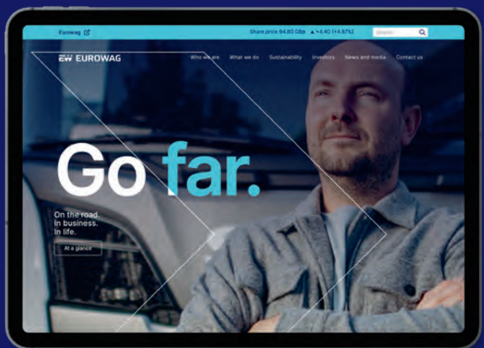
Annual Report and Accounts 2023

EUROWAG

Creating our industry's first digital platform

Eurowag is a leading pan-European integrated payment and mobility platform, focused on the commercial road transport ("CRT") industry.

We want to help the CRT industry become clean, fair and efficient through our comprehensive and unique suite of services.



Scan the QR code or visit:
www.investors.eurowag.com

Highlights

Financial highlights

Net revenue*

€256.5m
+34.4%
+14.5% organic*

2023	€256.5m
2022	€190.9m
2021	€153.1m

Adjusted EBITDA margin*

42.4%
-0.4pp
-0.9pp organic*

2023	42.4%
2022	42.8%
2021	45.5%

Loss before tax*

€(39.3)m
Adjusted profit before tax*
€56.7m

2023	€(39.3)m
2022	€28.0m
2021	€17.7m

Adjusted basic earnings per share (cents/share)*

6.49
+12.8%
-6.8% organic*

2023	6.49
2022	5.75
2021	5.77

Basic earnings per share (cents/share)*

(6.62)

2023	(6.62)
2022	2.41
2021	1.54

* Please refer to the Financial review on page 32 for a full explanation of highlights, including organic, and to Note 11 of the Financial statements for a definition of the alternative performance measures.

Operational highlights

18,379
average number of active payment solutions customers
+8.4%

2023	18,379
2022	16,950
2021	15,020

93,882
average number of active payment solutions trucks
+6.5%

2023	93,882
2022	88,189
2021	82,640

Sustainability targets

50%
reduction of carbon emissions from own operations by 2030
-10.9%[2]

2023	4,353 tCO_2e[1]
2022	3,439 tCO_2e
2021	2,667 tCO_2e

20%
reduction of customers' carbon emissions intensity by 2030
-0.5%[2]

2023	73.9 gCO_2e/tkm
2022	70.7 gCO_2e/tkm
2021	71.2 gCO_2e/tkm

40%
female representation in "all people leaders" group by 2025
+4pp

2023	35%
2022	31%
2021	28%

Notes:
1. tCO_2e or tonnes of carbon dioxide equivalent.
2. From baseline year 2019.
Please refer to the Sustainability section on page 51 for a full explanation.

Contents

Chairman's statement

Continued delivery for our stakeholders

Dear fellow shareholders,

During 2023, the Group continued to deliver robust growth despite macro pressures, during a period of economic instability in the European markets. The macro factors included the continued war in Ukraine, the conflict in the Middle East, high interest rates and inflation, which have impacted the CRT industry through a slowdown in freight demand. Our purpose to help the CRT industry become clean, fair and efficient is becoming increasingly important.

Eurowag continues to make significant progress towards developing an integrated digital platform and securing its position as a leader in the digitisation of the CRT industry.

Delivering growth

I am delighted that, through an environment of economic instability, the Group was able to deliver double-digit organic growth in 2023. The continued performance against the multi-year background of macroeconomic headwinds across Europe demonstrates the resilience of Eurowag's business model.

M&A and integration

I was pleased that our Company was able to complete the acquisition of Grupa Inelo S.A. ("Inelo") during March 2023. Inelo's presence in Central and Eastern Europe ("CEE") as a provider of integrated transport technology to the CRT industry will allow our Group to build, scale and strengthen our footprint in the core markets of Poland and Slovenia.

During the year, Eurowag completed the integration of WebEye Telematics Zrt ("Webeye"), which was acquired during the summer of 2022, including the alignment of sales forces into a single agile team. The ongoing work to integrate Inelo is prioritising cross-sell opportunities and the consolidation of the product line and will continue throughout 2024.

Digital platform

Our M&A strategy has been directed to the development of our digital platform and the Group has made significant progress towards a single end-to-end digital platform where customers can access all Eurowag's services. The platform is supported through establishing a data platform that improves our data and analytics, and reporting governance which will be important for customers as the industry digitises.

"**Eurowag continues to make significant progress towards developing an integrated digital on-road platform.**"

Confidence in the Eurowag team

I would like to extend my gratitude, and that of our Board, to Eurowag's employees for their contribution, dedication and hard work during 2023, and without whom the Group's achievements would not have been possible. The success of our Group in the past year and for the future is due to the people that made it possible, which is increasingly true as Eurowag continues to grow and deliver on its promises through difficult macro conditions.

Environmental, social and governance ("ESG") commitments

Our Board remains committed to Eurowag's aim to help the CRT industry become clean, fair and efficient. That ambition is supported by our climate and sustainability targets which were set during 2021 and 2022 and complemented by robust governance and a strong belief in our goal from our employees.

I encourage shareholders to read more in our Engaging with stakeholders section on page 28 and the Sustainability section which includes our reporting against the Task Force on Climate-related Financial Disclosures ("TCFD") targets, on page 51 of this Annual Report and Accounts. You can also find more information in our Sustainability report, available on our website.

Board changes

During the year, there were several changes to the Board. Magdalena Bartoś stepped down as Chief Financial Officer, and we welcomed Oskar Zahn to the role. Caroline Brown, who chaired our Audit and Risk Committee, stepped down as Independent Non-Executive Director and Steve Dryden joined us as Independent Non-Executive Director, taking on the responsibility of chairing the Audit and Risk Committee.

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

I would like to thank Magdalena, Caroline and Susan for their contribution to the Board and the Company as a whole.

The future

Looking forward to 2024, our Board will ensure that we continue to deliver on the commitments made during, and since, our IPO. Our Company continues to grow its addressable market whilst strengthening its market position. In 2024, the Company's focus continues to be on the integration of acquisitions, the Q4 soft launch of the digital platform, and management of debt, which has grown following the acquisition of Inelo.

Paul Manduca
Chairman

Our history

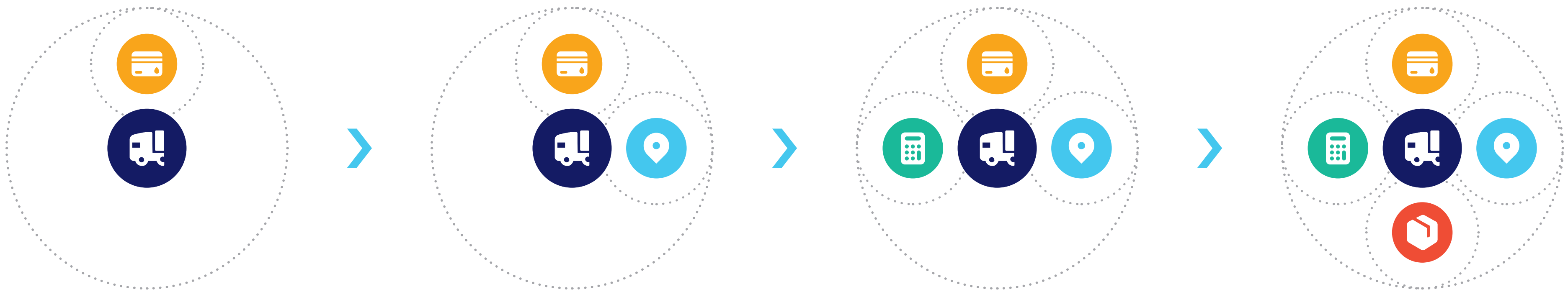
Journey to an integrated digital platform

Payment provider for energy and toll payments

Digital provider of services

Payments and financing provider

End-to-end integrated digital platform



Expansion 1995-2016

Payment provider for energy and toll payments

- Building customer loyalty as a fuel card and toll payments provider
- From regional to leading CEE player
- Pan-European fuel and toll proprietary network
- Providing credit limits to our fuel card customers

Accumulation 2017-2022

Digital provider of services

- Acquiring and developing a broader suite of services, with data at the core
- Evolving strategy to address key CRT challenges
- Focusing on mission critical products for our customers
- One-stop shop for data solutions
- Piloting systems integration

Integration 2023+

Delivering an industry-first, end-to-end integrated platform, driving efficiency and supporting decarbonisation

- AI, data and connectivity at the heart of value creation
- Cross-selling centric design
- Scalability via strong digital and indirect original equipment manufacturer ("OEM") sales channels

Key:

Payments

Products and services

Financing

Load and dispatch

Investment case

Proven track record of growth

Resilience through business cycles

With around 30% net revenue and adjusted EBITDA CAGR over five years

Significant market opportunity

With €9 billion addressable market today

Robust business model

With around 42% adjusted EBITDA margin

Integrated digital platform will unlock significant value for our customers and industry

Improvements in revenue, cash flow and carbon reduction

Transforming our industry

The CRT industry is still very analogue, with complex administrative tasks, inefficient processes and operators that do not have access to technology or data insights and have little to no access to working capital. All these inefficiencies lead to pollution, in an industry that already creates >7% of the EU's carbon emissions[1].

We believe that through digitisation and our integrated platform we can help the industry to prosper and become clean, fair and efficient.

Note:
1. Source: https://op.europa.eu/en/publication-detail/-/publication/493b2403-7157-11ee-9220-01aa75ed71a1.

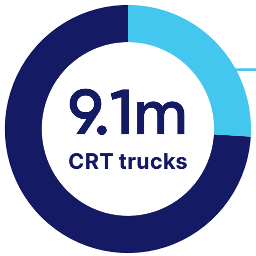
Market overview

1 An industry in need of transformation

The European CRT industry plays an essential role in the economy. It serves as the pillar of the logistics and supply chain network, and it provides for 20 million jobs across Europe[1], from manufacturers to logistics professionals, drivers, retailers and administrative staff.

It serves as the primary means of transportation of goods across the continent (75% of gross tonne kilometres driven are done via roads[2]), and it is vital for international trade, while also contributing to regional and economic development. The CRT industry significantly contributes to the gross domestic product ("GDP") of European countries and trucks play a key role in connecting manufacturers, suppliers and consumers. There are over 9 million commercial vehicles in Europe[3], ranging from light vehicles (under 3.5 tonnes) to heavy (over 12 tonnes).

The size of the European CRT market



26%
of CRT trucks in Europe are based in CEE

- Number of CRT trucks in Europe
- Share of CRT trucks in CEE

~5%
of European GDP

~20m
CRT-related jobs in Europe

Analogue
<13%
of road transport companies are digitised[4]

Complex
30+
administrative tasks for every journey

Fragmented
>90%
of operators are small and medium-sized enterprises ("SMEs") and lack access to technology and data insights[5]

Constrained
Limited
access to finance restricts earnings potential

Low utilisation
30%
of trucks on the road are empty[6]

Low profitability
3–5%
margins

Environmental impact
>7%
of greenhouse gas emissions ("GHG") in Europe[7]

Notes:
1. Source: Eurostat/internal company estimate.
2. Source: CVDD, page 40, issued 05/2021, BSG.
3. Source: IHS Markit Vehicle Parc, 01/2021.
4. Source: BCG Digital Acceleration Index.
5. Source: Eurostat.
6. Source: Internal company estimates.
7. Source: https://op.europa.eu/en/publication-detail/-/publication/493b2403-7157-11ee-9220-01aa75ed71a1.

Industry trends

2 Trends in our market

Trend	Description	How we respond
Market disruption and complexity	The geopolitical situation, influenced by the Russian invasion of Ukraine and more recently the war in the Middle East, high inflation and interest rates, has led to a decrease in product manufacturing and demand, which in turn has affected the overall number of kilometres driven.	With a long history spanning almost 30 years, we have become a trusted partner to our customers, through our mission critical product offering, which provides reliability and operational and financial visibility.
Digitalisation	While the adoption of digital technologies to optimise routes, tracking and fleet management has been slow, operators are seeing its advantage, as digitalisation will bring enhanced efficiency and cost savings.	We are focused on developing an integrated digital platform that consolidates our services into a single digital office. This will allow customers to manage their operations more efficiently and automate daily tasks. We are also focused on scaling up our digital payment solutions with real-time processing and fraud prevention, facilitating better financial planning and operations management. By providing real-time data and analytics, we enable customers to identify areas for improvement, enhance profitability and reduce costs.
Sustainability	There has been an increased focus on corporate sustainability reporting and due diligence practices. Ongoing regulatory developments relating to CO_2 emissions standards and measurements for CRT are aligned with the European Green Deal and initiatives to address climate change.	We leverage data and AI to enhance efficiency, and our solutions accelerate the prosperity of our customers in a low-carbon future. By simplifying operations, increasing profitability and eliminating inefficiencies, our solutions empower customers to invest in sustainable practices and retain more value.
Regulation	The CRT industry is heavily regulated, with stricter mobility packages being introduced that focus on adoption of cleaner technologies, compliance with emissions standards and safety standards for drivers.	We ensure full regulatory compliance across VAT returns, toll operations and measurement and calculation of CO_2 emissions, through our comprehensive customer operations knowledge.

At a glance

3 Connecting a fragmented industry

We connect business owners, drivers, dispatchers and accountants with merchants in the fuel and alternative energy networks, toll and tax authorities, and other roadside and mobility (data-centric) service providers.

To meet the requirements of our customers, we offer a comprehensive range of products that simplifies the complexities and fragmentation inherent in the CRT industry. Our established cross-sell strategy reinforces this offering, aiming to establish lifelong customer relationships.

Employees across all countries

~1,800

Access provided across Europe:

Fuel stations

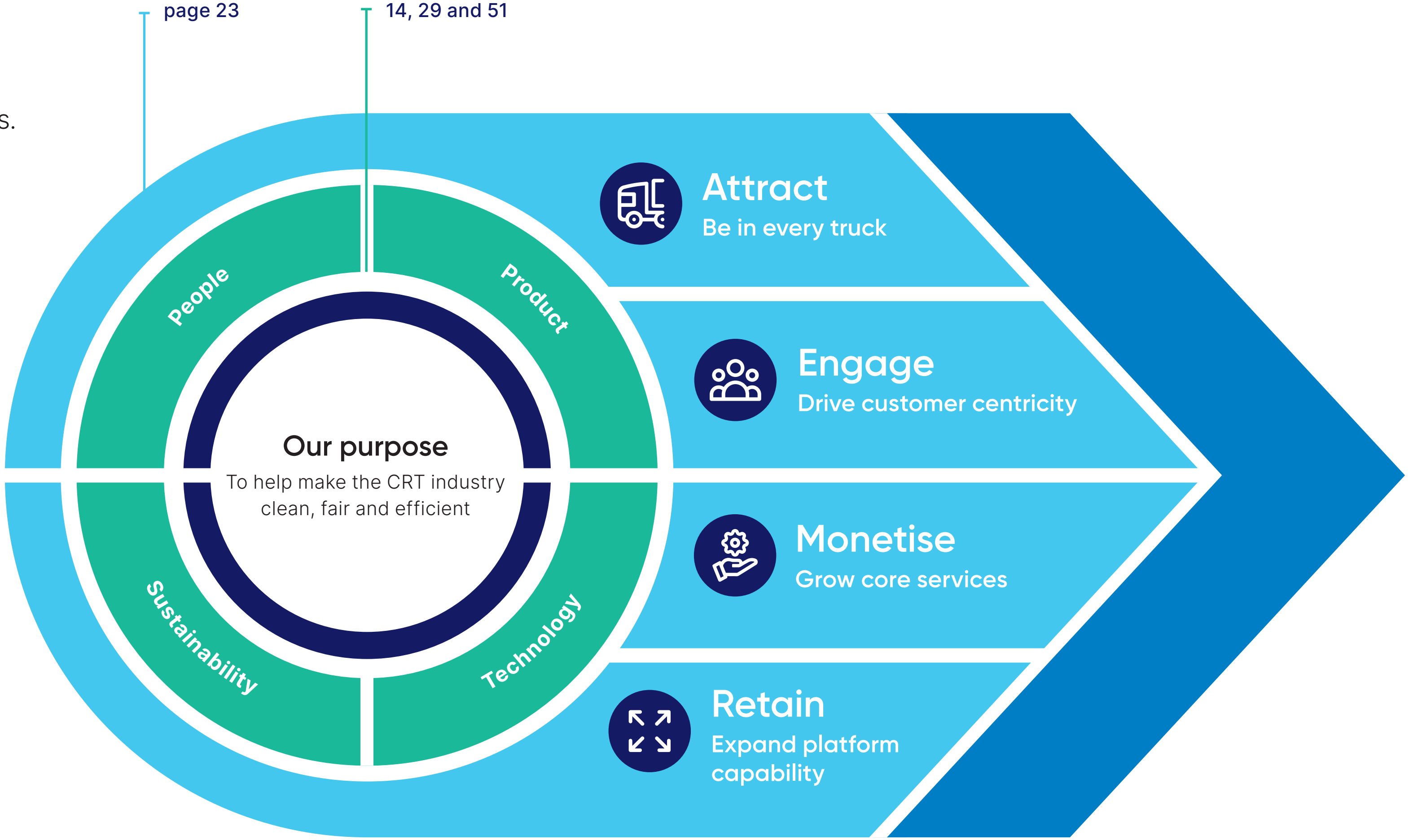
~13,000

Strategy

Read more on page 23

Enablers

Read more on pages 10, 14, 29 and 51



Digitising the industry with an end-to-end platform

Customers

EUROWAG

Sales channels

- Direct
- Indirect
- Digital
- Pricing

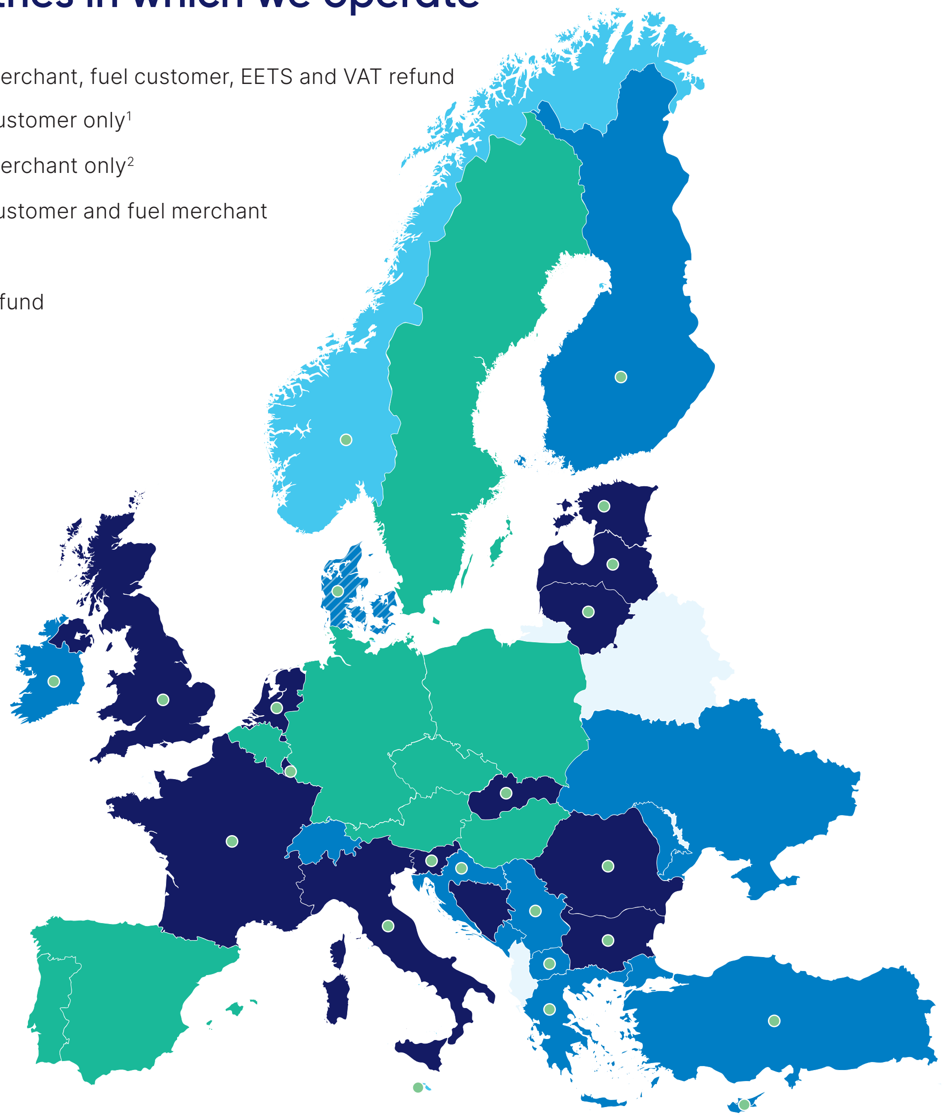
Products and services

- Energy and tolls
- Roadside services
- Financing
- Work time management
- Fleet management
- Tax refund
- Transport management
- Loads

Data and Internet of Things ("IoT")

Countries in which we operate

- Fuel merchant, fuel customer, EETS and VAT refund
- Fuel customer only[1]
- Fuel merchant only[2]
- Fuel customer and fuel merchant
- EETS[3]
- VAT refund



Notes:

1. Fuel customer countries: countries from where Eurowag customers originate.
2. Fuel merchant countries: countries where Eurowag has an acceptance network.
3. The European Electronic Toll Service ("EETS") is designed to enable the payment of tolls through a single contract, a single EETS provider and a single vehicle device throughout the EU. In Sweden and Denmark, EETS is provided only on bridges.

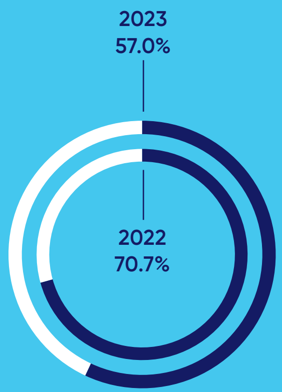
Our services

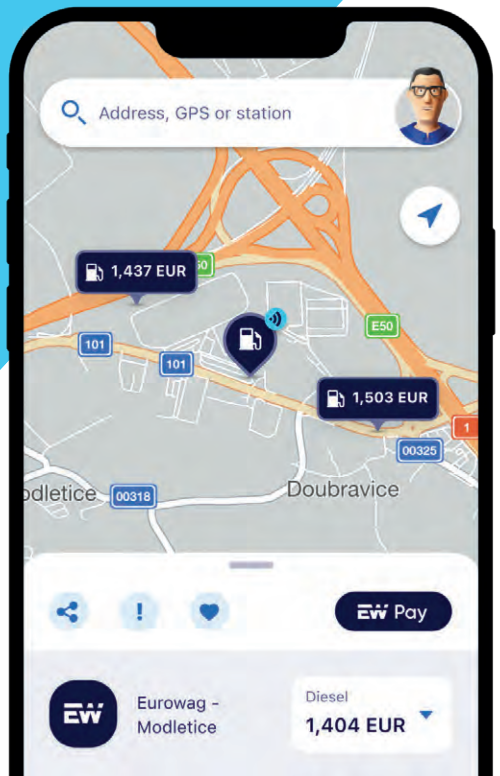
4 Payment solutions

The payment solutions segment represents the largest part of our business and it includes secure means of energy payments through pre- or post-paid fuel cards and toll payments. This is usually the first introduction our customers have to our services.

Visit www.investors.eurowag.com/what-we-do/payment-solutions

Contribution to Group net revenue





1 Energy payment solutions

We resell traditional and alternative fuel across Europe through our Eurowag fuel card, which also allows our customers to pay for tolls and roadside services. At the end of 2023, we had a total of around 13,000 stations across 25 European countries. As we continue to focus on supporting our customers in the transition to alternative fuels, at the end of 2023 we had a total of 387 liquefied natural gas[1] ("LNG") stations, which represents more than half of the European market. Our compressed natural gas[2] ("CNG") network had 184 stations.

2 Toll payment solutions

Similar to our energy payment solutions, our toll solution offers our customers the option to pre- or post-pay on European toll road networks. Through our enhanced vehicle assistant ("EVA") on-board unit ("OBU"), our customers can use one device to navigate EETS, while at the same time taking advantage of our other integrated services, such as fleet management and fraud prevention.

During 2023, we saw an almost four times increase in devices sold, compared to 2022. We have EETS licences in Germany, Belgium, Austria, Poland and bridges in Sweden and Denmark, and this year we received certification for Czech Republic, Hungary, Spain and Portugal. We continue to apply for EETS licences across Europe, and can provide tolling services in 23 countries and five major tunnels across Europe, and co-operate with 80 partners.

Notes:

1. Liquefied natural gas is natural gas that has been cooled down to liquid form. Natural gas burns significantly cleaner and produces lower emissions of sulphur, nitrogen and carbon dioxide into the atmosphere.
2. Compressed natural gas is a natural gas under pressure that remains odourless, clear and non-corrosive. Therefore, it is a greener, cheaper and more efficient fuel.

Case study

Creating efficiencies for our customers

Traditionally, fuel has been the main product that brings customers into our ecosystem. Once they sign up, we can analyse their behaviour and suggest other products that are relevant to them, either related to smart routing, toll or tax refund services. Once the customer starts using multiple products, we can create a customer value proposition that allows them to see the benefit of having all their services connected.

Customer benefits:

Cost savings
An integrated product package minimises operational costs.

Efficiency gains
Through streamlined processes, such as receiving all invoices from one source and automated processing of invoices, customers save time and effort and can focus on core business activities.

Enhanced security
Through the integrated free fraud protection system in all EVA OBUs, customers are safeguarded against potential financial losses.

Convenience
Through a simplified billing system and central ecosystem, customers' administrative burdens are reduced.

Sustainability
Through increasing efficiency in fuel and vehicle utilisation, our customers can save costs and reduce their GHG emissions.

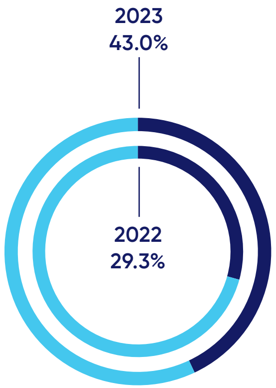
Our services continued

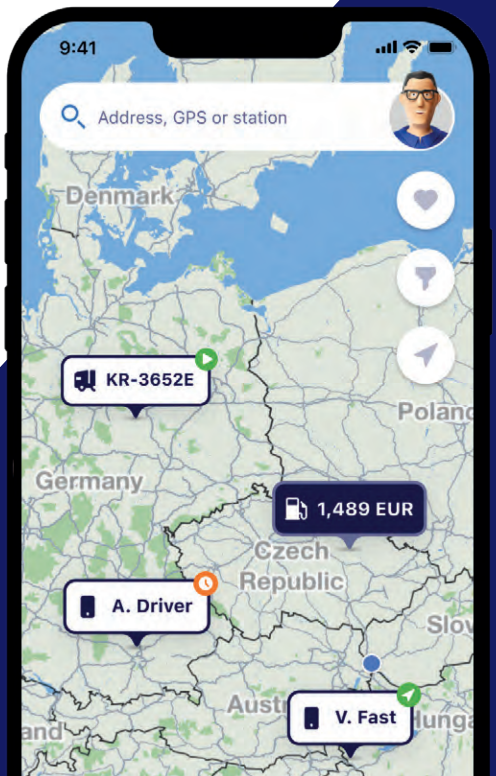
5 Mobility solutions

The mobility solutions segment offers our customers Software as a Service ("SaaS") solutions, such as fleet management, work time management, transport management, location-based products, navigation apps and tax refund services.

Visit www.investors.eurowag.com/what-we-do/mobility-solutions

Contribution to Group net revenue





1 Fleet management solutions

Through our fleet management solutions, dispatchers and drivers gain insight into their vehicles. By monitoring maintenance schedules and tracking fuel usage, driving times, loads and other metrics, they can improve efficiency, which in turn leads to reductions in costs and emissions, thus ensuring an environmentally conscious approach to fleet operations.

2 Work time management

We offer work time management through Inelo's proprietary software, which allows analysis and settlement of drivers' working time. In 2023, an average of more than 4,200 customers and more than 56,000 drivers used the service monthly, and we held training webinars for transport companies with over 10,000 participants.

3 Transport management

Through Inelo's transport management software, users can plan transportation routes, delivery co-ordination and driver control. Through order acceptance, monitoring delivery, and settlement and reporting, the software streamlines end-to-end order management, and automates all logistics processes.

4 Location-based products and services

Through Sygic, we offer smart navigation products, location-based services and mobile navigation apps. The Fuelio app, powered by Sygic's routing algorithms, shows all fuel stations along the route, accompanied by advanced filtering options. Users can now access detailed information regarding fuel prices at each station along the route, including average prices per country or specific station brands.

5 Tax refund services

Our tax refund services are available to customers in the 27 EU member states, as well as in the UK, Norway, Turkey, Serbia and North Macedonia. The services include tax refund on standard VAT, partial excise duty refund, pre-financed VAT and advanced payment of excise duty.

Case study

Mobility integration powered by Inelo

CRT companies face numerous challenges, from regulatory compliance to lack of efficiency. Through our Inelo acquisition, we can now combine work time management and transport management software in a cohesive support system.

Customer benefits:

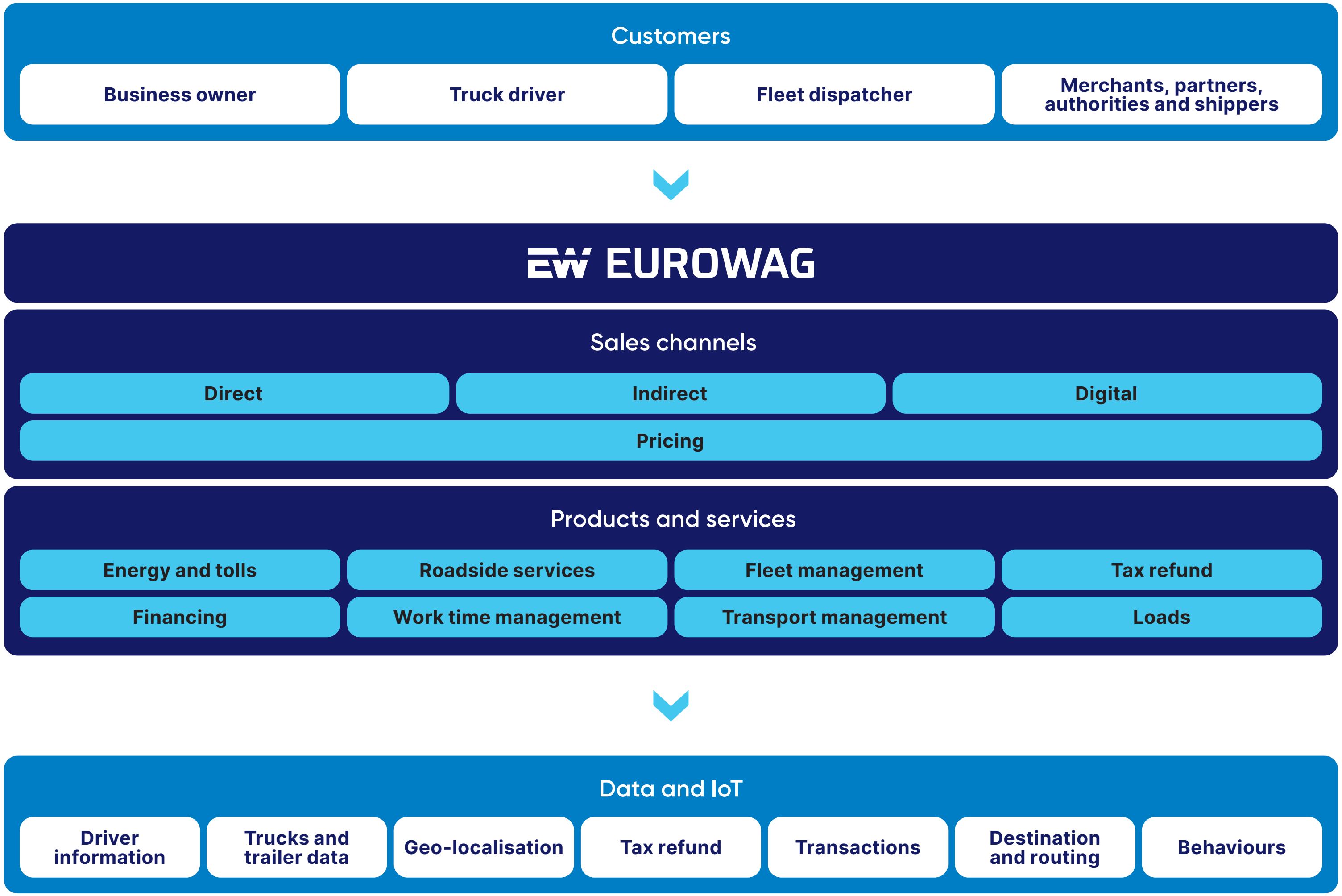
- **Streamlined operations** – by using all Inelo's services, fleet owners gain a comprehensive view that allows them to manage their operations seamlessly. They can streamline processes, from regulatory compliance to freight management, which in turn improves overall efficiency
- **Enhanced regulatory compliance** – by relying on work time management for regulatory support, companies can ensure they stay compliant with the ever-changing regulations within the CRT sector. This will reduce the risk of penalties and disputes with authorities
- **Improved planning and execution** – by using the upgraded transport order planner and the transport management navigator's integration with telematics, companies can optimise routes, monitor vehicle status and automatically update order status
- **Automated workflows** – FireTMS has seen many new features in 2023, including truckMatching for quick vehicle searches, efficient load allocation through the planner and advanced map features. By automating tasks such as route editing, load allocation and order management, companies can reduce manual effort, minimise errors and accelerate the decision-making process
- **Increased revenue and customer satisfaction** – by taking advantage of Inelo's product offering and integrating all products in their operations, transport companies can see increased revenue opportunities, as they can handle more orders, attract new customers and expand market reach. Features like the Driver mobile application can enhance communication, transparency and collaboration between drivers, which improves service quality and customer loyalty

Our integrated digital platform

6 An integrated digital platform

Our integrated platform will allow carriers to use one integrated application for most of their business activities.

Historically, all these products would have been sold by single providers, with little to no digital integration, making the lives of small and medium-sized transportation companies difficult and inefficient. All of the products and services we have acquired or built over time generate a unique set of data from every point of our customers' journeys. Putting all of these data points onto one application allows us to develop meaningful customer insights and therefore provide transformative digital tools for customers which will fundamentally transform their businesses and, as a consequence, the CRT industry. This platform will eradicate the inefficiencies an drive improvements in revenues and cash flows and, more importantly, by reducing the number of empty trucks on the road, we will help bring down the amount of carbon emissions produced across the whole industry.



Our digital platform roadmap

Design and pilot phase

Product

- Map customer journeys
- Design and develop digital channel touch points
- Collaborate with automotive OEMs to integrate the new navigation app
- Integrate business services required for pilot
- Prepare freemium business model and premium pricing

FY 2024

Soft launch in Q4 2024

Technology

- Create a service-oriented architecture and governance
- Develop technology platform components required for pilot
- Implement a new enterprise resource planning ("ERP") system and migrate data
- Develop new integrated data platform

Live phase

Product

- Continue to improve integrated front end to support customer journeys
- Roll out digital sales channel across Europe
- Develop functionality to support an indirect sales channel
- Continue to develop integrated business services
- Continue to evolve pricing models, including new bundled subscription

FY 2025

Technology

- Continue closing the gap with the existing solutions
- Develop rich analytics and AI tools for customer insights
- Decommission old legacy ERP systems
- Discontinue old legacy websites, apps and hardware
- Design and certify new integrated hardware OBU

"After many years of building and acquiring various mission critical data services, we are excited to launch the industry's first digital platform in FY 2024, which will bring transformational benefits to our customers."

Martin Vohánka
Chief Executive Officer

Case study

Customer benefits of one application

Carlos
Fleet owner

Motivation
- Run a profitable business, while being able to pay commitments
- Establish long-term relationships with partners, ensuring consistent work whilst remaining competitive
- Secure employees' income, be a trusted employer and provide good working conditions

Frustration
- Increasing fuel costs
- Increased costs due to unforeseen challenges whilst on the road
- High driver turnover
- High expectations from partners and limited data availability

Isabella
Dispatcher

Motivation
- Responsible for daily operations regarding relevant routes
- High utilisation for the trucks she is responsible for
- Help drivers with their daily work
- Manage everything within normal working hours

Frustration
- Dependency on driver behaviour discipline and vehicle conditions
- Multiple apps to use
- High responsibility
- Always needs to be available

Viktor
Truck driver

Motivation
- Is able to make decisions
- Receive agreed salary on time and bonus for driving efficiently
- Minimise waiting times at stops, borders and in traffic

Frustration
- Poor conditions of truck parks from rest places, food and sanitation
- Too many administrative tasks
- Hard to keep track of mandatory compliance requirements
- Continuous waiting hours (border crossing, traffic jams)

Platform benefits:

Fleet owners

- Manage their business more efficiently, have better communication with their employees and make timely business decisions
- Fast access to financing, working capital management and self-service tax refund services

Dispatchers

- Monitor vehicle utilisation, transport planning and route management from one application
- Access to all the necessary data, without having to switch between systems or paper
- Fewer manual processes and faster decision making through the use of AI tools and better data insights

Truck drivers

- Improve driving behaviour and driving time, through better navigation and truck utilisation
- Ease the burden of administrative tasks
- Better visibility of regulatory obligations
- Be part of a community

Business model

How we generate revenue

Payment solutions (57% contribution to net revenue)

Recurring and transaction-based revenue streams

Energy payments

- Number of transactions (x) average unit per transaction (x) fee per unit

Toll payments

- Processed volume (x) % take rate

Mobility solutions (43% contribution to net revenue)

Recurring subscription and other fee-based revenue streams

Transport management

- Subscription based

Fleet management

- Subscription based

Work time management

- Subscription based

Tax refund

- Processed volume (x) % take rate

Smart routing

- Subscription based and lifetime licence fees

Other adjacent services

- Various

Growing our business

Historically, customers are drawn into our ecosystem through fuel. Once they sign up, we leverage data insights to recommend other products in an offering tailored to their needs, which includes toll, transport and fleet management, work time management, tax refund services or smart routing.

As customers start engaging with more products, we will produce a customer value proposition that highlights the advantages of having all services in the same place, thus increasing stickiness and customer loyalty.

How we enable value creation

Pan-European fuel network

- Our fuel card is supported at around 13,000 stations across Europe
- Strong relationships with fuel suppliers across Europe and continued focus on growing our alternative fuel acceptance network

Mission critical data to support SME businesses

- Almost half our revenues come from data-centric products
- We capture data across every touch point of our customers' journey, and we leverage our insight into the CRT industry's needs, to help our customers transition towards a net zero future
- Supporting the digitisation of the industry

Speed and efficiency

- One-stop shop – we can support our customers with most of their business needs, including one bill for all their products and services
- Our toll EVA OBU can be used in 23 countries across Europe, keeping our customers' trucks moving
- Customers process their tax refunds digitally, saving them money and time
- Our smart routing calculates the fastest and most efficient route for a truck, including the cheapest fuel along the route
- Our driver behaviour feature identifies opportunities for emissions and cost savings

Trusted and loyal brand

- Almost 30 years in the industry
- Offer financial solutions for customers who have working capital needs
- Net Promoter Score ("NPS") of 41.8, increasing from last year (40.7)
- Build lifelong relationships – the more services taken, the lower the churn

Value created for stakeholders

Customers

Engaging our customers in product development is an ongoing process that involves interviews, problem definition, collaborative idea generation, implementation, and measurement using customer insights and metrics.

Read more about Eurowag's interaction with customers on page 28

Suppliers

Retaining and attracting vendors is essential for our business success, allowing us to offer competitive prices and high quality, while also ensuring that environmental and social issues are properly managed.

Read more about Eurowag's interaction with suppliers on page 29

Employees

Our purpose and values guide every decision. With a culture that emphasises diversity, we foster a wide range of skills. We support employees in self-development through various initiatives.

Read more about Eurowag's interaction with employees on page 29

Investors

Our business model, driven by resilient growth, creates value for shareholders.

Read more about Eurowag's interaction with investors on page 30

Society and the environment

Committed to making the CRT industry clean, fair and efficient, we support our customers to make more carbon efficient journeys and drive initiatives that support our short and long-term decarbonisation goals, aligning our operations to EU net zero targets, whilst also focusing on giving back to our communities.

Read more about Eurowag's interaction with society and the environment on page 30

Policy makers, regulators and government

We engage with regulators to ensure compliance with relevant requirements. We closely monitor policy and regulatory developments in Europe and our key markets.

Read more about Eurowag's interaction with policy makers, regulators and government on page 31

Chief Executive Officer's review

Industry pioneers creating a digital future

Dear readers, dear friends of Eurowag,

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

Transforming the business

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

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

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

Our financial and operating highlights

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

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

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

People and culture are the foundation to Eurowag's success

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

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

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

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

Acquiring product capabilities to support our customers and new platform

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

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

> **"After many years of building and acquiring various mission critical data services, we are excited to launch the industry's first digital platform in FY 2024, which will bring many benefits to our customers."**

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

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

Chief Executive Officer's review continued

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

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

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

Sustainability

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

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

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

The future belongs to those who learn and collaborate

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

Martin Vohánka
Chief Executive Officer

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

Our strategy

Delivering on our ambitions

2023 strategic priorities

Key

1 Product demand decline risk
2 Fuel supplies risk
3 EETS compliance risk
4 External parties' dependencies risk
5 Technology security and resilience risk
6 Personnel dependency risk
7 Climate change risk
8 Physical security risk
9 Regulatory and licensing risk
10 Clients' default risk
11 Processes execution risk
12 Liquidity risk

Attract
Be in every truck

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

Focus in 2024
- Training the direct sales teams to become more advisory, including further integration of Inelo's sales team
- Start to bring together all our sales channels into a customer-centric omnichannel
- Deliver software to OEM partners for installation in all new truck infotainment system
- Expand customer base in new geographies
- Integration of electric vehicle ("EV") charging points into our closed-loop network

Links to risk 1 3 4 5 6 7 9 10 11 12

Engage
Drive customer centricity

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

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

Links to risk 1 3 4 5 6 7 9 11 12

Monetise
Grow core services

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

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

Links to risk 1 2 3 4 5 6 7 8 9 10 11 12

Retain
Expand platform capability

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

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

Links to risk 4 5 6 7 9 11 12

Our strategy continued

Clear long-term ambitions set

Attract

Today
- 95% of sales via direct channel
- ~€500 cost to acquire per truck
- ~250,000 active trucks, of which ~170,000 connected trucks

Ambition
- Over 50% of customers onboarded digitally
- <€300 cost to acquire per truck
- 1 million active trucks, of which ~700,000 connected trucks

Engage

Today
- Highly analogue industry
- Lack of tools for job optimisation
- Low profitability

Ambition
Customer benefits
- Up to 20% annual revenue growth per truck
- Up to 10% cost savings
- Up to 20 tonne annual reduction in CO_2 emissions per truck

Monetise

Today
- ~Three products out of four
- 0.1% of issued invoices by customers financed through Eurowag

Ambition
- >Six products combining software, payments and financing
- 40% of issued invoices by customers financed through Eurowag

Retain

Today
- ~55% payment revenues
- ~45% mobility revenues, of which ~62% subscription revenues

Ambition
- >60% of revenue contribution from subscription
- >20% of revenue contribution from financing

Key Performance Indicators

Measuring our performance

Financial KPIs

Net revenue[1] (€m)

256.5

+34.4%*

+14.5%* organic[2]

Year	
2023	256.5
2022	190.9
2021	153.1

About this KPI

Net revenue represents revenues from contracts with customers less cost of energy resold to customers. The Group believes this measure is relevant to an understanding of the Group's financial performance on the basis that it adjusts for the volatility in underlying energy prices. FY 2023 organic revenue growth excluding acquisitions was 14.5% to €218.6 million.

Adjusted EBITDA margin[1] (%)

42.4%

-0.4pp*

-0.9pp* organic[2]

Year	
2023	42.4%
2022	42.8%
2021	45.5%

About this KPI

Adjusted EBITDA margin represents adjusted EBITDA for the period, divided by net revenue. FY 2023 organic EBITDA margin excluding acquisitions was 41.9%.

Loss before tax (€m)

(39.3)

Adjusted profit before tax[1] €56.7m

Year	
2023	(39.3)
2022	28.0
2021	17.7

About this KPI

The year-on-year decline was impacted by amortisation from acquired intangibles, finance costs, a non-cash goodwill impairment of €56.7m and other adjusting items[1]. Excluding this, adjusted profit before tax was €56.7 million.

Adjusted basic earnings per share[1] (cents/share)

6.49

+12.8%*

-6.8%* organic[2]

Year	
2023	6.49
2022	5.75
2021	5.77

About this KPI

Adjusted basic EPS is calculated by dividing adjusted earnings attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

Basic earnings per share (cents/share)

(6.62)

Year	
2023	(6.62)
2022	2.41
2021	1.54

About this KPI

The year-on-year decrease was predominantly due the Group reporting a loss for the full year 2023 related to a non-cash goodwill impairment of €56.7 million during the year, reflecting macroeconomic pressures and slowing net revenue growth during the annual impairment review.

Notes:
1. This is an APM; a reconciliation to IFRS measures can be found in Note 11 of the Notes to Financial statements.
2. Organic growth for the year represents Group growth, excluding Inelo and related synergies and integration expenses.
* Percentage change 2022 – 2023.

Key Performance Indicators continued

Operational KPIs

Average number of active payment solutions customers

18,379

+8.4%*

2023	18,379
2022	16,950
2021	15,020

About this KPI

Number of payment solutions active 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.

Average number of active payment solutions trucks

93,882

+6.5%*

2023	93,882
2022	88,189
2021	82,640

About this KPI

Number of payment solutions active 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.

Number of payment solutions transactions (m)

37.4

+6.3%*

2023	37.4
2022	35.2
2021	32.5

About this KPI

Number of payment solutions transactions represents the number of payment solutions transactions (fuel and toll transactions) processed by the Group for customers in that period.

Note:
* Percentage change 2022 – 2023.

Sustainability KPIs

Customers' GHG emissions intensity

73.9 gCO_2e/tkm

-0.5%**

2023	73.9
2022	70.7
2021	71.2

About this KPI

The KPI represents a weighted average performance of the last 12 months across the Eurowag portfolio equipped with telematics units for measuring distance, fuel consumption and vehicle weight. It is calculated as the total emissions in CO_2e divided by the total weight of the specific truck multiplied by the total kilometres travelled. It is expressed as mass of CO_2e per tkm.

Carbon emissions from own operations

4,353 tCO_2e

-10.9%**

2023	4,353
2022	3,439
2021	2,667

About this KPI

This KPI represents the total emissions expressed in tonnes of CO_2e for a given calendar year from direct operations (Scope 1 and 2 market-based) as defined by the GHG Protocol.

Diversity, equity and inclusion ("DEI") – female representation

35%

4pp*

2023	35%
2022	31%
2021	28%

About this KPI

This KPI represents the percentage of female people leaders with at least one subordinate in the last month of the calendar year.

Alternatively fuelled commercial vehicles using Eurowag solutions

780

121.0%*

2023	780
2022	353
2021	262

About this KPI

This KPI represents the number of alternative heavy-duty or light commercial vehicles using fuel or power sources which serve as a substitute for fossil oil sources, with at least one Group transaction in the last month of the calendar year.

Please refer to the Sustainability section for further information on the Sustainability KPIs

Notes:
* Percentage change 2022 – 2023.
** Growth compared to baseline year 2019.

Section 172

Engaging with our stakeholders

In accordance with the factors listed in Section 172 of the Companies Act 2006, the Directors provide the following statement that describes how they promote the success of the Group for the benefit of its members by engaging with key stakeholders to better inform their decision making.

Eurowag puts stakeholder considerations and sustainable business practices at the heart of its purpose: making the CRT industry clean, fair and efficient. The Non-Executive Directors of the Board were formally appointed in September 2021. The Board delegates certain engagement responsibilities to individual Non-Executive Directors and to the Senior Leadership Team, who provide the Board with updates on stakeholder developments and interests. This helps inform the Board in its decision making, including the development of business strategy. The Board recognises that proactive and two-way dialogue with stakeholders is critical to the Group's long-term success.

The content that follows highlights Eurowag's engagement with its key stakeholders during 2023.

Customers

Relationship description

Our business success depends on our ability to retain existing and win new customers.

Responsible person

Chief Commercial Officer

Key topics of interest for stakeholders and Board's focus

- Pricing actions in Poland, which led to product shortages
- Digital transformation: after establishing the capabilities and accumulating learnings from direct digital end-to-end customer acquisition in 2022, the Company started to explore an omnichannel approach, where the indirect channel (OEM partnerships), direct digital channel and traditional channel sales are synchronised, each channel concentrating on the customer segment that is best suited for the channel
- Competition
- Workforce availability, including drivers
- Regulatory burden and business costs in home markets and cross-border
- Health and safety on the road
- Availability of parking
- E-tolling changes in Poland
- Rising fuel prices linked to the geopolitical driven energy disruption

How we engaged in 2023

- Customer insight panels: we have successfully expanded our customer database to over 400 contacts, who are willing to actively participate in diverse research projects and activities, through interviews and testing
- Focus groups: during 2023, we led a brand awareness study targeting 500 non-customers across five strategic markets (Spain, Portugal, Poland, Romania and Hungary). We also conducted internal research projects and 30 individual in-depth interviews were conducted with both current Eurowag customers and prospective customers
- Indirect sales through leads generated by third-party relationships
- Co-creation and collaboration workshops for existing and new products

Considerations and outcomes in 2023

- Insights to support the development of our products and services
- Qualitative interviews expanded from the Czech Republic and Slovakia to Poland, Hungary, Romania, Bulgaria, Spain and Portugal. We have collected around 20,000 responses from 25 online quantitative questionnaires, achieving a response rate of approximately 10%
- Planning additional motivation strategies for insight panel and focus group participation
- Continuing to support customer safety and wellbeing (please refer to our sustainability targets on page 59)
- Monitoring customer complaints and NPS
- Strong focus on proactive reaction to customer complaints, improving quality of our services and customer service
- NPS now a KPI element of annual bonus targets and remuneration

Suppliers

Relationship description

Our business success relies on a resilient supply chain and our supplier relationships.

Responsible person

Senior VP for Energy

Key topics of interest for stakeholders and Board's focus

- Grey players active on the European market, with uncompetitively low prices
- Geopolitical risk (including war in Ukraine, instability around local elections)
- International sanctions against Russia and Belarus
- Product availability
- Industry trends: potential impact of energy transition
- Digital transformation
- Rising fuel prices and impact on credit limit

How we engaged in 2023

- Regular meetings with energy vendors
- Regular meetings with key corporate suppliers
- Participation in industry conferences

Considerations and outcomes in 2023

- Connected new vendors to our acceptance network (traditional and alternative fuels)
- Entered new market (Portugal)
- Extended bunkering sites network
  - Added hydrotreated vegetable oil[1] ("HVO") to our offer in our own truck parks (Ort im Innkreis, Austria)
- Secured bunkering volumes
- Compliance with legal requirements
- Self-sanctioning rules related to the Russian war in Ukraine

Employees

Relationship description

The skills, experience and commitment of our employees are key to the success of the business.

Responsible person

Chief Human Resources Officer

Key topics of interest for stakeholders and Board's focus

- Post-merger integration
- Flexible working arrangements
- Business change
- DEI in the workplace
- Cultural alignment
- Two-way communication

How we engaged in 2023

- Town Hall with Paul Manduca, Eurowag Chairman, and Town Halls focused on financial results
- Monthly All Hands meetings for each functional area led by the Senior Leadership Team and its management teams
- Monthly Group News session focused on specific areas of the business, such as Group Product News, Group Commercial News and Group Performance Management News
- Ask Martin Q&A video series
- Employee engagement event at Prague headquarters, with Paul Manduca, Eurowag Chairman, and Board members Mirjana Blume and Susan Hooper
- Employee engagement surveys and feedback
- Women at Eurowag network launch, meeting and events
- Bi-weekly newsletters and intranet announcements
- Chief Executive Officer and Chief Human Resources Officer regular country visits and Q&As
- Employee-led corporate social responsibility ("CSR") (read more about our community impact in the Sustainability section on page 61)
- International Women's Day event, where we were joined by Board member Sharon Baylay-Bell

Considerations and outcomes in 2023

- Employee Net Promoter Score ("eNPS") and engagement survey results review
- Focus on cultural change, purpose, strategy cascade and values
- Focus on two-way communication with the introduction of new channels, greater executive visibility, and regular follow-up and measurement
- Diversity and inclusion strategy implemented and women in leadership KPI targets measured and tracked
- Culture Champions award that recognises our colleagues for living our values

Section 172 continued

Investors

Relationship description

The support of our investors is critical to the delivery of our business ambition.

Responsible person

Head of Investor Relations and Communications

Key topics of interest for stakeholders and Board's focus

- Capital expenditure, particularly digital transformation and technological investment
- Debt leverage following recent acquisitions
- Cash flow
- Competitive landscape
- How macro headwinds impact our business model
- M&A strategy following our recent acquisitions
- Share liquidity

How we engaged in 2023

- Annual Report and Accounts and AGM
- Participation in investor conferences and roadshows across the UK, Europe and the US
- Two new analyst initiations, taking coverage to seven analysts
- Capital Markets Day event
- Investor and analyst visits to the headquarters in Prague to meet the Senior Leadership Team

Considerations and outcomes in 2023

- Updated investor communications, holding a successful Capital Markets Day event for investors and analysts
- Extended analyst coverage to broaden communications channels
- Increased our investor engagement, holding 270 investor meetings in the year, up from 130 the year before
- Updated our near-term guidance to reflect macro pressures and recent acquisitions
- Introduced Oskar Zahn, our new Chief Financial Officer, to the investment community

Society and the environment

Relationship description

We rely on communities, society and the environment, and our ambition is to deliver a clean, fair and efficient industry.

Responsible person

VP of Sustainability and CSR

Key topics of interest for stakeholders and Board's focus

- Changing stakeholder expectations and regulatory requirements
- Development of Eurowag's net zero commitments and action plan
- Impacts, risks and opportunities within ESG-related topics
- Board, Executive and Senior Leadership Team climate training
- Human rights risk management
- Sustainability action plan development and delivery
- Non-financial reporting and disclosure
- Development of sustainability KPIs in Group refinancing

How we engaged in 2023

- Further developed financial quantified assessment of climate risk, building on our scenarios
- Active public affairs engagement plan and relationships with trade associations

Considerations and outcomes in 2023

- Board climate training
- Sustainability Action Plan refresh and employee engagement (please refer to page 54 for our Sustainability Action Plan)
- Human rights training for all employees and Board members
- CSR programme (read more about our community impact in the Sustainability section on page 61)
- Near-term carbon reduction and long-term net zero targets embedded into work plans, with performance monitored quarterly by the Executive Committee

Policy makers, regulators and government

Relationship description

Relationships with policy makers, regulators and governments support our ability to manage our reputation and licence to operate in our chosen markets. We also use our role to educate policy makers on the specifics of our industry and to influence change for the improvement of our customers and markets.

Responsible persons

General Counsel, VP of Sustainability and CSR, VP of Legal and Compliance

Key topics of interest for stakeholders and Board's focus

- Evolving policy and legislation relating to corporate sustainability, due diligence, decarbonisation of the CRT industry, and related reporting requirements in Europe and key markets
- Engagement with the Financial Conduct Authority ("FCA") and local anti-monopoly authorities with respect to acquisitions
- Dialogue with representatives of the EU Commission, Council and Parliament, and representatives of member states on several topics
- Payment Services Directive review
- International sanctions against Russia and Belarus
- State regulations of margins and price caps for petroleum products
- Czech National Action Plan for Clean Mobility

How we engaged in 2023

- Participation in several international and local trade associations:
  - UPEI (Europe) – European fuel suppliers
  - CAPPO (Czech) – Czech Petroleum Association
  - FCE (Europe) – European fuel card providers
  - IVA (global) – International VAT Association
  - AETIS (Europe) – Association of Electronic Toll and Interoperable Service
  - EFP (Europe) – EETS Facilitation Platform – toll management association
  - IRU (global) – International Road Transport
  - Česmad (Czech) – Association of Road Transport Operators
- Engagement with FCA as a publicly listed company on the London Stock Exchange
- Engagement with the Czech National Bank as a payment services provider
- Dialogue with EU legislative bodies and representatives of member states on several topics:
  - Implementation of Vega case decision[2]
  - Legislative proposals on new Payments Services Directive and Payments Services Regulation ("PSD3" and "PSR")
  - Review of VAT Directive (initiative on VAT in Digital Age – "ViDA")
  - EU Greening Transport Package and proposed initiatives, CountEmissions EU and CO_2 emission standards for heavy-duty vehicles
- Engagement with anti-monopoly bodies in terms of M&A
- Engagement with custom offices in terms of fuel distribution and VAT refunds

Considerations and outcomes in 2023

- Position papers on PSD3/PSR, ViDA and Vega case matters via trade associations (UPEI, FCE)
- Participation in Experts Group for Vega case matter appointed by the Directorate General for Taxation and Customs Union ("DG TAXUD") of European Commission
- Position paper on CountEmissions EU
- DG TAXUD's guidelines on implementation of Vega case
- Industry position paper on clean mobility in the CRT sector in the Czech Republic

Notes:

1. Hydrotreated vegetable oil is a biofuel made by the hydrocracking or hydrogenation of vegetable oil. These methods can be used to create substitutes for gasoline, diesel, propane, kerosene and other chemical feedstock. Diesel fuel produced from these sources is known as green diesel or renewable diesel.
2. Based on several decisions by the European Court of Justice (for example C-235/18, Vega International Car Transport and Logistic from 15.09.2019 or C-185/01, Auto Lease Holland BV from 06.02.2003), the Directorate General for Taxation and Customs Union is preparing, in co-operation with a dedicated working group, guidelines regarding the treatment of fuel cards and fuel card transactions from a VAT perspective. The most important question is whether the fuel card issuer acquires the right to dispose of tangible property as owner and based on this assessment, whether the transaction will be treated from a VAT perspective as commission or supply of goods.

Financial review

Chief Financial Officer review

Sustained strong growth from our business critical products and services

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

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

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

Outlook

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

Oskar Zahn
Chief Financial Officer

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

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

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

Notes:
1. Net revenue, Adjusted EBITDA, adjusted EBITDA margin, adjusted profit/(loss) before tax, adjusted earnings (net profit), adjusted basic EPS are non-statutory measures which provide readers of this announcement with a balanced and comparable view of the Group's performance by excluding the impact of adjusting items, as disclosed in the section Alternative performance measures below and Note 11 of the accompanying Financial statements.
2. Organic growth for the year represents Group growth, excluding Inelo and related synergies and integration expenses.
3. Net leverage covenant calculation as per bank definition using adjusted EBITDA for the last twelve months. Net debt includes lease liabilities and derivative liabilities.

Financial review

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

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

Similarly, adjusted profit before tax grew 3.3% to €56.7 million (FY 2022: €54.9 million). Statutory loss before tax was €39.3 million (FY 2022 profit before tax: €28.0 million), impacted by amortisation from acquired intangibles, finance costs, a non-cash goodwill impairment of €56.7 million and other adjusting items.

Adjusted basic EPS increased to 6.49 cents per share (FY 2022: 5.75 cents), driven by higher adjusted earnings (net profit) attributable to equity holders. Basic EPS was (6.62) cents per share (FY 2022: 2.41 cents).

Performance review

Below is a summary of the segmental performance and explanatory notes relating to corporate expenses, adjustments, taxation, interest, investments and cash flow generation. As in prior years, adjusted and other performance measures are used in this announcement to describe the Group's results. Adjustments are items included within our statutory results that are deemed by the Board to be unusual by virtue of their size and/or nature. Our adjusted measures are calculated by removing such adjustments from our statutory results. Note 11 to the consolidated Financial statements includes reconciliations.

Financial review continued

Segments

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

Note:
1. Please refer to the section Alternative performance measures below for a definition and Note 11 of the accompanying Financial statements.

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

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

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

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

In terms of geographic breakdown, the Central cluster remains the largest segment with around 50% contribution of total net revenues (FY 2023: €128.6 million; FY 2022: €92.4 million).

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

Corporate expenses

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

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

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

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

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

Adjusted technology expenses increased by 46.3% year-on-year to €13.9 million (FY 2022: €9.5 million). This was the result of the Group's decision to focus on technology transformation, of which

€9.7 million is related to software support and licences, €1.6 million to data services and the rest is other IT services. Together with the consolidation of Inelo, this resulted in a €1.1 million year-on-year increase.

Adjusted other operating expenses increased by 37.3% year-on-year to €50.0 million (FY 2022: €36.5 million), in part due to the impact of Inelo consolidation of €7.9 million. Other operating expenses include costs such as travel, market research, professional services such as consultancy, legal and accounting services, etc.

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

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

Adjusting items

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

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

The Group has incurred acquisition related costs which are primarily professional fees of €4.4 million (FY 2022: €7.9 million) in relation to M&A activities, predominantly the Inelo acquisition.

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

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

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

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

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

Net finance expense

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

Taxation

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

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

Further details on tax are set out in Note 18 of the consolidated Financial statements.

Financial review continued

Earnings per share ("EPS")

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

Adjusted basic EPS for 2023 was 6.49 cents per share, which is a 12.8% increase compared to 2022. The weighted average number of ordinary shares in issue during 2023 amounted to 689,126,206 (FY 2022: 688,911,333). After accounting for the impact of the Long-Term Incentive Plan, adjusted diluted earnings per share was 6.46 cents per share.

Acquisitions and investments in subsidiaries and associates

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

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

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

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

For further information, please refer to Note 8 of the Financial statements.

Cash performance

	FY 2023 (€m)	FY 2022 (€m)	YoY (€m)	YoY change (%)
Net cash generated from operating activities	**30.9**	44.2	(13.3)	(30.1)%
Net cash used in investing activities	**(333.7)**	(104.3)	(229.4)	220.0%
Net cash used in financing activities	**247.1**	(18.2)	265.3	(1,459.2)%
Net decrease in cash and cash equivalents	**(55.7)**	(78.2)	22.5	(28.8)%
Cash and cash equivalents at beginning of period	**146.0**	224.2	(78.2)	(34.9)%
Cash and cash equivalents at end of period	**90.3**	146.0	(55.7)	(38.1)%
Interest-bearing loans and borrowings	**(407.1)**	(143.2)	(263.9)	184.4%
Net cash/(debt)	**(316.8)**	2.8	(319.6)	(11,226.7)%

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

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

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

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

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

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

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

Capital expenditure

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

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

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

Capital allocation

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

Financing facilities and net debt

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

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

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

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

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

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

During the year, the Group borrowed €180 million under Facility B to finance the Inelo acquisition and utilised €83.5 million (initially €50 million and a further €33.5 million) under the uncommitted Incremental Facility to finance capex and acquisition related payments. Further details are outlined in Note 30.

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

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

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

Subsequent events

Pay-out of deferred consideration
On 2 January 2024, the Group paid a deferred acquisition consideration of €5.0 million related to the acquisition of Webeye.

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

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

JITpay GmbH insolvency
On 22 March 2024, the District Court of Braunschweig appointed provisional insolvency administrator of JITpay GmbH, a holding company of JITpay group. The Group continues discussions with the other stakeholders to determine the impact on our investment, which had a valuation of nil as at 31 December 2023 (Note 9).

Financial review continued

Alternative performance measures ("APMs")

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

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

APMs are reconciled to the statutory equivalent, where applicable, in Note 11 of the accompanying Financial statements.

Outlook, near and medium-term guidance remains unchanged

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

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

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

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

Oskar Zahn
Chief Financial Officer

Risk management

Identifying and managing our risks

Risk identification, assessment and management are central within our internal control environment, and risk management is recognised as an integral element in ensuring that we undertake informed decision making and have optimal efficiency in our operating activities.

Overview

Risk management is an ongoing process. As with all businesses, our risks evolve constantly, along with the environment in which we operate. To pursue our strategic objectives, we have established a risk management framework that enables us to identify, evaluate, address, monitor and report effectively the risks we face and helps us achieve a balance between risks and opportunities.

Risk management framework

Our risk management framework is designed on the accepted system of three lines of defence and in accordance with the Financial Reporting Council's ("FRC") guidance on risk management, internal control, and related financial and business reporting. Within the three lines of defence, the first line manages and "owns" the risk; the second defines a uniform management framework for each risk category; and the third provides independent confirmation of the effectiveness of the risk management process. The Group's Internal Audit function is partially outsourced to KPMG concerning the audit's delivery.

The Board has overall responsibility for managing risks. This includes identifying and monitoring the principal risks that might prevent the Group from achieving its strategic objectives and determining the extent and severity of risks we are willing to undertake – our risk appetite. The Audit and Risk Committee acts on behalf of the Board and is responsible for supervising the design of the risk management framework and its activities. In addition, we have established a Business Assurance Committee comprised of members of the second line of defence, representatives of the business, and selected members of the Executive Committee. This Committee is responsible for more hands-on, systematic risk management activities, including reviewing governance, approving risk assessments, monitoring risk exposure and managing incidents. It escalates matters of importance to the Board's Audit and Risk Committee.

Three lines of defence

Risk appetite

The goal of risk management is to ensure that the Group is exposed only to certain types and severity of risk. This is defined as risk appetite. Risk appetite determines those risks that the Group is willing to take and how to reduce and avoid risk in pursuing our strategic and operational objectives.

Risk management continued

The Group recognises the following categories of risk appetite:

Low appetite – we are not willing to be exposed to the respective risks and thus all the risks need to be mitigated to the highest possible extent. This appetite corresponds to low risk rating.

Medium appetite – we are willing to be exposed to some of the risks falling into the category, to a limited extent. The full mitigation of these risks needs to be considered in the cost and business perspectives. This appetite corresponds to medium risk rating.

High appetite – we are willing to be exposed to the respective risks. The risks are monitored, however, and their mitigation is done opportunistically. This appetite corresponds to high risk rating.

The Board has ultimate responsibility for defining risk appetite, but the initial proposal comes from the Executive Committee. The Board ultimately reviews and approves this risk appetite and evaluates whether the mitigation measures assigned to principal risks are adequate. The Board also reviews whether the internal controls are adequate and effective. Risk appetite reviews take place at least annually, taking into account changes in our business environment, economic situation, geopolitical situation, internal initiatives, and developments in our exposure to principal risks.

Emerging risks

The Group continues to monitor and assess emerging risks (emerging risks are those which may develop but have a greater uncertainty attached to them). This is done through both bottom-up and top-down discussions held across the businesses and with select subject matter experts with an aim to identify new principal risks and changes in the existing ones. The ongoing Russian invasion of Ukraine, the escalating conflict in the Middle East and the macroeconomic situation in the EEA countries are deemed significant emerging risks. In particular, we keep under review the potential impact of these emerging risks to fossil fuel prices and the consequential impact within our business operations.

Principal risks

The principal risks are the Group-wide key risks that pose the highest threat to our business and strategic objectives. They are proposed by the Executive Committee and selected subject matter experts, with the Board ultimately responsible for defining and approving them. The process is as follows:

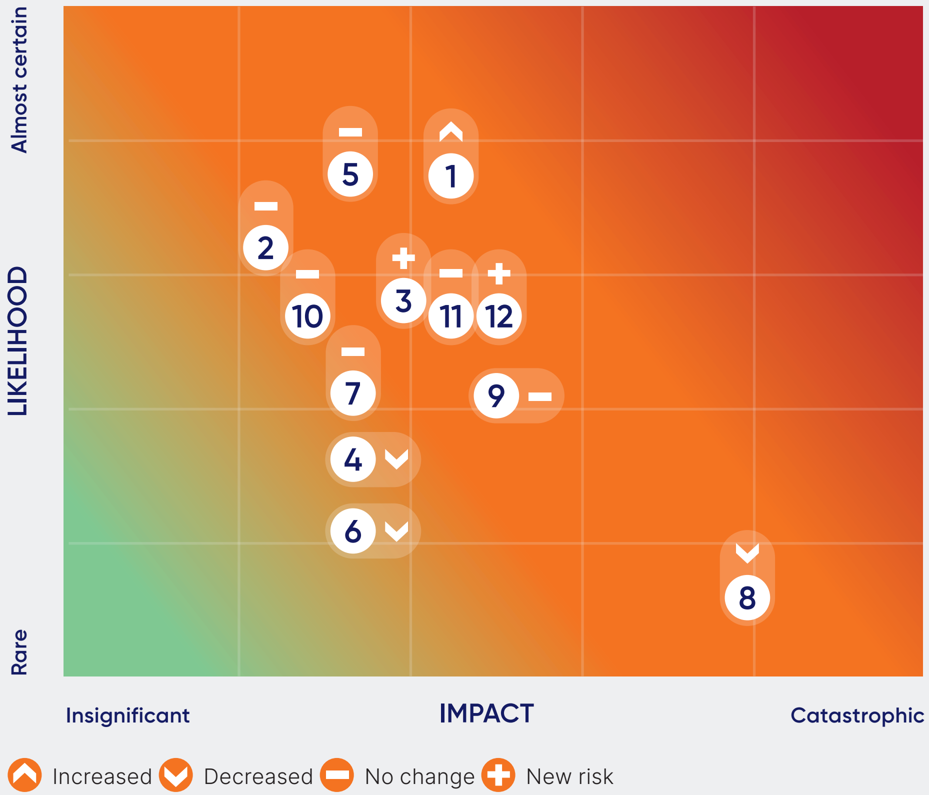
1. Identify the Group's key principal risks
2. Identify the current mitigation measures
3. Evaluate the identified risks – estimating their impacts and probability of happening
4. Determine the current trends in risk evaluation criteria
5. Identify forward-looking measures

The Audit and Risk Committee discusses and reviews the principal risks quarterly.

Principal risks heat map

The heat map below shows the outcome of the processes for the principal risks assessment. This shows the relative likelihood and impact of the principal risks identified. Risks rated as high and critical are devoted a significant focus on their further mitigation and monitoring.

1 Product demand decline risk
2 Fuel supplies risk
3 EETS SLA compliance risk
4 External parties' dependency risk
5 Technology security and resilience risk
6 Personnel dependency risk
7 Climate change risk
8 Physical security risk
9 Regulatory and licensing risk
10 Clients' default risk
11 Processes execution risk
12 Liquidity risk



Attract Engage Monetise Retain Increasing Stable Decreasing

Principal risks register

The list below provides further details on our identified principal risks, trends of their exposure and the mitigation measures implemented.

1. Product demand decline risk

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.

The economy continues to see indications of recession, persistent weaknesses in supply chains, which are now exacerbated by the shipping crisis in the Red Sea, continued high inflation, high nominal interest rates, volatile currencies and reduced customer demand. Eventual decline in demand would adversely affect the Group's current and prospective business and financial condition.

Risk trend

- Risk rating is at the level of the Group's approved risk appetite

Link to strategic priorities

Mitigation measures

- Reducing dependency on a single economy
- Reducing dependency on non-EUR currencies or hedging
- Diversification of products and services offering through new M&A activities and implementation of subscription-based revenues
- Geographical expansions – EU and non-EU countries
- Strategy positioning flexibility – thanks to wider portfolio of products, capability to adjust the offer for customers to meet their needs

2. Fuel supplies risk

The Group recognises a risk of insufficient fuel at its energy payments network, payments reducing across its network and increased prices of fuel (impact on clients), as a consequence of imposed sanctions due to the Russian invasion of Ukraine and potential consequences of unrest in the Middle East, which are causing delays in cargo vessels and an increase in crude oil prices.

The sixth sanctions package, imposed by the European Commission, has introduced prohibitions related to crude oil and petroleum products, mainly in terms of their purchase, import and transfer. Due to this package, the Group is exposed to the risk of balancing product disruption in Central Europe caused by the ban on the export of products produced from crude oil originating in Russia and delivered via the Druzba pipeline. Disrupted product balancing in Central Europe (Austria, Czech Republic, Slovakia and Hungary) could lead to a lack of products in certain markets during certain periods. The situation could be aggravated by local government intervention (e.g. price capping, export embargoes), unpredictable price development, potential sabotage of the crude pipelines from Russia and disruption of oil refinery production, with the Group experiencing higher risks in securing sufficient fuel supplies at its energy payments network, at favourable financial and operational terms. These risks could have an adverse impact on the Group's financial position, operations and business.

Risk trend

- Due to the conflict in the Middle East and its current impact (delays in crude oil supplies, as supply vessels are diverted to avoid the Red Sea conflict zone, and the increased price of crude oil)
- The potential escalation of the conflict, which can exacerbate the impact
- The current managed risk rating is above the Group's approved risk appetite

Link to strategic priorities

Mitigation measures

- Centralised procurement team for energy supplies and logistics
- Continuous monitoring and reporting on the situation development of fuel supplies crisis
- Scenario 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)
- Fuel procurement strategy is fully compliant with EU legislations and sanctions: in 2023 we have been focusing on local fuel procurement versus cross-border deliveries. We are confident that we can continue to provide high-quality, EU origin and competitive diesel, LNG and AdBlue to our customers

Risk management continued

Attract Engage Monetise Retain Increasing Stable Decreasing

3. EETS SLA compliance risk

The Group is a licensed EETS provider with a completed certification in a number of countries/domains – Spain, Portugal, Germany, Belgium, Hungary, Austria, Poland, Sweden, Denmark and the Czech Republic. Each domain has its own strict service-level agreement ("SLA") for services availability. Examples of the most critical SLAs are:

- EETS CZ – OBU data delivered within four hours - 99.80%; Blacklist/Whitelist delivered every two hours
- EETS HU – OBU data delivered within 15 minutes – 97.5%
- EETS SK (before the launch of the service) – incident fix time for critical incident – four hours; after that a contractual penalty every hour

Compliance with the SLAs is monitored and evaluated on a monthly basis. If Eurowag is not able to meet the SLAs, we will be penalised with contractually agreed financial penalties and, in the worst case, our EETS domain certification could be withdrawn. Over the last few months, Eurowag has experienced a number of operational incidents that have resulted in non-compliance with the EETS Charger SLAs and consequent penalties. The risk increases with each new domain released.

Risk trend

- Due to the upcoming release of SK EETS with the strictest SLAs and highest financial penalties
- The Group has in place a plan of mitigating the risk
- The current managed risk rating is above the Group's approved risk appetite

Link to strategic priorities

Mitigation measures

- The Group has ensured 24/7 helpdesk support provided by Webeye and 24/7 technical support provided by an external partner
- Performance monitoring is in place and connected to Webeye's ticketing system. In case of disruption, an incident process is triggered
- Automated regular monitoring of adherence to contractually set SLAs is in place
- Incidents management process in place
- Continuous creation of recovery procedures, in case of component failure

4. External parties' dependency risk

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, and technology service providers. Failure or termination of relationships with key external partners could have a negative financial, business and operational impact.

Risk trend

- The current managed risk rating is at the level of the Group's approved risk appetite

Link to strategic priorities

Mitigation measures

- IT vendors management policy – setting the standards for vendor selection, contract reviews and signature and vendor monitoring
- Centralised vendor management
- Centralised procurement team for energy supplies and logistics
- Centralised development and maintenance for acceptance network
- Contract management rules and attestation rules
- Centralised legal counsel – aids contract elaboration and reviews
- New IT system on orders and invoice management
- Continuous implementation of improvements, which are a result of human rights risk assessment – human rights training, Code of Conduct for suppliers, and supplier onboarding process

Attract Engage Monetise Retain Increasing Stable Decreasing

5. Technology security and resilience risk

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. These attacks are continuously increasing in number and sophistication, particularly those coming from Russia. 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. Moreover, the Group is active in its M&A activities and, where a newly acquired company does not have IT security standards at the same level as the Group, the enlarged Group could expose itself to an increased risk. 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 adversely affect our business and results.

Risk trend

- Due to the continuously increasing number and sophistication of cyber threats
- The current managed risk rating is above the Group's approved risk appetite

Link to strategic priorities

Mitigation measures

- The Group protects itself against cyber attacks by continuous implementation and improvement of the cyber security standards, with an endeavour to follow ISO 27001
- The Group has established a three lines of defence with clear responsibilities regarding cyber security
- The existing IT security level of newly acquired companies is considered before their systems are integrated with Group systems
- The Group continuously audits its cyber security

6. Personnel dependency risk

The Group's success depends, in part, on its Executive Committee members and other key personnel, and its ability to secure the capabilities to achieve its strategic objectives. Lack of capability and the loss of key personnel could adversely affect our business. Moreover, the current economic environment and competition in the job market are increasing the risk of retaining key personnel and acquiring new talents.

Risk trend

- The current managed risk rating is at the level of the Group's approved risk appetite

Link to strategic priorities

Mitigation measures

- Establishing and nurturing a talent pool to maintain the required skills level within the Group
- Annual salary review process in place to reflect inflation, market salary levels and performance ratings
- Long-term retention plans for the talent pool
- Succession plans providing adequate training for chosen successors
- Group commitment to greater DEI
- Key personnel rotation for selected functions

Risk management continued

Attract Engage Monetise Retain Increasing Stable Decreasing

7. Climate change risk

Climate change and the transition to a net zero future represents both a risk and an opportunity for the Group. Our reputation, resilience, operating and compliance costs, and diversification of revenue will all be influenced by our pace of action, the pace of the energy transition in the CRT sector, and our stakeholders including customers, investors and regulators – across the short, medium and long-term. Our business generates a significant proportion of revenue from fees for selling energy to the CRT sector, currently predominantly diesel fuel, so as the CRT industry moves away from fossil energies, there is a risk of stranded assets. We are aware 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 the pace of adoption of low-carbon or carbon neutral fuels/energies by our customers will all influence the level of risk and opportunity for the business. We face transitional risk from the potentially higher investment needs coming from new policies, laws and other regulations designed to address climate change, and changes in technologies and customer expectations. Liability risks could then arise from a failure to mitigate, adapt to, disclose or comply with changing regulatory expectations. We also recognise that climate-related extreme weather events could pose a physical risk to business continuity for some of our physical assets, as well as the health, safety and wellbeing of our workforce and customers. The Group already recognises the impact of weather changes on delays and the decrease in transactions linked to seasonal transport in some regions. Furthermore, we recognise that we are responsible for reducing our own carbon footprint, as well as developing solutions to help customers reduce their footprints and make the transition to a low-carbon future, accelerating the transformation of the CRT industry.

Risk trend

- Due to scientific predictions and upcoming actions of regulators, countries and community leaders
- The Group has a strategy in place to mitigate the risk to the risk appetite level
- The current managed risk rating is above the Group's approved risk appetite

Link to strategic priorities

Mitigation measures

- Investment and business development in a portfolio of alternative fuels and technologies – including electrification (investment in Last Mile Solutions, a leading eMobility platform solution), renewable or synthetic fuels and Decarbonisation as a Service – to accelerate the transition to a low-carbon future in the CRT sector, avoid stranded assets in our own portfolio mix and increase the proportion of revenue Eurowag generates from EU Taxonomy-classified activities
- Investment in digitalisation and technologies, including route optimisation, driver behaviour, loads optimisation, high-capacity vehicles and increased telematics installations, to help our customers improve efficiency and reduce energy intensity per kilometre
- Formalisation of the Group's sustainability strategy and net zero plan, including carbon reduction targets for our operations; the development of targets and actions to reduce Scope 3 emissions across our value chain; and a clear transition plan away from fossil energies towards being a net zero business by 2050
- Commitment to reduce GHG emissions from our own operations and become a zero emissions operation by 2040
- Engagement with OEM manufacturers to help with developing lower carbon-intensive vehicles, with greater tracking and monitoring of environmental impacts, and lower life cycle emissions
- Inclusion of the adaptation to the potential impacts of extreme weather events, driven by climate change, and the impact on both people and physical assets, into our business continuity plans and asset management planning
- Increased transparent reporting of carbon emissions and related actions to reduce emissions, aligned with the Corporate Sustainability Reporting Directive ("CSRD"), the Carbon Disclosure Project ("CDP"), etc.
- Inclusion of financial risk stemming from climate change in our financial modelling and financing approaches, including formal, structured scenario analysis to assess the physical, transitional and liability risks for Eurowag and its assets, using the outputs to inform ongoing risk assessment and mitigation measures, as well as reporting in-line with TCFD

8. Physical security risk

The Group operates a number of truck parks and offices, and these are exposed to security threats. A security threat materialising as a result of insufficient protection or natural disasters would result in danger to the health of our employees and customers, and significant business disruptions. This risk is increased with the Russian invasion of Ukraine and potential escalation of the conflict to other countries, including those where the Group has its employees and assets.

Risk trend

- Due to the continuous Russian invasion of Ukraine and its potential further development
- The current managed risk rating is above the Group's approved risk appetite

Link to strategic priorities

Mitigation measures

- Implementation of the health and safety plans on the Group's truck parks to avoid security threats
- Having in place robust emergency plans
- Petrol stations security protocols and system for prevention against physical security threats
- Business continuity plans

Attract Engage Monetise Retain Increasing Stable Decreasing

9. Regulatory and licensing risk

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 licences required for the provision of financial services, and an insurance distribution licence. As a consequence of holding these 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 undertaken by governance and compliance with UK 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 are accompanied with the cost of implementation and may well adversely affect our products, services and markets.

Risk trend

- Due to upcoming legislative changes (UK Governance Code changes, new IT security legislation (NIS2, DORA), sustainability reporting legislation (European Sustainability Reporting Standards)) and further expansion of the Group's business activities within highly regulated markets
- The Group focuses on delivering the technology roadmap and is focusing on improvement of its internal controls' effectiveness, to address the gap between risk appetite and risk rating

Link to strategic priorities

Mitigation measures

- Legal and compliance business partners dedicated for all business units
- Continuous improvement of the risk management control framework, specifically in terms of regulatory and licensing risks mitigation
- Involving legal and compliance reviews in new market 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
- Annual AML audits
- Group-wide personal data protection policy and detailed GDPR directive

10. Clients' default risk

The Group faces credit risks associated with our clientele, notably those within the small to mid-sized CRT business sector. Our exposure is particularly pronounced within our payment solutions segment, where we extend financing to customers based on deferred payments for energy consumption and toll balances. An inadequate assessment and monitoring of the creditworthiness of these counterparties could potentially lead to elevated credit losses, impacting our financial health and operational stability.

Risk trend

- Due to continuous worsening of the economic situation and potential further impacts on fuel prices arising from the conflict in the Middle East
- The current managed risk rating is in-line with the Group's approved risk appetite

Link to strategic priorities

Mitigation measures

- Initial credit evaluation: Upon customer onboarding, the Group conducts a comprehensive credit assessment. This entails a thorough financial review of the client's recent performance and projected growth, coupled with a business analysis. Additionally, we corroborate our findings with information sourced from reputable databases
- Continuous credit monitoring: Our dedicated credit risk department diligently oversees credit exposures. This involves periodic revisions of credit limits based on their utilisation and the realignment of collaterals as the situation necessitates
- Receivables ageing analysis: Management routinely reviews the ageing of receivables. This process utilises expected loss calculations that consider parameters such as the probability of default, exposure at the point of default, and potential loss ensuing from default
- Credit insurance: To safeguard against potential customer defaults on trade and other receivables, the Group has invested in credit insurance. These insurances are structured with first-loss policies, both on individual and aggregate levels
- Collateral measures: To secure our credit exposure, the Group takes multiple precautions. We obtain cash deposits and advance payments from our clientele. Furthermore, to bolster our risk mitigation efforts, we also accept other security measures including, but not limited to, pledges on assets and promissory notes
- Factoring facilities: In specific scenarios, the Group may engage uncommitted factoring facilities, thereby transferring the associated credit risk to the respective factors (typically for lower risk clients)
- VAT refunds: The Group manages and controls collection of some VAT refund clients from local tax authorities; proceeds can be used as means of reducing clients' exposures

Risk management continued

Attract Engage Monetise Retain Increasing Stable Decreasing

11. Processes execution risk

The Group operates in a very complex and diversified environment. The Group's entities are in different stages of processes, IT systems and governance maturity. Lower maturity of processes results in uncoordinated actions and unintended mistakes, as a consequence of manual controls. The outcomes of these mistakes could materialise in breach of contractual obligations towards third parties (e.g. change management notification obligations towards EETS providers), late payments to the third parties (fines received), mistakes in report creation, and lower quality of service provided to our clients.

Moreover, the Group is very active in M&A. Every completed M&A initiative is accompanied by an increase of the overall complexity in the Group's processes and demands on systems, data and people. Where there is an inadequate post-merger integration process and insufficient predispositions for a successful integration (IT systems maturity, data management maturity and processes and their governance maturity), the Group exposes itself to additional processes risk and a risk of unrecognised M&A benefits.

Risk trend

- Due to the increased complexity brought by recent acquisitions, which has increased the demands on finance processes, in particular
- The Group expects to mitigate this risk in the coming periods through the integration of our acquisitions and the implementation of a new ERP system

Link to strategic priorities

Mitigation measures

- The Group has established post-merger integration processes with clear governance and senior leadership
- The Group engages well-established consulting firms to assist in the post-merger integration process, when needed
- The Group has designed its processes model, which is continuously maintained and updated. Moreover, the Group has a Processes Design department, which focuses on improvement of the processes' maturity
- The Group has established an internal controls risk management framework. Regular reporting and testing of the internal controls ensure continuous improvement of the effectiveness of operational controls
- Operational model transformation introduces new focus and disciplines in the product and technology capabilities

12. Liquidity risk

Following the Group's recent period of significant investment in transformational capital expenditure and acquisitions of Webeye and Inelo, the overall net debt to adjusted EBITDA ratio is above our medium-term guidance of 1.5x to 2.5x. This has impacted our ability to secure additional funds on favourable terms, such as interest rates and margins. Looking ahead to the upcoming year, mainly two challenges threaten to intensify our liquidity risk: firstly, the planned hike in toll prices (an anticipated 40-60% increase across volume) will put additional pressure on the Group's liquidity; and secondly, the continued geopolitical crisis presents a threat of increased fuel prices. Despite being transferred to clients, this presents a risk of a heightened commitment of liquidity, requiring increased guarantees and prepayments.

The Group mostly faces a risk of accessing additional liquidity at high costs, non-delivery of its commitments due to insufficient working capital and lastly, in case of liquidity issues, reputational damages and business/operational constraints.

Risk trend

- Due to the continuous worsening of the economic situation
- The Group has in place a plan to close the gap between the risk exposure and risk appetite

Link to strategic priorities

Mitigation measures

- As of Q1 2024, the Group has restarted a refinancing project which will result in improved cash flow
- Within this refinancing project, the Group intends to modify the terms and amortisation period of the current loans, to decrease pressure on quarterly repayments
- The Group has been looking into a project involving business operations teams (sales and procurement) to favourably change the payment terms with customers and suppliers. Successful alignment on these targets should result in a positive effect on the Group's operating cash flow in 2024

Viability statement and Going concern

Viability statement and Going concern

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code 2018 ("Code"), the Board has assessed the Company and Group's prospects and viability, considering the business model, the Group's current financial position, and principal risks over a period longer than the 12 months required by the Going concern statement.

Viability timeframe

The Board has determined that a three-year period to 31 December 2026 is the appropriate timeframe to assess viability.

The choice of this timeframe is based on the following rationale:

- This period is reviewed by the Board in the long-term planning and detailed annual budgeting process and allows financial modelling to be supported by the budget and growth factors in the business plan approved by the Board
- This time horizon is captured as the relevant period for evaluation and stress testing of principal risks (primarily those of an operational nature), which typically occur within this timeframe
- The innovative nature of the Group and the disruptive nature of the market make it difficult to predict with sufficient confidence how competition and other risks will impact the business beyond a three-year timeframe
- Considering the continuous changes of the macroeconomic and political environment over a period of longer than a three-year timeframe would bring greater uncertainty to forecasting assumptions

While the Board has no reason to believe that the Company and Group will not be viable over a longer period, they consider three financial years to be an appropriate planning time horizon to assess viability and to determine the probability and impact of principal risks.

Assessment of budget and financial forecast

The Company's and Group's financial forecast is assessed primarily through the financial planning process (annual operating budget) and the strategic planning (long-term strategic plan). This process is managed by the Chief Executive Officer, Chief Strategy Officer and Chief Financial Officer, in co-operation with divisional and functional management teams. The Board participates fully in the annual process to review, challenge and approve the annual operating budget for the next financial year. The Group also has a long-term strategy in place in the form of a long-term strategic plan. The strategy is reviewed and updated on a periodic basis and is based on detailed financial forecasts.

The latest annual operating budget for the year ending 31 December 2024 was reviewed and approved by the Board in December 2023, and this budget is based on the Company and Group's current financial position, and its prospects over the forthcoming year and in-line with the Group's stated strategy.

Assumptions used in financial forecast

The main assumptions in budget and long-term financial forecast are based on the approach to build a strong foundation for future sustainable growth, plan the correct balance of capital expenditure and M&A as well as sufficient investment in working capital, and maintain sufficient liquidity headroom. Commercial objectives focus on the shift from selling fossil energy to selling solutions that improve our customers' efficiency, introduce indirect and digital channels to provide unique cross-sell opportunities and reduce costs of acquisition of new customers. Capital expenditure is expected to continue at a higher percent of net revenue than previously incurred, as the acquired businesses, Inelo and Webeye, have historically invested a higher percent of net revenue than Eurowag, given their hardware or OBU commitments. There are no planned M&A transactions; only committed payments related to past transactions.

Viability statement and Going concern continued

Assessment of viability

The key assumptions within the projections were stress tested with reference to risks set out in the Risk Management section on pages 41 to 46 of this Annual Report and Accounts.

In 2023, the Board considered the application of the following risks:

Scenario 2: Downside Case	Risk applied	Assumptions	Mitigants
	Product demand and decline risk	The application of product and demand risks presupposes a deteriorated GDP within the EU, leading to decreased demand and subsequently, a reduction in the number of trucks. Additionally, an anticipated increase in bad debt is applied, reflecting the assumption of financial instability among trucking companies. This is accompanied by an expected rise in Days Sales Outstanding ("DSO"), indicating delayed payments from the Company's customers.	The primary motivation for implementing mitigating actions is the advancement of the EBITDA margin. (i) This includes HR costs, which may involve considerations such as potential hiring freezes and salary adjustments. (ii) Additionally, there will be a focus on reducing consultancy expenses. (iii) Furthermore, other cost-saving measures will be implemented to counteract the decline in net revenues.
	Fuel supply risk	The application of supply risks has a detrimental effect on our margin, which is anticipated to decrease due to adverse market conditions.	
	Technology security and resilience risk	Technology and security risks involve the potential occurrence of a cyber attack resulting in data loss. Based on market knowledge and experience, this risk primarily impacts opex, mainly through additional expenses for system repairs, process stabilisation and data analysis.	
	External parties' dependency risk	External parties' dependency risk is highlighted in this analysis in two aspects: (a) stemming from M&A activities, where early exercise of certain options may lead to higher cash outflows, and (b) potential issues with SAP implementation, resulting in increased consultancy costs.	
	Physical security risk	Physical security risk pertains to the risk of flooding at the ADS fuel station in the Basque Country, particularly during the spring season. This could lead to a temporary closure of the fuel station, resulting in decreased fuel revenues and increased operational costs for IT and truck park maintenance and repair.	
	Climate change risk	Climate change risk involves scenarios where the Company struggles to successfully implement its ESG strategy, necessitating an accelerated implementation process for ESG projects. This would result in increased consultancy and other associated costs.	
	Regulatory and licensing risk	Regulatory and licensing risks encompass situations involving the loss of client data and GDPR issues, which could result in fines impacting opex.	
	Climate change risk	Climate change risks entail the failure to meet KPIs as defined in the amendment of our sustainability-linked loan agreement, consequently affecting interest costs.	
	Processes execution risk	Processes execution risk reflects a lower-than-planned synergy effect following the acquisition of Inelo, leading to reduced expected revenues.	
	EETS SLA compliance risk	EETS compliance risk assumes non-compliance with EETS rules, resulting in penalties that negatively impact opex.	
Scenario 3: Reverse Test	**Risk applied**	**Assumptions**	**Mitigants**
	Please see above	Assumptions applied above with more severe impact.	Mitigants with same nature as mentioned above with sizeable impact

The applied risks and their effect were stress tested using a severe but plausible downside scenario, as well as a reverse stress test scenario.

The risks applied in the scenario with severe but plausible effect on our budget and long-term financial forecast considered the impact of net revenues as follows:

- 2024 growth at a level of 9%
- 2025 was stressed to decrease by 3%
- 2026 remained flat year-on-year

The operating expenses level, combined with the implementation of mitigating measures in the downside scenario resulted in an EBITDA margin matching the budgeted margin and the EBITDA margin for 2025 and 2026 was slightly below 40%. Change in net working capital was stressed in the downside case through the effect of worsened DSO by 10-15 days in average, and levels of capital expenditure. The scenario was also modelled to test potential occurrence of any liquidity issues of the Group; the tested scenario has proven that the Group operates with a sufficient level of liquidity headroom and has the ability to meet financial covenants.The Board also considered potential mitigating actions that the Group could take to preserve liquidity and ensure compliance with the Group's financial covenants. These mitigating actions include reduction of HR costs, primarily resulting in potential hiring and salary freeze, reduction of consultancy costs and other costs which reflect the decline in net revenues. For more information, please refer to table above this text.

Along with this analysis, the Board considered a reverse stress test scenario to further assess the Company's and the Group's viability. A reverse stress test scenario is a risk management approach used to assess the resilience of a company to a specific event or risk. The reverse stress test assumes a hypothetical worst-case scenario and works backwards to identify the events that could lead to a situation of potential breach of the covenants. In order to assess the resilience of the Company and the Group, the Board has performed a reverse stress test to determine the potential consequences of a liquidity crisis and to approach the threshold of covenant breach. The implementation of the reverse stress test had the following effects on net revenues:

- 2024 growth at level of 9%
- 2025 is stressed to 10% decrease
- 2026 is stressed to 9% decrease

In addition to a reduction in net revenues, the EBITDA margins would need to fall below 40% in 2025 and 2026, together with changes in net working capital driven by worsened DSO by an average of 20 days.

The results of the test can inform strategic decision-making, help identify areas where additional risk mitigation measures may be needed and provide stakeholders with greater confidence in the Company's ability to navigate challenging market conditions.

The Board also considered potential mitigating actions that the Group could take to preserve liquidity and ensure compliance with the Group's financial covenants. In terms of mitigating actions, the Board is confident that they would be able to take similar actions to those taken during previous economic downturns.

Considering the high severity of the reverse stress test scenarios, the Board has no reason to believe that the Company and Group will not be viable over the long-term period.

Viability statement

Based on the above described assessment of the principal risks facing the Company and Group, stress testing and reverse stress testing undertaken to assess the Company's and Group's prospects, the Board has a reasonable expectation that the Company and Group will be able to continue in operation and retain sufficient available cash to meet its liabilities as they fall due over the period to 31 December 2026 and, consequently, the Group is confident that it will remain relevant and solvent in the medium to long-term, taking into consideration the technological, social and environmental changes expected to happen in the medium to long-term period.

Going concern

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

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

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

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

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

Viability statement and Going concern continued

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

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

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

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

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

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

Sustainability

7 Advancing our approach

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

2023 was the warmest year in recorded history[1], and 2024 could be the first full year to go beyond 1.5°C of warming, compared with pre-industrial levels. Enabling and accelerating the transition to a low-carbon future, which will limit global warming to 1.5°C in the long run, is paramount and it underpins both our commercial and sustainability strategy.

Roughly 7% of the total GHG emissions in Europe come from the CRT[2] industry. We aim to reach net zero emissions by 2050[3]. To achieve this, we have set a combination of short-term and long-term decarbonisation targets and associated action plans, both for our own operations and our value chain. Through our digital platform, data insights and product and service offering, we are in a unique position to help our customers improve efficiency and reduce emissions. Our investment in alternative lower carbon fuels, electrification and digital solutions for reducing energy intensity helps our customers transition from fossil fuels to alternative fuel solutions more easily. We have set ourselves the target of having 80,000 active alternatively fuelled commercial vehicles using our products and services by 2030 and we aim to help our customers to reduce their GHG emissions intensity per tkm[4] by 20% by 2030 from a 2019 baseline.

Another central focus within our sustainability approach is promoting customer success and wellbeing. We help SME transport companies thrive by offering benefits and services at attractive terms so that they can compete, succeed and transition – with our support – to a lower carbon digital future. We know that truck drivers face significant challenges on the road, ranging from concerns about their own physical safety to loneliness. We are working to tackle these challenges by improving the quality and security of facilities at our truck parks, and introducing tech services to aid better driver behaviour and safety.

The strength of our Group's governance and culture underpins all our activities. We strive to uphold the highest ethical and responsible business and industry standards in our daily operations, including promoting transparency and regulatory compliance. Creating inclusive recruiting and employment opportunities is core to building an outstanding culture. We aim to achieve a top 25% employee engagement score, benchmarked against European technology companies, by 2025. Our approach to sustainability governance and accountability is set out in detail below, and more information about the Company's corporate governance structure and reporting can be found on pages 84 to 92.

We are committed to making a positive social impact in our local communities wherever we operate. In 2023, we donated 1.5% of our EBIT to good causes. We actively encourage our employees to give their time, skills and support to charitable organisations through volunteering and employee-led philanthropy, and we are developing a number of long-term partnerships with non-profits in our key markets, designed to positively impact outcomes aligned with our corporate purpose.

Whilst there is still much to do, our journey to supporting a lower carbon, fairer, digital future is underway. Our sustainability action plan, presented in this report, reflects our commitment to and progress towards our long-term ambition.

Notes:
1. Source: https://climate.copernicus.eu/copernicus-2023-hottest-year-record.
2. Source: EU transport in figures - Statistical pocketbook 2023, page 137.
3. We aim for 90% reduction Scope 1 and 2 by 2040 and 90% reduction for Scope 3 by 2050 (from baseline year 2019), aligning with net zero definition of c.90% reduction in absolute emissions from our value chain and only c.10% offsets.
4. Tonne-kilometre, abbreviated as tkm, is a unit of measurement of freight transport which represents the transport of one tonne of goods (including packaging and tare weights of intermodal transport units) by a given transport mode (road, rail, air, sea, inland waterways, pipeline, etc.) over a distance of one kilometre.

> **"I'm excited to have joined Eurowag to lead the integration of sustainability into our corporate strategy, building on the strong foundation that comes from the close alignment with our purpose to make the CRT industry clean, fair and efficient. This year we have strengthened our internal capabilities and taken concrete steps towards our annual milestones and long-term environmental and social goals, despite challenging macroeconomic headwinds."**

Jenny Pidgeon
VP Sustainability and CSR

Sustainability continued

Our sustainability strategy

To activate our purpose and deliver our corporate strategy, we will embed sustainability across all our business activities, focusing on four strategic areas.

We have set objectives and targets for each focus area, and you can find out more about them in the following pages, and in our separate Sustainability Report, available on our website.

Climate action

- Accelerate the energy transition
- Help customers reduce GHG emissions
- Reduce our direct GHG emissions

Read more on page 55

Customer success and wellbeing

- Help SME transport businesses to thrive
- Improve wellbeing and safety for drivers

Read more on page 59

Community impact

- Make a positive impact in our local communities

Read more on page 61

Responsible business

- Employee engagement and DEI
- Responsible business practices

Read more on page 62

Governance and accountability

In 2021, we established a governance structure to agree and monitor the implementation of our sustainability strategy. In 2023, we continued our focus on increasing Board understanding and ownership of sustainability topics, including climate risk and opportunity, on which we delivered specific training for Board members.

The Board is ultimately responsible for sustainability, and delegates accountability to the ESG Executive Committee. The Committee is facilitated by the VP of Sustainability and CSR and comprises: the Chief Executive Officer, Martin Vohánka; several members of the Executive Committee, along with members from the Senior Leadership Team, including representatives from legal, human resources, communications, commercial and investor relations; and one Independent Non-Executive Director, Susan Hooper. Susan joined the Committee for the first two years of its operations, to lend additional expertise and experience whilst the Executive and leadership team built internal understanding and established the building blocks for successful development and implementation of the sustainability action plan. Now that we are more mature in our operations, from 2024 onwards the ESG Executive Committee will run without Board representation.

The ESG Executive Committee sets the strategic direction and tracks the progress of the sustainability action plan, related policies and reporting, as well as monitoring relevant risks and opportunities. It meets every quarter. We have introduced a formal ESG policy that codifies and sets out our governance and approach for integrating sustainability into our business, which is also used for monitoring and reporting on progress. We will update this policy in 2024 as part of our preparation for the CSRD. We have a sustainability function to help ensure sustainability is embedded into every part of our decision-making processes across the Group, through close working with representatives across the business who are responsible for the day-to-day delivery of the sustainability strategy.

Sustainability governance framework

Board of Directors
- Approves sustainability strategy and targets and monitors progress
- Oversees climate-related risks and opportunities
- Challenges Executives on integration of sustainability, time horizons used and stakeholder considerations

Remuneration Committee
- Approves ESG reward and performance management

Audit and Risk Committee
- Monitors and reviews the Group-wide key risks including ESG risks
- Approves the Sustainability chapter in the Annual Report and Accounts

Executive Committee
- Accountable for implementation and delivery of sustainability priorities and targets
- Approves sustainability reporting

Internal Audit
- Verifies sustainability compliance and validity of reported data

ESG Executive Committee
- Defines sustainability strategy and targets, related policies, and reporting
- Tracks sustainability progress
- Monitors ESG risks and opportunities

Business Assurance Committee
- Approves sustainability risk appetite changes

Business units/Country operation/Functional leaders
- Responsible for sustainability action plan implementation, integration into business operations, and reporting on progress

Sustainability continued

Action Plan progress

You can read more about our objectives and targets for each focus area in our separate Sustainability report, available on our website.

Climate action

- Reduced our direct emissions (Scope 1 and 2, on a market-basis) by 11% compared to baseline year 2019
- Installed solar panels with 123 kWp potential, almost doubling our on-site renewable energy generation capacity. In total, we are estimating to save over 140 tCO_2e annually
- 0.5% reduction in GHG emissions per tkm across Eurowag's customer fleet, compared to baseline year 2019
- 780 active alternatively fuelled commercial vehicles using Eurowag products and services, 121% increase on last year
- Launched HVO refuelling network with our first station at Ort im Innkreis, Austria

Customer success and wellbeing

- 69% of customers surveyed agreed Eurowag supported their business success
- 74% of customers surveyed agreed Eurowag supported their wellbeing and safety
- Our i.triglav mobile app won the Diggit Gold Award in the User Experience category, making the roads safer for all
- Held fourth annual "Delivering Christmas" celebration of truck drivers

Community impact

- 79% of eligible employees participated in the Philanthropy & You programme for employee-led charitable donations – surpassing the 1,000 employee milestone for the first time
- 275 local good causes supported across 14 countries
- 1.5% EBIT donated, through employee-led donations, corporate charity partnerships and disaster relief

Responsible business

- Improved our CDP Climate Change score from C to B
- 35% women in leadership roles
- Launched Eurowag Women's Network
- Published new Speak Up (Whistleblowing) Policy and launched an Integrity Line
- Published Codes of Conduct for employees and suppliers
- 75% of employees completed human rights training

Focus area: Climate action

Accelerating the energy transition

We are using our insight into the CRT industry's needs to create the infrastructure and incentives to help customers make the transition towards a net zero future.

Priorities

Alternative fuel[1] technologies

- Growing our alternative fuel charging and payment acceptance network
- Integrating alternative fuel offerings into our products and services
- Introducing a broader alternative fuel offering to our clients (e.g. bioLNG[2], electricity, HVO)

Collaboration and advocacy

- Promoting alternative fuels to our customers
- Advocating and promoting fair market and policy framework conditions to speed up the uptake of alternative fuels and enhance the attractiveness of low and carbon neutral and alternative powertrains
- Acting as an honest broker on behalf of the industry, transmitting customer feedback and industry know-how to accelerate the energy transition and decarbonisation of the CRT sector
- Partnering with other stakeholders and platforms to be stronger together and to showcase the sector, industry capabilities and innovative products to policy makers, local and regional authorities, and national governments

Customer service and incentives

- Developing new advisory tools and services to support customers' energy transition
- Creating incentive packages and affordable financing solutions to accelerate customer adoption of alternative fuels and the decarbonisation of the CRT industry

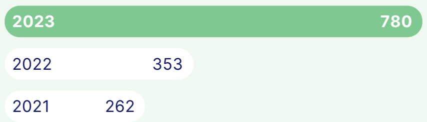
Targets and progress

No longer offer fossil fuel energy products by 2050

80,000 active alternatively fuelled commercial vehicles using Eurowag products and services by 2030

Active alternatively fuelled commercial vehicles

780[3] ▲121%*



* Percentage change 2022 - 2023.

Achievements

Growth in alternatively fuelled commercial vehicles

We have seen growth in the number of vehicles using a variety of fuels or power sources, which have the potential to contribute to CRT decarbonisation, including renewable fuels (bioLNG, HVO), alternative fuels (electricity, hydrogen), and transitional fossil fuels (LNG, CNG, LPG). In total, in 2023 we grew the number of alternatively fuelled commercial vehicles that use Eurowag products and services by 121%.

From LNG to bioLNG

We continue to operate pilot LNG refuelling points at Eurowag truck parks Kozomin and Modletice, and we added an additional 80 LNG acceptance points, bringing our total LNG acceptance network to 383 stations in 13 countries, while bioLNG has become available in some stations. In 2023, our customers increased the refuelled volumes of LNG by 83% compared to 2022, and with the Eurowag fuel card, our customers have access to more than 50% of available LNG stations in Europe.

Expanding HVO

In 2023 we launched a lower carbon fuel on our own truck parks, when we started offering HVO at Ort im Innkreis, Austria. We also continued developing our acceptance network for HVO by adding an additional 140 acceptance points, bringing the total to 165 in seven countries. In 2023, our customers increased the refuelled volume of HVO by 164%, compared to 2022.

New services for electric vehicles

Eurowag has become a shareholder of Last Mile Solutions, one of the leading European roaming platforms for eMobility. Together, Eurowag and Last Mile Solutions will work on implementing eMobility as a CRT service.

Notes:

1. Fuels or power sources which serve, at least partly, as a substitute for fossil oil sources and which have the potential to contribute to decarbonising and enhancing the environmental performance of the transport sector, including electricity, hydrogen, renewable fuels (biogas, biofuels, synthetic fuels produced from renewable energy) and non-renewable transitional fuels (CNG, LNG, LPG, synthetic fuels produced from non-renewable energy). Source: Alternative Fuels Infrastructure Regulation.
2. BioLNG, or liquefied biomethane, is a biofuel made by processing organic waste flows, such as organic household and industrial waste, manure, and sewage sludge. BioLNG is a practically carbon neutral biofuel, as it utilises carbon that is already in the system from renewable sources.
3. In order to better reflect the breadth of alternatives available, we have modified and updated our methodology, which newly includes biodiesel (to reflect the growth of customers using HVO), LPG and CNG alongside LNG, bioLNG and electric commercial vehicles.

Sustainability continued

Focus area: Climate action

Helping customers reduce GHG emissions

To play our part in reducing GHG emissions across the CRT sector, we support our customers to improve the carbon efficiency of their trucks and journeys, through our suite of tools and services.

Priorities

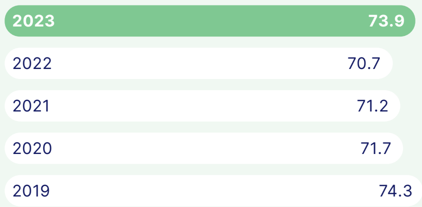
- Supporting more efficient driving by monitoring and promoting an eco-driving style through analysis, advice and incentives – to save fuel and reduce emissions
- Improving efficient logistics and reducing empty journeys, through planning tools
- Delivering smart navigation products and route optimisation services, to minimise fuel consumption
- Consultancy services in the field of energy efficiency and carbon reporting per customer journey
- Energy transition and alternative fuels

Targets and progress

20% carbon intensity reduction per tkm by 2030 (gCO_2e/tkm) (baseline year 2019)

Customers GHG emissions (gCO_2e/tkm)

73.9 ↓0.5%*



* Percentage change 2019 - 2023.

Data note:
The emissions intensity of our customers' journeys is impacted by external factors, including vehicle and fuel utilisation. Since mid-2022 the average weight and mileage of journeys has decreased, creating an external context that has slowed progress towards our customer emissions reduction goal in the last year. We expect it is likely that in 2024 the gCO_2e intensity will remain at a similar level to 2023.

Achievements

Improving driving behaviour

Our driving behaviour tools and telematics data enable our customers to become safer and more efficient drivers, saving 4-6% on fuel consumption. Our driver behaviour products focus on giving customers and drivers feedback, insights and tips to improve fuel efficiency and reduce vehicle wear and tear. In 2023, the Group's products that target driver behaviour were used in 134,984 vehicles, and the customer base for our Perfect Drive feature increased by 101%, compared to 2022. We introduced new functionalities, including trends visualisation and driver benchmarking, giving a specific score and tips for each driver, based on real data.

CO_2 emissions tools for our customers

Knowing that measuring something is the first step to better managing it, we further developed our tools to help our customers understand their emissions. Eurowag telematics customers now have access to emissions calculations for both the whole fleet and individual vehicles, based on actual fuel consumption over any selected time period. From 2024, customers using Eurowag fuel cards will be able to access emissions data for each refuelling transaction.

CO_2 emissions data methodology

We partnered with Smart Freight Centre, an international non-profit organisation focused on reducing the emissions impacts of global freight transportation, to ensure that our data insights and solutions are up to date with recent methodological developments, fully aligning all internal emissions calculation methodologies with ISO 14083:2023[4] and the Global Emissions Logistics Council.

Route planning

We upgraded our advanced Route Planner to help dispatchers easily plan the best and most efficient route for their operations – thus reducing fuel consumption, cost and emissions. The planner now recommends the best route based on individual truck attributes and traffic and adds instructions to the drivers for each activity.

Notes:
4. ISO Standard from April 2023 on quantification and reporting of GHG emissions arising from transport chain operations (ISO 14083:2023). This standard is to be used by the EU to calculate logistic emissions.

Focus area: Climate action

Reducing our direct GHG emissions

Eurowag operates across 25 countries and has expanded rapidly thanks to recent acquisitions. Decarbonising our operations is a vital step on our path to net zero.

Priorities

- Investing in renewable energy generation technologies across our operating assets
- Switching to renewable electricity for our operations
- Switching our car fleet to low and zero emissions vehicles
- Identifying opportunities to minimise consumption in our operations

Considering our emissions have had a significant increase due to the acquisition of Inelo and its subsidiaries, since the target was set with base year 2019, we have recalculated our emissions and will re-state them as follows:

- Scope 1 emissions: 2,907 tonnes CO_2e
- Scope 2 emissions – market: 1,978 tonnes CO_2e
- Scope 2 emissions – location: 1,721 tonnes CO_2e
- Scope 1 and 2 emissions – market: 4,885 tonnes CO_2e
- Scope 1 and 2 emissions – location: 4,628 tonnes CO_2e

Therefore, our Scope 1 and 2 emissions have decreased by 11% compared to baseline year 2019.

The majority of the movements in our reported GHG emissions relate to the acquisition of Inelo in 2023. The acquisition significantly increased the scale of our operations, including employee numbers, fleet and office space (predominantly operating in CEE countries with inefficient grid mix, which increased our intensity per sqm of office space). The movement in employee commuting emissions is due to improved data methodology. The movement in emissions from use of sold products is due to a 3% reduction in volume of sold fuels and updated fuel emissions factors. The movement in UK results is because the London office opened in September 2023, so 2024 was first full year of operations.

Targets and progress

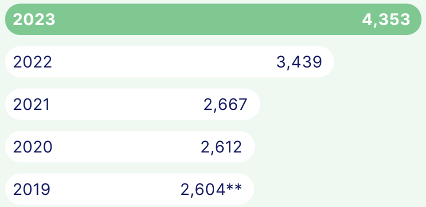
Zero direct (Scope 1 and 2 market-based) GHG emissions by 2040

50% reduction in Scope 1 and 2 emissions* (tCO_2e) from our own operations by 2030 (baseline year 2019)

* On a market basis.

GHG emissions from Group operations, Scope 1 and 2 market-based (tCO_2e)

4,353 ⌄11%*



* Percentage change 2019 - 2023.
** This is the original figure reported in previous year, excluding emissions from Inelo, Webeye and Sygic. The re-calculated figure can be found to the left on this page.

Achievements

Solar energy

We expanded our total capacity for solar generation by over 80% in 2023. Towards the end of the year, we installed solar panels at four assets in Poland. While operational only for two months, they are already becoming an essential part of our direct emissions approach and should yield substantial savings in 2024. Overall, we have installed solar panels at six assets, with more to come in the coming year.

Switching to and retaining renewable electricity

We continue to increase the proportion of energy we purchase from renewable sources for our own assets. In 2023, we switched our headquarters in Prague to renewable electricity, mitigating 400 tCO_2e, a substantial proportion of our Scope 2 emissions.

Focusing on reduction

We rationalised office space wherever possible to reduce consumption and optimise operations. We are opening more possibilities for employees to access electric cars via our corporate fleet and increased the number of EV chargers at our Vysehrad office for employees to use, as well as exploring possibilities for installing home chargers. Our energy efficiency project to replace refrigerated display cases and refrigerators in the store and warehouse at the Modletice truck park in Czech Republic saved up to 45 MWh/year.

Working with our suppliers

As part of our efforts to reduce Scope 3 emissions, we tendered for delivery services with compensated carbon footprint and now have certified climate neutral shipping services from our partner DHL. We also financed the leasing of two LNG trucks, which are now used by BenzinTransit to deliver fuel to our stations.

Sustainability continued

GHG emissions reporting

Scope 1 and 2 and intensity metrics	2020	2021	2022	2023
Total energy consumption (kWh)	6,339,958	6,979,760	9,642,031	**14,608,725**
Scope 1 emissions (tonnes CO_2e)	1,225	1,316	1,652	**2,655**
Scope 2 emissions (tonnes CO_2e) – market-based	1,387	1,351	1,787	**1,698**
Scope 2 emissions (tonnes CO_2e) – location-based	1,227	1,221	1,637	**2,038**
Total Scope 1+2 GHG emissions (tonnes CO_2e) – market-based	2,612	2,667	3,439	**4,353**
Total Scope 1+2 GHG emissions (tonnes CO_2e) – location-based	2,452	2,537	3,289	**4,693**
GHG intensity truck parks (tonnes CO_2e/refuelling point) – market-based	6.52	6.68	6.70	**7.07**
GHG intensity offices (tonnes CO_2e/thousand sqm) – market-based	39.52	36.51	54.19	**57.79**
GHG intensity truck parks (tonnes CO_2e/refuelling point) – location-based	5.93	6.10	5.80	**6.27**
GHG intensity offices (tonnes CO_2e/thousand sqm) – location-based	36.41	34.52	53.07	**75.48**

Scope 3 emissions (tonnes CO_2e)	2020	2021	2022	2023
Purchased goods and services	—	1,130,557	1,117,318	**1,321,639**
Capital goods	—	403	434	**882**
Fuel and energy-related activities	—	535	745	**1,152**
Upstream transportation	—	1,699	1,834	**1,746**
Waste generated in operations	—	55	57	**63**
Business travel	—	306	787	**1,227**
Employee commuting	—	628	772	**666**
Downstream transportation	—	96	114	**188**
Use of sold products	—	4,309,510	4,257,591	**3,797,008**
Total Scope 3 emissions	—	5,443,789	5,379,651	**5,124,571**

Operations in the UK	2020	2021	2022	2023
Total energy consumption (kWh)	—	—	476	**8,392**
Scope 1 emissions (tonnes CO_2e)	—	—	—	**6**
Scope 2 emissions (tonnes CO_2e) – market-based	—	—	0.17	**3.10**
Scope 2 emissions (tonnes CO_2e) – location-based	—	—	0.11	**1.87**
Total Scope 1+2 GHG emissions (tonnes CO_2e) – market-based	—	—	0.17	**9.15**
Total Scope 1+2 GHG emissions (tonnes CO_2e) – location-based	—	—	0.11	**7.93**

Focus area: Customer success and wellbeing

Helping SMEs transport businesses to thrive

Most of our customers are small or medium-sized businesses. Many of them struggle to compete due to their size and access to financing, tools and know-how. By offering benefits and services at attractive terms, we help them compete, grow and expand into new segments.

Priorities

- Becoming the ultimate on-road digital mobility platform, boosting efficiency and creating better business opportunities across the industry
- Creating technological solutions that boost efficiency
- Providing affordable financial services to support customers' energy transition
- Offering anti-fraud systems to reduce fuel theft
- Connecting trucking companies with merchants, shippers and regulators, and providing vital information to help grow their businesses

Progress

Customer survey results on business success (NPS score)

69%

2023	69
2022	66
2021	65

Case study

Cold chain monitoring

Hauliers often face challenges when transporting thermosensitive goods. Our Eurowag telematics fleet management solution offers enhanced options to ensure the safe transportation of medicines, foodstuffs and cosmetics.

This use case for cold chain in the market is generally considered complex and hard to change, so a solution that makes improvements in efficiency is impactful for shippers and customers and can contribute to avoiding food waste, a major environmental issue in Europe.

Achievements

Digital office for our customers

In 2023, we progressed in our efforts to streamline access to all our services in an integrated digital ecosystem. We have introduced new features, including an upgraded finance module, map module, telematics, driver messaging and mobile payments for refuelling from two pumps at the same time, saving time for customers. The digital platform will enable us to drive awareness and incentivise uptake of our product features that increase efficiency and decrease emissions to more customers and drivers, thereby growing our data insights for further product development.

The Fuelio app added new features

The Fuelio app helps customers manage their fuel consumption and expenses, as well as driving habits. Premium features launched in 2023 include a new route planning tool offering real-time monitoring of local fuel prices, and Fuelio became one of the best fuel-logging apps on the market, downloaded over 5 million times, with an active user base of 1.2 million.

Anti-fraud systems

In 2023, we prevented the theft of more than 1 million litres of fuel, equivalent to 30 tankers of diesel. By preventing fuel thefts, we protect our customers' money, which they can utilise to modernise fleets and improve company operations. In 2023, we decreased clients' losses 11% more compared to 2022, even though the number of fuel fraud cases grew by 11%.

Mobile payments

In 2023, we added another 417 POS to the Eurowag Pay solution, almost doubling the number of sites, including activating this service for the first time in Denmark and Luxembourg, bringing the total number of mobile payment POS to more than 800 in 13 countries – making life easier and safer for customers.

Working time management

Through the acquisition of Inelo in 2023, Eurowag gained a suite of solutions to assist customers with analysing and settling working time, and verifying potential tampering with tachographs, ensuring transport companies operate according to current legislation.

EETS

Customers use our EVA OBU that can manage toll payments in multiple countries, with just one device. We offer toll services in 23 countries and five tunnels across Europe. In 2023, OBU sales increased almost four times, compared to 2022.

Sustainability continued

Focus area: Customer success and wellbeing

Improving wellbeing and safety for truck drivers

Truck drivers encounter various difficulties while on the road, including feelings of isolation, stress or concerns about physical health and safety. We are committed to improving the overall wellbeing and safety of truck drivers. Through our diverse range of products and services, we strive to improve safety whilst driving and foster a stronger sense of community among truck drivers. Additionally, we consistently prioritise maintaining the standards of quality and security in our facilities, including truck parks, to ensure the safety of our customers.

Priorities

- Building drivers' social network through our digital platforms
- Improving the quality and security of facilities for customers at truck parks
- Introducing tech services to improve driver behaviour and safety, including wrong way warnings, line crossing and flagging distracted driving

Progress

Customer survey results on wellbeing and safety (NPS score)

74%

2023	74
2022	70
2021	73

Achievements

Facilities for drivers

In order to support drivers' wellbeing, in 2023 we fully refurbished our shop in Modletice, Czech Republic. We built new social buildings in the Szigetszenmiklos truck park in Hungary, and are refurbishing the restaurant in Araia, Spain, in order to transform it into social restrooms for drivers.

Rescue lane warnings

Our new Emergency corridor feature, available now to Sygic's Premium+ users, can help save lives. It alerts the driver in situations which may require a quick response and offers visual instruction to assist drivers in safely navigating around emergency vehicles.

Event for truck drivers

We continued our annual "Delivering Christmas" events for the fourth year on our truck parks in the Czech Republic, Slovakia, Poland and Spain. We also held Eurowag Truckers' Day on 19 April for all drivers visiting our Llers station in Spain, to celebrate the crucial role that truck drivers play in our economy.

Expanding road services for drivers

We have added 176 parking sites to our network of 506 parking sites across Europe, where drivers can now use the Eurowag card to pay for additional services, including truck washing, tank cleaning, truck repairs and ferry bookings. We offer washing and tank cleaning services at our truck park in the Czech Republic and at acceptance networks or partner co-operation locations at a total of 1,105 sites across Europe. We have added 132 to a total of now 572 sites that offer truck repair services across Europe via partner co-operation. In 2023, we had 1,955 ferry booking transactions via our Eurowag solutions, an 80% increase from last year.

Driver scoring and feedback

Our wide offering of telematics solutions allows drivers and dispatchers to monitor driving scores, improve driver safety and reduce fuel consumption. In 2023, these features were used by more than 130,000 drivers.

Focus area: Community impact

Making a positive impact in our local communities

Eurowag serves diverse communities across Europe's patchwork of countries – many of which face considerable challenges. We strive to make a positive impact everywhere we operate, through employee-led philanthropy and volunteering as well as corporate donations and partnerships.

Priorities

- Delivering an impactful CSR programme
- Employee-led philanthropy and enabling our employees to volunteer at local charities, supporting local good causes
- Corporate donations and partnerships, including disaster relief and supporting customers' families who have lost loved ones during their work as professional drivers

Progress

Eligible employees participating in Philanthropy & You

79%

The marketing department joins forces with the retirement home Háje for a day trip to the Czech National Museum. Employees provided local seniors, including many with physical disabilities, with a guided tour through the museum.

Achievements

Eurowag colleagues giving back

In 2023, we donated €246,000 to 275 local charities and good causes in 14 countries via employee-led philanthropy, with over 1,000 employees participating in the Philanthropy & You programme.

Corporate charity partnerships

Eurowag donated €10,000 to support the TruckHELP Foundation, helping children who have lost a family member on the road. We are also forming a new partnership with Keep Hope Alive in Romania, which champions safer roads and more sustainable transport, as the first step in our plan to expand our corporate partnerships beyond the Czech Republic in the coming year. We will focus our efforts in three main areas: road safety and truck driver wellbeing, diversity in the tech sector, and research and development into sustainable and efficient transport innovations.

Volunteering

In 2023, we expanded the opportunity for employees to volunteer their working time and skills, broadening from the Czech Republic to encompass all our markets, and all employees are now entitled to make use of one day of volunteering with non-profit organisations.

Disaster relief

Eurowag match-funded employee donations to support communities affected by the February earthquake in Turkey and the August flooding in Slovenia; the combined donation was over €40,000. We also donated €10,000 to support people impacted by the war in Ukraine.

Movember

We supported Movember with a number of activities, including mental and physical health workshops in our Prague headquarters and match-funding employee donations.

Philanthropy & You	2020	2021	2022	2023
Employee participation	76%	81%	84% (750 employees)	**79% (1,047 employees)**
Number of good causes supported	190	246	227	**275**
Total amount allocated (€000)	94	239	150	**246**
Number of countries where projects were allocated	13	14	14	**14**

Sustainability continued

Focus area: Responsible business

Employee engagement and DEI

We believe that our greatest strength lies in the diverse perspectives, experiences and backgrounds of our people. By focusing on DEI and employee engagement, we want to cultivate a workplace where everyone feels valued, respected and empowered. We are taking actions to create a workplace where everyone's uniqueness is not just accepted, but celebrated.

Priorities

- Open and inclusive communication
- Boosting employee engagement by addressing two-way communication improvement and systems and processes alignment
- Promoting DEI with an initial focus on women in leadership
- To be a preferred employer in the markets where we operate, providing an inclusive, open culture with high-quality professional development opportunities and benefits
- Offering mentoring to colleagues

Targets and progress

Top 25%
employee engagement score benchmarked against EU tech companies by 2025

Our engagement score

60% ⌄6pp*

2023	60%
2022	66%

* Percentage change 2022 - 2023.

40%
women in leadership roles by 2025

Women in leadership (%)

35% ⌃4pp*

2023	35%
2022	31%
2021	28%

* Percentage change 2022 - 2023.

Achievements

Women's Network

We launched Eurowag Women's Network as part of our commitment to promoting diversity and inclusion in the workplace. Our goal is to create a supportive community for women in all parts of our organisation and to work towards increasing the representation of women in leadership roles. We are preparing to launch a women's mentoring scheme in 2024.

Inclusive recruitment

In March, the position of culture, diversity and inclusion specialist was created, responsible for designing, implementing and delivering the DEI strategy and actions. The strategy includes inclusive recruitment, learning and development opportunities, and engagement and community. As part of our Group equal opportunities, anti-bullying and anti-harassment Policy, we explicitly prohibit discrimination of people with disabilities and outline guidance for managers as well as employees who may have a disability. Our policy covers direct and indirect discrimination, unjustified and less favourable treatment because of the effects of a disability, and failure to make reasonable adjustments to alleviate disadvantages caused by a disability.

Women in tech

We supported the tenth annual International Day of Girls in STEM in Slovakia. The event, organised by local non-profit AjTyvIT, seeks to empower young women to pursue careers in traditionally male-dominated fields, including IT. Our colleagues from Bratislava helped contribute to the event's overall success and we are expanding our partnership with AjTyvIT as part of our community impact programme for 2024.

Employee engagement

In 2023, our annual engagement survey had a fantastic 89% participation, but our overall engagement of 60% represented a drop from the previous year. Whilst this was disappointing, we understand the reasons why, as the survey came on the back of a challenging year of change and restructuring, as well as our acquisition of an additional circa 700 employees. In 2023, we additionally surveyed employees in our acquired companies, to measure engagement post-merger. The open and honest feedback from employees gives us an opportunity to continue to focus our efforts on the things they tell us matter most to them. During the year, we also focused on two-way communication, through events that included all-employee Town Halls, Ask Martin Chief Executive Officer events, informal Q&A sessions across our office network, and regular Group News sessions.

Workplace wellbeing

We offer accessible resources for mental health and overall wellbeing to employees, including psychological consultancy through the online platform Mojra. To further improve the working environment of our employees, we completed the transformation of the seventh floor in our Prague headquarters office into a relax zone, and relocated the Romanian and northern Spain Webeye teams to new offices.

Focus area: Responsible business

Responsible business practices

We strive to uphold the highest ethical and responsible business and industry standards in our daily operations.

Priorities

- Promoting sustainable supply chain practices and responsible procurement
- Operating ethically and with integrity, including anti-corruption and responsible selling and marketing
- Promoting transparency and regulatory compliance
- Upholding customer privacy and data security, including cyber security

Progress and achievements

Employees who completed training	Professional psychology – Mojra	Professional self-study – Coursera	Professional self-study – Preply	Professional self-study – Eurowag new hires induction programme
2021	15	400	201	301
2022	19	140	260	284
2023	**57**	**284**	**260**	**242**

Employees who completed training	Fire protection for managers	Fire protection for employees	Occupational safety for managers	Occupational safety for employees
2021	23	409	17	425
2022	51	521	49	507
2023	**50**	**487**	**47**	**479**

Human rights

Following the human rights risk assessment we undertook last year, in 2023 we rolled out human rights training for employees and Board members. 75% of employees completed the training during the year.

Code of Conduct

We have updated our Code of Conduct for employees and distributed an updated Code of Conduct for suppliers, featuring social standards including human rights, anti-corruption, modern slavery, child labour and other ethical topics. The Code has also provided a confidential and easily accessible Speak Up (Whistleblowing) channel for raising concerns about unlawful or unethical conduct, which is now available to all our employees, suppliers and customers.

Employee training

We continue to roll out training in areas of anti-bribery, AML and partner screening, anti-trust, whistleblowing and human rights. In 2023, we added specialised training on human rights and modern slavery. The completion rate of compliance training in 2023 was 90%.

Sustainable procurement

We kicked off a project to deepen and systematise our sustainable supply chain practices, engaging purchasing colleagues from across the Group businesses, to improve the sustainability of our supply chain and compliance with current and forthcoming legislation.

Data protection and information security

In 2023, we strengthened our focus on cyber security, building a transparent and compliant Information Security Management System tailored to our business needs and compliant with London Stock Exchange legislation. Our focus was centred on adapting to evolving cyber security threats, mainly achieved by improving perimeter security and strengthening security measures in user communication.

Case study

Engaging our employees to bring our purpose to life

In 2023, our focus within employee engagement was to improve two-way communication, which was rated low by employees in previous surveys. We achieved this through opening tailored communication channels between management and employees. With functional All Hands meetings, attended on average by 1,000 - 1,200 employees monthly, we share important Group-wide and function-specific news and updates, as well as directly respond to local questions to management.

At our all-employee Town Halls, we share updates on our business performance and our financial results. Over 1,000 employees attended to hear about our interim results in September 2023. Regular opportunities for employees to learn about specific areas of the business are provided via Group News sessions, with an average of 450-500 employees in attendance at every session. All meetings support both in-person and online attendance and are accessible for colleagues from all parts of the Group. This includes colleagues from our newly acquired companies.

As the business grew significantly in 2023, we are now in the process of updating our Culture Manifesto as part of our ongoing cultural change journey. We launched a People and Culture Ambassadors network during 2023, comprised of 40 colleagues who represent different parts of the Group. They work together on behalf of all our colleagues to help us continue to nurture a culture where our employees understand our purpose, live our values and understand our strategy and the part they play in making us successful.

Going forward, we will focus on improving our employee experience and building a purpose-led culture across all subsidiaries. Helping to create a clean, fair and efficient CRT industry is our reason for existing, and engaging our employees in that vision is vital for ensuring that it sits at the heart of everything we do, guiding our decision-making and actions. In 2024, we will roll out a series of workshops with all employees, with the aim that everybody feels connected to our purpose and understands how they can take tangible actions to play a part in bringing it to life.

> "We launched a People and Culture Ambassadors network during 2023, comprised of 40 colleagues who represent different parts of the Group."

All Hands meetings attended on average by

1,000–1,200

employees monthly

TCFD

Climate risk and TCFD statement

Climate change and energy transition represent both a risk and an 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 our customers in the short, medium and long-term. We currently derive a significant portion of our revenue from fossil fuels payment 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 the 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 and the need to monitor the impact of such events on the health, safety and wellbeing of our workforce and customers. In addition, we have made a commitment to reduce our own carbon footprint, as well as to offer solutions to help customers make the transition to a more efficient and lower carbon future.

The following disclosure is consistent with the TCFD recommended disclosures. The TCFD framework allows the Company to report consistently on the impact of the climate-related risks and opportunities identified under different climate scenarios on all aspects of its business. It also allows Eurowag to assess its resilience to those risks and opportunities as well as how these might impact strategy and financial performance.

This section sets out Eurowag's climate-related financial disclosure, current approach, and future plans consistent with all of the TCFD recommended disclosures, in compliance with the FCA Listing Rule 9.8.6R(8) and Companies Act Climate-related Financial Disclosure requirements ("CFD"). In preparation of this TCFD statement, we also considered the supplemental guidance for the Transportation Group given our connection with the trucking service industry. Eurowag has focused on the potential impacts flagged by the guidance through our assessments of risks:

- The Group has assessed our inability to keep the pace with the rapid shift in regulation and policy requirement as well as the customer viability due to an increased price of fossil fuels
- The Group is committed to support the CRT sector move to a low-carbon economy by offering new tools and technologies to our customers. Electrification of the CRT sector is seen as an opportunity for Eurowag
- The Group's targets are aligned with the transition towards a lower carbon future, where alternative fuels represent a higher proportion of the energy delivered to our customers (see page 56, the Helping customers reduce GHG emissions section).

Our approach in this area is evolving in-line with developing best practice.

Governance

Board's oversight of climate-related risks and opportunities

Current approach

The Board oversees climate-related risks and opportunities as part of its overall consideration of our sustainability strategy. It also oversees climate risks specifically through the Audit and Risk Committee, which reviews principal risks. Sustainability is covered at every Board meeting (therefore at least quarterly) through an update from the VP of Sustainability and CSR on the activities of the ESG Executive Committee, or as part of the CEO report.

In 2023, the Board participated in climate training covering the physical science basis and regulatory, investor and corporate trends, delivered by external advisors specialised in sustainability.

With continuously growing expectations and pace of action on climate-related risks, the full Board will receive more comprehensive updates, from 2024, as part of the CEO report.

Eurowag will continue to review and, if necessary, adapt the Group's governance process to ensure alignment with emerging good practice.

TCFD continued

The role of management in assessing and managing climate-related risks and opportunities

Current approach

At a management level, the ESG Executive Committee is responsible for identifying, assessing, and managing climate risks and opportunities, and escalating to the Group risk function to ensure climate risks follow the risk management framework, and reports to the Board bi-annually. The Committee is facilitated by the VP of Sustainability and CSR and comprises: the Chief Executive Officer, Martin Vohánka; several members of the Executive Committee; and with members from the Senior Leadership Team including representatives from legal, human resources, communications, commercial and investor relations. The Chief Executive Officer also provides updates to the Board on sustainability and climate change risks and opportunities. The Board has overall responsibility for managing risks. Currently, transition risks are part of the control framework for the Group. Climate-related regulatory, compliance and policy risks are captured as part of the risk process.

The VP of Sustainability and CSR, who is a member of the ESG Executive Committee, has overall responsibility of the execution of the Group's climate strategy. The VP of Sustainability and CSR has functional responsibility for defining and driving the Group's climate-related strategy, whilst other members of the ESG Executive Committee are responsible for delivering the strategy within their respective functions. The ESG Executive Committee tracks and monitors the Company's performance and progress towards meeting our GHG targets.

In 2021, we introduced a formal ESG policy that codifies and sets out our governance and approach for integrating sustainability into our business, which is also used for monitoring and reporting on progress. In addition, in 2023, ESG performance constituted 10% of Executive Committee members' bonuses, which reflects a clear alignment of ESG matters and our business strategy.

We have a Sustainability function to help ensure sustainability is embedded into every part of our decision-making processes across the Group, through close working with representatives across the business who are responsible for the day-to-day delivery of the sustainability strategy.

Eurowag's governance structure for climate-related risks and opportunities is summarised in the graphic on page 53.

Our approach in this area is evolving in-line with developing best practice. We are also planning to review and update our ESG policy in 2024.

Going forward, we will review the climate risks associated with any M&A activity as well as country level activities that could create climate-related risks or opportunities for the Group.

Strategy

The climate-related risks and opportunities the organisation has identified over the short, medium and long-term

Current approach

The heart of our sustainability strategy is helping our customers compete and succeed in a low-carbon future. We have also made commitments to reducing our carbon footprint in our operations and supply chain and to reach net zero by 2050. The strategy is informed by our materiality assessment. In 2022, we identified short to long-term climate-related physical and transitional risks and opportunities through a series of workshops with business units and functional leaders. The timeframe for these risks is as follows: up to one year for short-term, from the end of the short-term reporting period up to five years for medium-term, and more than five years for long-term. During the workshops, we assessed the resilience of our strategy in three plausible future climate scenarios (1.5°C, 2°C and 3°C) through four lenses: assets and employees; business model; supply chain; and customers. The climate-related risks and opportunities identified are presented in the table starting on page 71.

Eurowag will continue to monitor external tools and the latest climate science to assess the physical and transition risks associated with climate change, and will report on how this has guided our strategy in future reports.

The Company plans to undertake a review of the scenario exercise in 2024, as well as reviewing its net zero strategy and exploring the opportunity to set SBTi-aligned targets.

The impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Current approach

Eurowag quantified the impact of the identified climate-related risks and opportunities where possible, and has expanded the number of risks and opportunities that were quantified in 2023. Risks and opportunities have been assessed for their impact on the Group's EBITDA. A gross risk rating has been given to each risk identified. The results are presented in the table starting on page 71.

Climate was considered as part of the preparation of the Viability Statement (see the Viability statement on page 47) as well as the Financial statements for 2023. The assessment and review of climate-related risks and opportunities are integrated with the assessment and review of all other risks (see the Risk management section on page 39). As part of this assessment, climate change has been designated as a principal risk (see the Principal risks register section on page 41). We have assessed the financial impact of the climate-related risks and opportunities identified on page 71 to 75. The impact has been classified as per the table on page 71.

We reviewed the risk of flooding for our physical assets, primarily our truck parks, and updated the assessment for our acquired assets. We modelled the financial impact using public data from trusted sources (e.g. EU Joint Research Centre, World Bank, WRI) and a case study of one of our truck parks in Spain. The Group's reputation, operating and compliance costs, and diversification of revenue may be influenced by our pace of action, as well as the pace of the energy transition within the broader CRT-enabling ecosystem and by customers in the short, medium and long-term. The energy transition poses challenges for our small and medium-sized customers, including the availability of sufficient charging and alternative fuel networks, rapidly evolving and yet unstable regulation raising business risk significantly, uneven approach on taxation and subsidy programmes across Europe, and limited availability of viable battery and alternative fuels trucks for CRT in the near term, all of which affect transition risks and the total cost of ownership as key drivers for mass adoption of sustainable alternatives.

We also recognise that extreme weather events could pose a risk to business continuity, not only for our physical assets but also for the health and wellbeing of our workforce. The Group also recognises that it is imperative to take responsibility to reduce its own carbon footprint (see our target to reduce Scope 1 and 2 emission by 2030 on page 57), as well as contribute to solutions to help its customers make the transition to a low-carbon future.

To address these risks and the opportunities, we are:

- Expanding our acceptance network to support uptake of alternative fuels (e.g. LNG, HVO)
- Investing in eMobility solutions, including signing the Memorandum of Understanding with 50five for the commencement of a partnership to support the CRT sector with electric vehicle charging solutions
- Investing in digitisation and technologies to improve efficiency within the CRT ecosystem and thus decrease energy intensity per tonne of transported goods
- Exploring how carbon reduction for our operations as well as investment in products and services to support customers with efficiency and emissions reductions will be a factor in capex investment decisions

The risk, finance, strategy and sustainability functions will continue to work together to ensure regular reviews are in place to assess the impact of our climate-related risks and related mitigation measures.

The resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Current approach

We have identified various climate-related risks and opportunities following the series of workshops completed in 2022.

The Company utilised three scenarios to identify physical and transitional climate risks and to test the Group's resilience. This included a 1.5°C scenario, where action taken around the world has achieved the aims set out in the 2015 Paris Agreement – global temperature growth has been limited to 1.5°C, compared with pre-industrial levels. But that does not mean everything is the same as today. There have been some physical changes and achieving this goal has required a substantial shift in policy and behaviour.

We also explored a second scenario of a 2°C world, where change ebbs and flows in the consciousness of leaders and the general public alike. Some action has been taken, but it's very much business as usual and global temperatures continue to climb, albeit slowly. And the impact is clear to see.

Finally, we considered a 3°C scenario where economies around the world have continued to be powered by fossil fuels and promises made by global leaders have been largely ignored. Life has continued much the same. As a result, the planet is in crisis and well past the point of no return by 2030. Global warming has accelerated. This is not doomsday, but the changes in climate are everywhere, tangible, and in some cases catastrophic.

In 2022, Eurowag developed a roadmap to reach net zero by 2050. By implementing this roadmap, we aim to support our customers' transition to a low-carbon world and thus reduce the Company's exposure to potential climate-related risks and strengthen our ability to capture opportunities (see our net zero roadmap in the Sustainability report).

Please see page 47 for the Company's Viability statement and more detail on the resilience of Eurowag's business strategy.

Eurowag will continue to ensure that our business strategy and management approach are resilient when considering these different plausible futures.

The risk and sustainability functions will continue to review the business continuity plans for assets in order to ensure that considerations from the climate scenarios are taken into account in the plans. Eurowag will also review the scenario exercise in 2024.

TCFD continued

Risk management

The organisation's processes for identifying and assessing climate-related risks

Current approach

The Board is responsible for overseeing climate-related risks and opportunities.

In 2022, the sustainability function initiated a series of workshops with the business units and functions to identify and assess climate-related risks, using scenario analysis to identify those risks. As part of the overall risk management process, climate risks are escalated to the risk function which then prepares the risk update for the Audit and Risk Committee. This Committee reviews the climate-related risks and opportunities and designates climate change as a principal risk (see the Principal risks register section on page 41).

In 2023, the finance function assessed and quantified the climate-related risks and opportunities (see table below – page 71). The impact of transitional and physical risks is assessed over a short to long-term timeframe, defined on page 71. The identified risks are assessed at different levels of the business focusing on both financial and strategic impacts.

Going forward, we will review the climate risks associated with M&A opportunities and post-acquisition integration, as well as country level activities that could create climate-related risks or opportunities for the Group.

The organisation's processes for managing climate-related risks

Current approach

Eurowag began assessing climate-related risks and opportunities in 2021 as part of the materiality analysis and completed its scenario analysis in 2022. Following the identification of climate-related risk and opportunities, Eurowag outlined a number of initiatives to reduce its operational and supply chain emissions, as well as developing products and services to help its CRT customers reduce their emissions. This process included the review and development of opportunities with individual business units. The business units have included prioritised plans for climate mitigation in their annual plans.

The VP of Sustainability and CSR is responsible for co-ordinating the management of climate-related risks across Eurowag. This includes setting the Company's climate strategy, which includes its GHG reduction targets; collecting and analysing environmental data to identify hotspots; defining and agreeing reduction plans; and engaging functions' leadership teams.

The energy and carbon intensive nature of our business, reflected in our GHG emissions data, is one of the main drivers for most of the risks presented in our climate-related risks and opportunities table (see page 71). As part of our process to manage these risks, in 2023, Eurowag continued to closely monitor and review its emissions data across Scope 1, 2 and 3, and focused on the following reduction activities:

- We have reduced our Scope 1 and 2 market-based emissions by 11% in 2023, compared to our 2019 baseline (see page 57 for a note on how our baseline has been adjusted to derive this figure). This has been achieved through measures that include doubling our on-site renewable energy generation and installing PV panels at our truck parks
- With Scope 3 being the largest share of our GHG emissions, we continued to reduce our customers' energy intensity compared to 2019, expanded our HVO network, added new LNG acceptance points to expand our LNG network, signed a Memorandum of Understanding with 50five for the commencement of a partnership to support the sector with an EV charging solution. To find our more, please see our climate action focus area on page 55 and our Sustainability report available on our website

As mentioned, Eurowag plans to undertake a review of the scenario exercise in 2024.

Integration of the processes for identifying, assessing and managing climate-related risks into the organisation's overall risk management

Current approach

Climate change risk is a principal risk and is assessed alongside the Company's other principal risks as part of the overall risk management framework (see the Principal risks register section on page 41). The process for identifying, assessing and managing climate-related risks as part of the overall risk management is as follows:

- Climate change risks are evaluated in-line with the risk management framework and following the accepted system of three lines of defence
- As part of the overall risk process, climate risks are escalated to the risk function, which then prepares the risk update for the Audit and Risk Committee. This Committee reviews the climate-related risks and opportunities and designates climate change as a principal risk
- Climate risk is treated like other risks (e.g. people, technology, etc.)

Eurowag will continue to monitor external tools and the latest climate science to assess the physical and transition risks associated with climate change, and will report on how this has guided our strategy in future reports.

Metrics and targets

The metrics used by the organisation to assess climate-related risks and opportunities in-line with its strategy and risk management process

Current approach

In 2022, Eurowag started to quantify the financial impact of climate-related risks, focusing on physical risks. In 2023, we have strengthened our methodology for quantification and expanded the scope to cover both physical and transitional risks.

Eurowag has disclosed annually its Scope 1 and 2 (both location and market-based) as well as its Scope 3 emissions in the Annual Report and Accounts. The Company also publishes intensity indicators of carbon emissions from Scope 1 and 2 (See the Sustainability section on pages 57-58).

Eurowag will continue to monitor and disclose climate-related metrics on an annual basis.

GHG emissions and their related risks

Current approach

Eurowag has disclosed its Scope 1 and 2 (both location and market-based) as well as its Scope 3 GHG emissions for the last three years in the Company's Annual Report and Accounts and its CDP 2023 submission.

These calculations can be found on page 58.

We will continue to refine our approach to quantification of climate risk as new external tools and information are being released, keeping a close eye on any new development.

Targets

Current approach

We have set a target to reduce our absolute Scope 1 and 2 (market-based) emissions by 50% by 2030, from a 2019 baseline. In 2022, we also received approval of a new set of targets to drive the decarbonisation of our value chain, including a net zero target by 2050.

The full set of targets can be found on pages 55 to 63, and more information can be found in our Sustainability report available on our website, regarding targets, progress, and activities.

These targets include a range of actions that will help us become net zero by 2050, while acknowledging business growth in the short, medium and long-term. This includes the following operational targets:

- 80,000 active alternatively fuelled commercial vehicles using Eurowag products and services by 2030. This target is dependent on the penetration of alternative vehicles in the market. The risk of us not meeting this target is therefore directly correlated to the success of the penetrations of alternative vehicles in the market. The potential financial impact of that risk is expected to be minimal for us. Our product and service offering is suitable for alternative trucks as well as for the more traditional segment of ICE vehicles, therefore not meeting the target would not pose a direct impact to our revenues.
- No diesel-related products in Eurowag's portfolio by 2050
- 20% carbon intensity reduction per tkm by 2030 (gCO_2e/tkm) of Eurowag telematics customers

The ESG Executive Committee will review progress towards these targets and report annually through the Annual Report and Accounts.

Our business growth related to acquisitions has meant that the targets set a few years back do not fully reflect the total business scope of activities and geographies. We are evaluating and refreshing these short-term targets, starting from a new baseline that captures the scale of our business to date, and that will in turn better inform the actions we need to take to reduce our emissions in-line with our long-term net zero ambition.

TCFD continued

Scenario analysis

Introduction

To comply with the TCFD recommended disclosure on strategy, Eurowag carried out a climate scenario analysis. Through three workshops, involving 25 participants from key business units and functions, the Group aimed to identify the resilience of its strategy under three possible climate futures; identify physical and transition risks and opportunities; and identify actions to mitigate risks and capture opportunities. With the support of external experts, three scenarios were created. The three scenarios were built based on publicly available scenarios from the Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathways ("RCPs") and Shared Socioeconomic Pathways ("SSPs"), International Energy Agency ("IEA"), and Principles for Responsible Investment Inevitable Policy Response ("PRI IPR"). The three scenarios are summarised in the section below. Our scenarios describe the pathway towards different temperature outcomes by 2100. Because scenarios are models, rather than precise predictions of the future, they describe changes on a decadal level. They use a mix of qualitative and quantitative information and were applied through four lenses: assets and employees; business model; supply chain; and customers. We used a number of sources, which contribute insights on different elements of climate change. The IPCC RCP scenarios are about physical changes, the SSPs are focused on wider societal changes and the IEA scenarios provide specific insights on electrification of transport. To that end, the different scenarios help inform different parts of our analysis.

	Scenario 1 A better world (1.5˚C) Page 71	Scenario 2 An uncertain and volatile world (2˚C) Page 73	Scenario 3 An irreversible world (3˚C) Page 74
Eurowag scenarios			
Summary	Action taken around the world has achieved the aims set out in the 2015 Paris Agreement – global temperature growth has been limited to 1.5˚C compared with pre-industrial levels. But that does not mean everything is the same as today. There have been some physical changes and achieving this goal has required unprecedented shift in policy and behaviour.	Not much has changed from today. Climate change ebbs and flows in the consciousness of leaders and the general public alike. Actions have been taken to meet current and expected pledges made by global leaders. Global temperatures continue to climb, albeit slowly, reaching 2°C by 2100. The impacts become clear to see for many over the next 10-20 years.	Economies around the world have continued to be powered by fossil fuels and promises made by global leaders have been largely ignored. Life has continued much the same. As a result, the planet is in crisis and well the past point of no return by 2030. Global warming has accelerated. The changes in the climate are everywhere, tangible and in some cases catastrophic. They continue to worsen and become more pervasive as temperatures climb above 2°C by the 2040s.
External scenarios			
IPCC scenarios	RCP2.6/SSP1	RCP4.5/SSP2	RCP6.0/SSP5
IEA scenarios	Global EV Outlook: Sustainable Development Scenario ("SDS")	Global EV Outlook: Stated & Expected Policies Scenario ("STEPS") and SDS	—
Other scenarios	PRI IPR: 1.5°C Required Policy Scenario	PRI IPR: Forecast Policy Scenario	—
Other data sources	Climate Analytics, Climate Impact Explorer; Climate Central, Surging Seas: Sea Level Rise Analysis; Climate Interactive, EN-ROADS Climate Change Solutions Simulator		

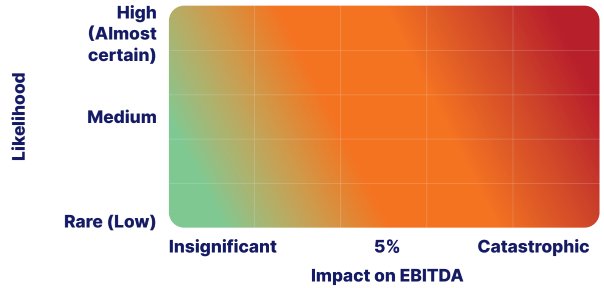
Risks and opportunities

The risks and opportunities that were identified as part of the climate scenario analysis are summarised in the below table. We defined likelihood and timeframe as follows:

Timeframe	# of years
Short	1
Medium	5
Long	5+

Likelihood	
Low	Rare/unlikely to materialise
Medium	Possible to materialise
High	Likely/almost certain to materialise

Eurowag defined the evaluation of the gross risk, as per the table below, which aligns with evaluation used to assess our principal risks on page 40. Please note that we evaluate here the gross risk rating based on the likelihood that a risk or opportunity materialises and its impact on EBITDA. The management approach column in our risks and opportunities table shows our approach to mitigate those risks. At present, we feel like our approach is robust enough to mitigate those inherent risks.



Scenario 1: A better world (1.5°C)

Category	Type	Description	Timeframe	Risk evaluation: Impact description	Risk evaluation: Impact on EBITDA	Risk evaluation: Likelihood	Risk evaluation: Gross risk rating	Management approach
Physical risks								
Acute		Inability of employees reaching their workplace due to acute extreme weather events such as droughts or flooding.		Disruption to business operations and occasional office closures.	(1.1)%	L		Eurowag has an established hybrid working from home policy that was successfully tested during the COVID-19 pandemic.
Transition risks and opportunities								
Policy and legal/ market		Rapid shift in regulation and policy accelerating the phase-out of fossil fuels in Europe. The impact could vary depending on the nature of the policy, the country and the impacts on different types and segments of the CRT sector.		Decline in revenue from fossil fuel.	(3.5)%	H		Our current payments and mobility solutions business model, and our commitment to play a role in the transition to low-carbon economies will allow us to ensure a shift in our products and services offering. Our approach is energy agnostic, and we are able to provide access and process transactions for fossil fuels, alternative fuels and electricity.

Key Gross risk rating: Low, Medium, High, Critical
Type: Risk, Opportunity
Likelihood: L Low, M Medium, H High
Timeframe: Short, Medium, Long

TCFD continued

Scenario 1: A better world (1.5°C) continued

Category	Type	Description	Timeframe	Risk evaluation: Impact description	Risk evaluation: Impact on EBITDA	Risk evaluation: Likelihood	Risk evaluation: Gross risk rating	Management approach
Transition risks and opportunities continued								
Policy and legal		Higher price of fossil fuels increasing financial instability and indebtedness of our customers (e.g. SMEs more at risk).		Higher expense and credit risk.	(10.0)%	H		We provide support, including tools and technology, to our customers, facilitating their transition to low-carbon economies. We do this by focusing on improving efficiency with technology and giving customers access to alternative fuels.
Policy and legal/ reputation		Inability to keep the pace with rapid shift in regulation and policy requirement, thus not meeting investors' expectations.		Decline in share prices and reputational damage.	No impact.	L	N/A	Our current approach is to first track trends and build knowledge and capability internally to ensure our internal processes are adapted and robust. We also focus on increasing investment to comply with regulation and meet stakeholders' expectations.
Reputation		Increased climate awareness means people will want to work in a value driven business.		Challenges with talent retention and attraction.	(3.0)%	M		Continue to ensure we have a clear employee value proposition, including a clear message on how all employees can contribute and be part of the solution. In 2024, we will also re-engage employees with a purpose through a series of workshops, raising awareness of what it means to be a purpose driven business.
Technology		Incorporate energy transition into the business model ensuring we are part of the solution, offering new tools and technologies to our customers.		Increased revenue.	5% – 15%	M	N/A	Continuing to grow our ambition and working to support the transition to cleaner mobility in the CRT sector are key to this.
Market		The successful electrification of CRT will in turn lead to more accessible prices for electric commercial vehicles in the future.		Increased revenue and market share for electric commercial vehicles.	Estimates will be included next year as/ when more detailed information becomes available.	M	No data.	Continuously review opportunities to be part of the eMobility ecosystem for commercial vehicles. Monetise early investment in eMobility expertise, technology and acquisitions ("ROI").

Key Gross risk rating: Low, Medium, High, Critical
Likelihood: **L** Low, **M** Medium, **H** High
Type: Risk, Opportunity
Timeframe: Short, Medium, Long

Scenario 2: Uncertain and volatile world (2°C)

Category	Type	Description	Timeframe	Risk evaluation: Impact description	Risk evaluation: Impact on EBITDA	Risk evaluation: Likelihood	Risk evaluation: Gross risk rating	Management approach
Physical risk								
Acute	Risk	Extreme weather events such as sea level rise, flooding, fires or droughts compromising the usability of routes, thus leading to business disruption, for example, the closure of petrol stations.	Medium	Inability of the Group to operate during those events.	(3.6)%	L	Medium	Conduct regular reviews of our business continuity plans to factor in potential impacts of extreme weather events.
Chronic	Risk	Increased droughts in Southern Europe and increased flooding events in Northern Europe leading to shortage of supply and potential assets becoming inoperable (e.g. dried out petrol stations).	Medium	Disruption to operations.	(3.0)%	L	Medium	Conduct regular assessment of climate risks associated with our current physical portfolio and supply to ensure we monitor the physical climate-related risks.
Transition risks								
Policy and legal/ market	Risk	Eurowag's current transition plan not at a fast enough pace to follow the shift in regulation and policy accelerating the phase-out of fossil fuels in Europe.	Long	Decline in revenue from fossil fuels and increased opex.	(6.6)%	H	Critical	We continuously monitor the pace of change and aim to be a key leader in the transition for the CRT sector.
Market	Risk	Customer viability due to increased price of fossil fuels.	Medium	Higher expense and credit risk.	(11.0)%	M	Critical	Provide mobility and payment solutions, and related tools and advisory services to support customers in their transition to low-carbon economies.
Policy and legal/ reputation	Risk	Inability to keep the pace with rapid shift in regulation and policy requirement, thus not meeting investors' expectations.	Long	Decline in share prices and reputational damage.	No impact.	L	N/A	Increase investment to comply with regulation and meet stakeholders' expectations.

Key Gross risk rating: Low, Medium, High, Critical
Type: Risk, Opportunity
Likelihood: **L** Low, **M** Medium, **H** High
Timeframe: Short, Medium, Long

TCFD continued

Scenario 2: Uncertain and volatile world (2°C) continued

Category	Type	Description	Timeframe	Risk evaluation: Impact description	Risk evaluation: Impact on EBITDA	Risk evaluation: Likelihood	Risk evaluation: Gross risk rating	Management approach
Transition risks continued								
Policy and legal	Risk	The establishment of policies is disjointed with individual countries in Europe taking different approaches, with new policies and legislation on GHG emissions, electric vehicles, pollution, taxes and levies. All of this leads to a complex and challenging system of compliance, increasing the challenges of operating in the region.	Long	Disruption to operations. Increase in costs for the Group and its customers.	(6.6)%	H	Critical	Continue ongoing, constructive engagement, and advocacy with policy makers to promote a unified and consistent approach to public policy measures. This includes active participation within trade bodies as well as with other like-minded stakeholders in the CRT sector.
Market	Opportunity	With our commitment to support the CRT move to a low-carbon economy, Eurowag has the opportunity to lead that transition, in turn increasing our attractiveness compared with our peers.	Long	Increase reputational gain and market share.	Estimates will be included next year as/when more detailed information becomes available.	M	No data.	Invest in new tools and technologies, support our consumers and work in partnership to facilitate that transition. We also adopt a data centric approach, collecting data from our mobility solutions. In the future, there will be opportunities to share carbon data with customers.

Scenario 3: An irreversible world (3°C)

Category	Type	Description	Timeframe	Risk evaluation: Impact description	Risk evaluation: Impact on EBITDA	Risk evaluation: Likelihood	Risk evaluation: Gross risk rating	Management approach
Physical risk								
Acute	Risk	Increase in frequency and intensity of flooding events, higher temperatures, and other extreme weather events.	Medium	Temporary closure and/or disruption of key assets. Disruption of our supply chain. Impact on employees' health and ability to travel to work. Damages to infrastructure. Disruption to operations.	(4.1)%	H	Critical	Periodically review business continuity plans to ensure risks are factored into planning in the short and medium term. This includes utilisation of climate tools to assess risk on assets and supply chain.

Key Gross risk rating: Low, Medium, High, Critical. Likelihood: **L** Low, **M** Medium, **H** High
Type: Risk, Opportunity. Timeframe: Short, Medium, Long

Scenario 3: An irreversible world (3°C) continued

Category	Type	Description	Timeframe	Impact description	Risk evaluation: Impact on EBITDA	Risk evaluation: Likelihood	Risk evaluation: Gross risk rating	Management approach
Physical risk continued								
Chronic	–	Extreme weather events and sea level rise would lead to high investment required to keep vulnerable assets operational. This can include wind, flooding and drought.		Higher capital investment. Write-off of assets. Disruption to operations.	(0.5)%	M		Conduct regular assessment of climate risks associated with our current physical portfolio and supply to ensure we monitor the physical climate-related risks.
Chronic	–	Extreme weather could lead to social unrest and migration of upwards of millions of people to Western and Northern Europe.		Migration of employees. Challenges with talent retention and attraction.	(4.1)%	H		Regular review and assessment of strategic and people agenda. Eurowag will continue to ensure we have a clear employee value proposition and a clear message on how all employees can contribute and be part of the solution. Employee support and business agility will also be key.
Transition risks								
Market	–	Competitive disadvantage if no ROI in low-carbon solutions due to a slow transition, with economic growth still powered by fossil fuels.		We will see no positive return from our current business model to transition if the transition has been slow.	(6.6)%	L		Monitor external developments, stay agile, and adapt our business model if need be.
Policy and legal	–	Social and political shift. Ideological and political perspectives change. Risk that the world becomes more polarised and irrational policy decisions are taken.		Disruption to operations.	(4.1)%	H		Monitor external developments and ensure that the business is equipped to meet changing regulatory requirements.
Technology	–	Increased criminal activities and cyber-crime impacting platforms and technology sector.		Loss of revenue and opex.	(3.0)%	M		Strengthen cyber security in all our platforms and manage the risk as well as building internal capability with a centralised dedicated role for IT security.

Key Gross risk rating: Low, Medium, High, Critical. Likelihood: L Low, M Medium, H High.
Type: – Risk, + Opportunity. Timeframe: Short, Medium, Long.

Non-financial and sustainability information statement

Non-financial and sustainability information statement

The table below constitutes the Eurowag Non-Financial and Sustainability Statement, produced in compliance with the non-financial reporting requirements set out in Sections 414CA and 414CB of the Companies Act 2006. Information relating to each section of the non-financial reporting requirements have been incorporated via cross-reference.

Reporting requirement	Policies and standards	Additional information related to our policies and standards
Climate-related financial disclosures	TCFD disclosures	Climate risk and TCFD statement, page 65 ESG governance framework, page 53
Environmental matters	ESG strategy ESG Policy	Sustainability strategy, page 52 ESG governance framework, page 53 TCFD statement, page 65 Main activities undertaken during the financial year, page 85
Employees	Eurowag values Code of Conduct Speak Up (Whistleblowing) Policy Health and safety Policy Grievance Policy Anti-harassment and anti-bullying Policy	S172 statement, page 28 Main activities undertaken during the financial year, page 85 Engagement with the workforce, page 29 Developing our culture, page 87 DEI, page 62
Social matters	Modern slavery and human trafficking Policy	Sustainability, page 51 DEI, page 62
Human rights	Modern slavery and human trafficking Policy Anti-bullying and anti-harassment Policy Personal data protection Policy Personal data directive	Responsible business practices, page 63
Anti-corruption and anti-bribery matters	Anti-bribery and corruption Policy AML Policy System of internal principles Partner screening directive Conflicts of interest Policy Market abuse regulation procedures manual Related parties transactions Policy Significant transactions policy	Responsible business practices, page 63
Principal risks relating to requirements	n/a	Risk management, page 39
Business model	n/a	Business model, page 18
Non-financial KPIs	n/a	Key Performance Indicators, page 25

This Strategic report was approved by and signed by order of the Board by:

For and on behalf of Computershare Company Secretarial Services Limited
25 March 2024

Corporate governance

Chairman's introduction to governance

Letter from the Chairman

Dear shareholders,

I am delighted to present our 2023 Governance Report, which provides insight into how we, the Board, have approached our responsibilities during the year. In our second full year since listing on the London Stock Exchange and forming our Board, I have been pleased with the continuous improvements made to the Board and its operation, as we strive to be effective and entrepreneurial in the discharge of our duties. Robust corporate governance practices remain a core priority, with our responsibilities under the 2018 UK Corporate Governance Code (the "Code") and those owed to our stakeholders kept central to our approach to decision making. For more details on how the Board has implemented the Code, please see page 84.

Our Board continues to consider the views of our key stakeholders throughout its decision making. Further details can be found in our Engaging with our stakeholders section on pages 28 to 31, including the considerations the Board gave as part of its decision-making process.

Changes to our Board

During the year, we said goodbye to Magdalena Bartoś, who had served as Chief Financial Officer of the Company since September 2019, and also Caroline Brown, who had served as an Independent Non-Executive Director and Chair of the Audit and Risk Committee since our IPO. In February 2024, we announced that Susan Hooper would depart as an Independent Non-Executive Director and Environmental, Social and Governance ("ESG") Board representative in May 2024.

Magdalena, Caroline and Susan have each played a key role in the delivery of our strategic aims. On behalf of the Board and the rest of the Eurowag team, I would like to thank them for their endeavours and service.

Following rigorous selection processes, we welcomed Oskar Zahn as Chief Financial Officer in May 2023, Steve Dryden as an Independent Non-Executive Director and Chair of the Audit and Risk Committee in June 2023, and Sophie Krishnan and Kevin Li Ying as Independent Non-Executive Directors in March 2024. These appointments bring additional skills and experience, particularly in the areas of financial reporting and technology products, that have strengthened our Board to deliver on its ambition to create a clean, fair and efficient commercial road transport ("CRT") industry. We will seek to ensure continuous improvement in the composition of the Board through annual reviews in order that we have sufficient capabilities to meet our responsibilities and maximise our capacity to deliver value to our stakeholders.

Commitment to diversity

As part of the Board's ongoing reviews, diversity is a key consideration, and we remain committed to our targets on gender diversity. We also consider diversity of ethnicity, culture, and cognitive and personal strengths. The Board believes that we should be representative of our stakeholders, including our people, our shareholders, and the markets in which we operate.

In 2023, the Directors reviewed and reaffirmed their commitment to the Diversity and Inclusion Policy, which aspires to commit to no fewer than 50% of women on the Board and at least one Director from an ethnic minority, and represent a blend of nationalities to reflect the international nature of the Company, with the aim to accomplish this as a medium-term objective.

During the year, the percentage of women serving on the Board dropped from 62.5% to 37.5% following the departures of Magdalena Bartoś and Caroline Brown. Although we focused our Board recruitment process on attracting a wide range of candidates, ultimately, we selected the appropriate individuals regardless of gender or ethnicity. Obviously, this sets us a challenge now and for the future, as we are committed to achieving and maintaining the balance identified in the FTSE Women Leaders Review, Parker Review and requirement under the Financial Conduct Authority ("FCA") Listing Rules.

Despite this, we continue our progress to increase representation of female and other under-represented groups in Senior Leadership Team roles in-line with regulations and governance best practice. Our ambition and commitment to promote diversity within our business is core to our recruitment strategy.

Further information on our Board's composition and diversity can be found on page 88 in the Corporate governance report and page 95 of the Nomination and Governance Committee report.

Board effectiveness

In-line with the Code, the Company performed its first externally facilitated evaluation of the Board of Directors and its Committees during the year. Lintstock Limited ("Lintstock"), a London-based advisory firm specialising in Board performance evaluations, which is independent of the Company, was engaged to undertake the evaluation.

The Board discussed a high level review of the key points of the evaluation in early 2024, noting that many of the recommendations of the review had already been implemented. Further sessions are planned with the Nomination and Governance Committee to address the remaining proposals in the evaluation.

I would invite you to read more on our 2023 evaluation and the action plan on page 96 in the Nomination and Governance Committee report.

Engagement with our workforce

Our Board understands the critical role that our people have in the delivery of our purpose and growth strategy, and they have the thanks of our Board for their hard work through uncertainty and challenges during 2023. I was pleased that I, along with my colleagues, was able to meet with some of our employees during our visit to Prague in July 2023, where the Board was satisfied to see the consistency between Board reporting and operational delivery, through meetings with non-management employees.

Sharon Baylay-Bell acts as the Board's representative to the workforce and provided the Board with regular updates on the outcomes of engagement activities. These included visits to operating sites in the Czech Republic, Portugal and Spain, where she was supported by the Chief Human Resources Officer. Further details about our workforce engagement practices can be found on page 29.

In-line with best practice, our Board reviewed a new Speak Up (Whistleblowing) Policy in September 2023, which allows employees a simple and effective channel to raise concerns and grievances. I am confident the new procedure will give comfort to employees that their concerns are taken seriously by our Board and Executive Committee. Further details about our Speak Up (Whistleblowing) Policy and procedures can be found on page 105.

Engagement with our shareholders

The support of our shareholders has been integral to the Company's achievements during 2023. I would like to thank our shareholders again for the continued support they gave to the Company, especially during the Class I acquisition of Grupa Inelo S.A. ("Inelo"), at a General Meeting held on 9 March 2023. I had the opportunity to meet some of our cornerstone investors during one-on-one meetings in April 2023. The meetings provided insights on our shareholders' perception of our strategy and progress. During the year, our Executive Directors, supported by our brokers, undertook investor roadshows in Europe and in North America, and met with existing and prospective shareholders. At our Capital Markets Day, our shareholders were provided a deeper understanding of the Company's purpose, strategy and plans for future growth, and my fellow Directors and I were able to meet and converse with our shareholders.

> "We strive to be effective and entrepreneurial in the discharge of our duties."
>
> **Paul Manduca**
> Chairman

Our Board will continue our engagement activities with our shareholders, and I look forward to meeting with our shareholders again at our next Annual General Meeting ("AGM") which is scheduled to be held at our registered office at Third Floor (East), Albemarle House, 1 Albemarle Street, London W1S 4HA, on 16 May 2024 at 4pm GMT.

Commitment to climate

Our Board remains committed to the Company's purpose, to help the CRT industry to become clean, fair and efficient. That purpose is supported by the Company's ambitions towards becoming a net zero business. During the year, our Board monitored progress against the Company's climate-related key performance indicators ("KPIs"), sustainability and net zero transition plans and will continue to challenge the Senior Leadership Team to go further in its endeavours to create a cleaner industry. In addition, our Board received training on the impact of climate change on our business and reviewed the management action plans to reduce and mitigate those risks.

Conclusion

I would like to thank my colleagues on the Board for their commitment and constructive challenge throughout the year. As our Company continues to face uncertain macroeconomic conditions and the impacts of a high inflation and high interest environment, I am encouraged by the Board's capacity to support the Company to achieve its growth strategy in the coming year and beyond.

Paul Manduca
Chairman

Board of Directors

Our Board of Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Paul Manduca N
Chairman of the Board

Martin Vohánka
Chief Executive Officer

Oskar Zahn
Chief Financial Officer

Mirjana Blume A R N
Senior Independent Non-Executive Director

Sophie Krishnan A R
Independent Non-Executive Director

Sharon Baylay-Bell A R N
Independent Non-Executive Director

Susan Hooper* A R N
Independent Non-Executive Director

Steve Dryden A R N
Independent Non-Executive Director

Joseph Morgan Seigler
Non-Executive Director

Kevin Li Ying A R
Independent Non-Executive Director

Chair R Remuneration Committee A Audit and Risk Committee N Nomination and Governance Committee

* Susan is stepping down from the Board at the 2024 AGM.

Paul Manduca

Chairman of the Board

Appointed
7 September 2021

Nationality
British/Maltese

Other commitments

Chairman of St James's Place plc

Skills and experience

Paul has over 40 years' experience in executive and non-executive roles in the financial and business services sectors. From 2012 to 2020, Paul was Chairman of Prudential plc, having previously been appointed to the board as Senior Independent Director in 2010. Other prominent positions include roles as Senior Independent Director of WM Morrison Supermarkets plc from 2005 to 2011, during which he served as Chairman of the Audit Committee and the Remuneration Committee. Prior to this, he was appointed global Chief Executive Officer of Rothschild Asset Management in 1999 and European Chief Executive Officer of Deutsche Asset Management from 2002 to 2005. Earlier in his career, Paul served as Chairman of the Association of Investment Companies, as Chairman of The City UK's Leadership Council, and as founding CEO of Threadneedle Asset Management Limited. Paul had also previously served as Chairman of Templeton Emerging Markets Investment Trust plc and stepped down from this role on 1 January 2024.

Other previous appointments include Chairman of Aon UK Limited from 2008 to 2012, having served as a Non-Executive Director since 2006, JPM European Smaller Companies Investment Trust plc and Bridgewell Group plc, and Director of Henderson Smaller Companies Investment Trust plc, Eagle Star Insurance Company and Allied Dunbar.

Paul holds an MA in Modern Languages from the University of Oxford, where he is also an Honorary Fellow of Hertford College. In 2018, Paul was awarded a Maltese Order of Merit.

Martin Vohánka

Chief Executive Officer

Appointed
3 August 2021

Nationality
Czech

Other commitments

Co-founder of the Nadační fond nezávislé žurnalistiky (Independent Journalism Foundation)

Co-founder of the Nadace BLÍŽKSOBĚ (Closer Together Foundation)

Director of Couverina Business s.r.o

Skills and experience

Martin founded Eurowag Group in 1995, shortly after graduating from high school. Over the years, Martin has successfully developed and scaled the business from an energy payments solution to an integrated payments and mobility platform for the CRT industry, which includes toll payments, on-board telematics, route optimisation and much more.

Martin is devoted to providing every CRT company with the benefits of digitalisation at scale. He has grown up with these businesses, spending time in their vehicles and with the families that own and operate them, to understand what they need in order to improve efficiencies. His vision is to build a seamless integrated digital ecosystem to revolutionise what is known as the middle mile, to benefit customers, partners and the environment.

Martin holds an MBA from the University of Pittsburgh and lectures at the University of Economics, Prague.

Oskar Zahn

Chief Financial Officer

Appointed
12 May 2023

Nationality
British/South African

Other commitments

N/A

Skills and experience

Oskar joined Eurowag and the Executive Team as Chief Financial Officer in April 2023, succeeding Magdalena Bartoś. Oskar brings with him over 30 years' experience of working within large complex international businesses with continuous improvement and growth focused cultures.

Most recently, he was CFO at XP Power Limited, one of the world's leading providers of power converter solutions. Prior to XP Power, Oskar was CFO of Scapa Group plc, a leading global manufacturer to the healthcare and industrial markets, from 2018 until its acquisition by SWM International, Inc., in early 2021. Previously, Oskar was CFO at Spearhead International, a leading vertically integrated food and agriculture business operating in CEE and the UK. Oskar has held other senior roles in Teleflex, British Airways, Georgia-Pacific and KPMG. He has an honours degree in Finance from the University of South Africa and is a fellow of the Institute of Chartered Accountants in England and Wales and of the Institute of Chartered Accountants of South Africa.

Board of Directors continued

Mirjana Blume

Senior Independent Non-Executive Director

Appointed
7 September 2021

Nationality
Swiss/Croatian

Other commitments

Chief Financial Officer of Synhelion Ltd

Member of the Board of Directors, the Audit Committee and the Digital Committee of Orell Fuessli Ltd, a SIX Swiss Exchange-listed company

Vice Chairwoman of the Board of Directors and Chairwoman of the Audit Committee of IWB, Industrielle Werke Basel

Chairwoman of the Board of Directors of EWE, Energie und Wasser Erlenbach Ltd

Member of the Board of Directors of WAZ, Werke am Zürichsee Ltd

Member of the Board of Directors of Freigeist Asset Management Ltd

Secretary of the Board of Directors of Qnective Ltd

Skills and experience

Mirjana has more than 25 years' experience in the areas of corporate finance, structuring of companies and management of complex corporate transactions. She was appointed to the Eurowag Supervisory Board in December 2020 to provide vision and expertise to guide Eurowag on its mission to become the leading on-road mobility platform.

Mirjana holds the position of Chief Financial Officer at Synhelion Ltd and, earlier in her career, was Chief Executive and Financial Officer of various companies in the energy, technology and healthcare sector.

Mirjana holds a bachelor's degree from the Zurich University of Applied Sciences and an MBA from the University of St Gallen.

Sharon Baylay-Bell

Independent Non-Executive Director

Appointed
7 September 2021

Nationality
British

Other commitments

Chair and independent technology consultant of DriveWorks Ltd

Skills and experience

Sharon has had a successful career in technology, media, and digital companies, and has extensive corporate governance experience. She is the designated Director for employee engagement within the Group.

Sharon is a former Non-Executive Director of Ted Baker plc and served as acting Chair from December 2019 to July 2020. She has previously held roles as Marketing Director and main Board Director of the BBC, and spent 16 years at Microsoft, where she was a Board Director of Microsoft UK and Regional General Manager of MSN International.

Sharon holds a graduate Diploma in Marketing from the Chartered Institute of Marketing and is a Fellow of the Chartered Institute of Marketing, as well as a Member of Women in Advertising and Communications Leadership.

Susan Hooper

Independent Non-Executive Director

Appointed
7 September 2021

Nationality
British/American

Other commitments

Independent Non-Executive Director and Chair of the Remuneration Committee, ESG Lead and Designated Representative for Workforce Engagement of Moonpig Group plc

Independent Non-Executive Director of Uber UK

Chair of the Board of Tangle Teezer Limited

Founding Director of ChapterZero

Ambassador for the World Travel & Tourism Council

Skills and experience

Susan has extensive experience within a broad range of large consumer-facing businesses, both in executive and non-executive roles.

These include: a Non-Executive Director of Wizz Air plc, a Non-Executive Director of The Rank Group plc, where she was Chair of the ESG and Safer Gambling Committee, and a Non-Executive Director of Affinity Water, where she was Chair of the Remuneration Committee. She was also a Non-Executive Director for the Department for Exiting the European Union. Prior to this, she was Managing Director of British Gas Residential Services and Chief Executive of Acromas Group's travel division (including the brands Saga and the AA). She held senior roles at Royal Caribbean International, Avis Europe, PepsiCo International, McKinsey & Co, and Saatchi & Saatchi.

Susan holds a bachelor's and a master's degree in International Politics and Economics from the Johns Hopkins University and the Johns Hopkins University School of Advanced International Studies.

Steve Dryden

Independent Non-Executive Director

Appointed	Nationality
1 June 2023	British

Other commitments

CEO of Flint Group Holdings SARL

Skills and experience

Steve is a highly regarded and experienced business leader who brings significant financial and audit leadership experience and business acumen to the Board. Most recently, Steve serves as Chief Executive Officer of Flint Group Holdings SARL. Previously, he held the positions of CFO of Flint Group, Group Finance Director of DS Smith plc and Group Finance Director of Filtrona plc. Steve achieved his professional accountancy qualification with PricewaterhouseCoopers and holds a degree in Chemical Engineering from the University of Leeds.

Sophie Krishnan

Independent Non-Executive Director

Appointed	Nationality
1 March 2024	British/French

Other commitments

CEO of Lokalise, Inc

Non-Executive Director of Simbio Holdings

Skills and experience

Sophie has extensive experience with digital businesses scaling their operations internationally, many of which offer mobility or payment solutions. She has held both executive and non-executive roles. She has served as CEO at CarNext and as Chief Operating Officer at Zepz (formally WorldRemit Ltd) and has been a senior executive at Trainline, Ltd and Expedia, Inc. She was a Non-Executive Director for Avanti Acquisition Corp. Earlier, she was a consultant at Bain & Co and an investor at Investor AB. Sophie holds a dual Master's-Diploma degree from the London School of Economics and EDHEC, and an MBA from Stanford Graduate School of Business as an Arjay Miller Scholar.

Kevin Li Ying

Independent Non-Executive Director

Appointed	Nationality
1 March 2024	British/Mauritian

Other commitments

Executive Vice President of B2C Division, Future plc

Executive Director and Board Member of GoCompare.com Ltd

Skills and experience

Kevin has over 20 years of experience in technology and over 10 years of executive leadership experience. Kevin brings deep expertise in building scalable technology platforms. As Chief Technology & Product Officer at Future plc, Kevin has helped transform the business from a traditional print publisher to a global online leading media platform.

Over his career, Kevin has developed a strong understanding of the commercial levers, technology architecture and product services that drive value for both business and customers.

Kevin currently serves as Executive Vice President of B2C Division, the largest division of Future plc. Kevin oversees all B2C brands, editorial and revenue generation consisting of subscriptions, commercial advertising, e-commerce and newstrade revenue whilst ensuring technology and data are central to the B2C offer. Kevin also serves as Executive Director and Board Member of GoCompare.com Ltd, the price comparison website for financial and non-financial products.

Joseph Morgan Seigler

Non-Executive Director

Appointed	Nationality
7 September 2021	American

Other commitments

Managing Director at TA Associates and Co-Head of its European Technology Group

Member of the following boards as a representative of TA Associates: The Access Group, Adcubum, Auction Technology Group, Flashtalking, ITRS, Netrisk Group, Sovos, thinkproject and Unit4

Skills and experience

Morgan has over 17 years of private equity experience and has led investments in software, financial technology, online and e-commerce, and semiconductor companies. He is deeply involved in creating both organic growth and complementary acquisitions for all his portfolio companies.

Prior to joining TA Associates in 2002, Morgan worked for Morgan Stanley and Raymond James.

Morgan holds an MBA from the Stanford Graduate School of Business and a bachelor's degree in economics from Yale University.

Other Directors of the Company who were in office during the year were:

Magdalena Bartoś retired as a Director and Chief Financial Officer of the Company on 30 April 2023.

Caroline Brown retired as an Independent Non-Executive Director of the Company on 11 May 2023.

Corporate governance report

Governance overview

Statement of compliance with the 2018 UK Corporate Governance Code

W.A.G payment solutions plc (the "Company") continues to adopt the Code. Throughout the year ended 31 December 2023, the Company has been fully compliant with the provisions of the Code.

Further information on the Company's application of the principles and provisions of the Code can be found in the Corporate governance report on pages 85 to 93. The Code is publicly available at https://www.frc.org.uk/.

Board's agenda and major decisions during 2023

Feb

- Announcement of acquisition of Inelo, a leading fleet management solutions and work time management provider in Poland and Slovenia
- Announcement of appointment of Oskar Zahn as the Chief Financial Officer
- 2023 budget

- HR initiatives
- M&A integration plans
- Group Compliance Policy
- Code of Conduct for Suppliers Policy

Mar

General Meeting

- 2023 preliminary results and Annual Report

- M&A funding structures
- M&A integration plans

Apr

Chairman – investor meetings

- Announcement of appointment of Steve Dryden as an Independent Non-Executive Director
- Notice of AGM

- Human Rights and Anti-Trafficking Statement
- Group structure plan

May

AGM

- M&A integration plans
- Effectiveness of the External Auditors

Jul

Strategy day

Board – employee engagement meetings

Training on human rights

- ESG strategy
- Stakeholder engagement strategy

Sep

- 2023 half-year interim results

- M&A performance
- Broker presentation and market update
- UK tax strategy
- Speak Up (Whistleblowing) Policy

Oct

Capital Markets Day

Dec

Training on climate and climate risk

- Refresh of Group risk appetite and risk management framework
- 2024 budget

- M&A review
- Effectiveness of internal controls
- Workforce engagement and diversity
- Valuation Policy
- Board Diversity and Inclusion Policy

Indicates major decision

Board activities during 2023

Topic	Key activities and discussions	Key achievements	Key priorities for 2024
Strategy and management	› Review of M&A funding structure and performance against action plans › Continued investment in organic and inorganic growth opportunities › Further technological transformation in our product offerings › Board strategy day held in July 2023 › Further M&A activity and achieving progress against objectives	› Completion of the acquisition of Inelo › Further investment into future product offerings › Signed additional facilities agreements to refinance and expand the Group's existing credit facilities	› Integration of acquired businesses › Execution of transformational activities › Further development of future product › Delivery of organic and inorganic growth › Focus on culture and employee satisfaction
Stakeholder engagement	› Discussion on stakeholder engagement strategies › Investor relations meetings › Discussion of increasing engagement with staff at newly acquired M&A companies	› Chairman met with investors through one-to-one meetings › Hosted first Capital Markets Day › Workforce engagement sessions with non-management level staff	› Continue to engage with employees and customers to improve the Net Promoter Score ("NPS") and employee Net Promoter Score ("eNPS")
Risk management and internal controls	› Review of the Company's principal risks and uncertainties › Reviewing and setting the Group risk appetite › Reviewing the effectiveness of the Group risk management framework and internal control system › Review of the Company's risk register › Reviewing the Group compliance action plan › Review and approval of the internal audit plan	› Reviewed a new Speak Up (Whistleblowing) Policy › Implementation of new internal audits on IT security › Cyber security discussions › Audit and Risk Committee received updates from Business Assurance Committee	› Monitor the effectiveness of the Group's risk management framework and internal control environment and support its continual enhancement

Corporate governance report continued

Topic	Key activities and discussions	Key achievements	Key priorities for 2024
Financial reporting and controls	› Review of the external audit workplan › Finalising the Company's commitment, targets and implementation of KPIs › Review of the performance of External Auditors	› Re-appointment of the External Auditors › Review of the interim consolidated financial statements for the six months ended 30 June 2023 › Review of the full-year consolidated financial statements › Reviewed the effectiveness of internal controls relating to financial reporting › Updated UK tax strategy	› Monitor the implementation of an enterprise resource planning system to support financial reporting › Support enhancements to the financial reporting capabilities and controls over financial reporting
ESG	› Discussion of the Company's purpose, values and culture › Review of sustainability action plan › Discussion of ESG targets	› Reaffirmed commitment to the ESG strategy and commitments	› Monitor the implementation and outcomes of the ESG strategy › Promote the Company's purpose, values and culture through the Group and its value chain
Board composition and effectiveness	› Review of the Board's composition › Review of Board succession planning and time commitments › Review of Senior Leadership Team succession planning and time commitments › Discussion on Board diversity	› Nomination of new Chief Financial Officer › Nomination of new Independent Non-Executive Director › External Board performance review undertaken › Annual review of the Board Diversity and Inclusion Policy	› Monitor the implementation of recommendations from the externally facilitated Board evaluation › Continue to strengthen the Board and its operations

Developing our people and culture

Defining our purpose, values and culture

Our success as a leading pan-European integrated payments and mobility platform continues to be driven by the Company's purpose, values and culture, as established by the Board of Directors. The Board has ultimate responsibility for establishing the Group's purpose, values and culture. The Board, with support from the Senior Leadership Team, is committed to its purpose to help the CRT industry to become clean, fair and efficient, and supports Eurowag operating under the following four values, which encourage its employees to act as good corporate citizens:

- Deliver your best
- Embrace change
- Be a true colleague
- Be a good person

Furthermore, the Board has committed to the journey to a greener future, as Eurowag is striving to reach net zero emissions by 2050 through a combination of short and longer-term decarbonisation targets covering operations within the Group and in our value chain.

Aligning purpose, values, strategy and culture

We ensure that our purpose, values and culture are aligned with our long-term strategy, as we recognise that strong performance is driven by shared understanding. Our four core values provide a foundation that motivates and guides our people, and these principles are embedded in every action we take as an organisation in order to reach our shared purpose. Our values inspire us to achieve success and happiness in our work and private lives.

Our strategy is the roadmap to achieving our shared goals and underlying purpose, which is to promote fairness, increase efficiency and act as climate conscious leaders within the CRT industry. We have embedded our shared purpose and values as part of our shared organisational culture through the creation of policies to create clear standards that align our people.

Our people are our greatest asset, and therefore we ensure our people exemplify what we stand for. Alignment with our values is a criterion considered in recruitment, promotion and when establishing rewards. This is how we promote and safeguard the culture we have nurtured, which has allowed Eurowag to continue to perform and successfully execute its strategy each financial year.

Engagement with our employees

The Board has, in conjunction with the Senior Leadership Team, built an entrepreneurial environment that promotes collaboration and development of its employees. The Group demonstrates its recognition of the value of its workforce through creating channels for collaboration and continual feedback, which can be evidenced by the Group's high levels of employee engagement.

Sharon Baylay-Bell continued as the Board's appointed Non-Executive workforce engagement Board representative, with designation to represent in matters of workforce engagement. During the year, the Board directly engaged with the employees at all levels of the organisation, in order to satisfy themselves that Board level reporting was consistent with operational delivery. This activity created an effective feedback loop between the Board and the wider workforce, and further contributed to the creation of positive working relationships across the Group.

The Board regularly reviews the action it has taken to engage with the wider workforce to ensure that policies and processes are operating effectively, including the Speak Up (Whistleblowing) Policy which was updated and approved by the Board in September 2023.

The Board receives regular reports from the Senior Leadership Team on specific areas of Group employee engagement activities to ensure the Board has a thorough understanding of the business and its employees.

Further information on workforce engagement can be found on page 29.

"We promote and safeguard the culture we have nurtured, which has allowed Eurowag to continue to perform."

Paul Manduca
Chairman

Corporate governance report continued

Division of responsibilities

Decisions and matters reserved for the Board

The formal schedule of matters reserved for the Board and the Terms of Reference for each of the Board Committees are reviewed annually to ensure their accuracy in-line with governance best practice. The Board also operates in-line with a delegated authority matrix, which provides the division of responsibilities regarding decision making. The formal schedule of matters reserved for the Board can be found on the Company's website and provides guidance on the following areas:

Strategy and management

The Board has ultimate responsibility for the management, oversight and success of Group operations. Responsibilities of the Board include:

- Ensuring competent, prudent and effective management
- Forward planning to meet the Company's short-term and long-term strategic goals
- Implementing and monitoring the internal control framework on an ongoing basis
- Overseeing the maintenance of accurate accounting records and other records
- Ensuring compliance with statutory and regulatory obligations

The Group's strategic goals and wider business plan are regularly discussed and reviewed by the Board, to ensure these are aligned with actual performance. The Board further establishes the Company's purpose and values to drive long-term objectives and commercial strategy.

The Board is responsible for considering and approving any new ventures with external businesses or in different geographic areas, for deciding to discontinue operations in any area of the Group's business, and for the restructuring or reorganisation of the Group.

Board composition and effectiveness

In-line with the requirements of the Code, the Board is committed to undertake an annual evaluation of its own performance, as well as the performance of its Committees and individual Directors. During 2023, the annual Board evaluation was facilitated by an external provider, Lintstock, in-line with the Code and corporate governance best practice.

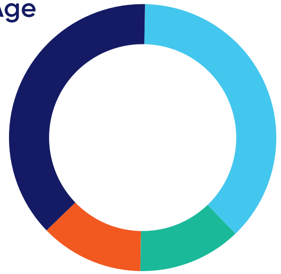
Throughout the evaluation, Board diversity, independence, time commitment, and the suitability of the mix of skills, experience and knowledge across the Directors are examined. Details of the Board evaluation undertaken for the year ended 31 December 2023 can be found in the Nomination and Governance Committee report on page 96.

Both the composition of the Board and succession planning are regularly considered by the Nomination and Governance Committee, and Eurowag is committed to ensuring a diverse pipeline for executive management and Board roles. Going beyond the requirements of the FCA Listing Rules, the Board's Diversity and Inclusion Policy established the aspirational objectives to promote diversity in the Board and Senior Leadership Team.

Diversity of the Board as of 31 December 2023

Gender

Age



As at 31 December 2023, the Board comprised three female Independent Non-Executive Directors, two male Independent Non-Executive Directors, one male Non-Executive Director, and two male Executive Directors. Six of the Directors have served on the Board for less than four years and two of the Directors have served on the Board for less than one year.

As at 31 December 2023, the Company was not fully compliant with the diversity requirement of the FCA Listing Rules. The Board comprised 37.5% female members, having been 60% at 31 December 2022. The reduction was a result of the retirements of Magdalena Bartoś and Caroline Brown from the Board and appointments of Oskar Zahn and Steve Dryden. The Senior Independent Director, being a senior Board position, is held by a female, Mirjana Blume. There was no Board member from a minority ethnic background as defined by the Office of National Statistics.
The Company's primary operations are in Central and Eastern Europe ("CEE") and the Board aims to be representative of the communities in which it operates. The Board has committed to meeting the requirements of the FCA Listing Rules and its aspirations in its Diversity and Inclusion Policy on

female representation as a medium-term objective. The Board's Diversity and Inclusion Policy refers to the Board and, by extension, its Committees, which have not adopted separate policies and rely on the policy approved by the Board.

On 7 February 2024, it was announced that Sophie Krishnan and Kevin Li Ying would be appointed to the Company as Independent Non-Executive Directors, with effect from 1 March 2024, and that Susan Hooper would resign as an Independent Non-Executive Director, with effect from 16 May 2024, following the AGM of members on that date. As at the date of publication of this report, the Board comprised one member from a minority ethnic background, as defined by the Office of National Statistics, and had 40% female representation. Following the resignation of Susan Hooper on 16 May 2024, the female representation on the Board is expected to be 33%.

In accordance with Listing Rule 9.8.6R(10), below is the numerical diversity data in the format set out in Listing Rule 9 Annex 2.1, as at 31 December 2023. The information presented in the below tables was collected on a self-reporting basis by the Directors and by the Senior Leadership Team, who were asked to confirm which of the categories specified in the prescribed tables were most applicable to them.

Gender identity	Number of Board members	% of the Board	Number of senior positions on the Board (Chairman, SID, CEO and CFO)	Number in executive management (Senior Leadership Team)	Percentage of executive management (Executive Committee members)
Men	5	62.5%	3	7	87.5%
Women	3	37.5%	1	1	12.5%
Non-binary	0	0%	0	0	0%
Prefer not to say	0	0%	0	0	0%

Ethnic background	Number of Board members	% of the Board	Number of senior positions on the Board (Chairman, SID, CEO and CFO)	Number in executive management (Senior Leadership Team)	Percentage of executive management (Executive Committee members)
White British or other White (including minority White groups)	8	100%	4	8	100%
Mixed/multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	0	0%	0	0	0%
Black/African/Caribbean /Black British	0	0%	0	0	0%
Other ethnic group, including Arab	0	0%	0	0	0%
Prefer not to say	0	0%	0	0	0%

Further details on the Board diversity can be found in the Nomination and Governance Committee Report on page 95.

Remuneration

The Board has delegated responsibility to the Remuneration Committee for determining the respective policies for the remuneration for Executive Directors, Non-Executive Directors, the Chairman and the Senior Leadership Team. The Board maintains oversight over the actions of the Remuneration Committee and is responsible for reviewing and approving the policies proposed by the Remuneration Committee. The Board is responsible for considering and approving the remuneration policy for the Board and Senior Leadership Team and determines the remuneration of the Non-Executive Directors within the limits set in the Articles of Association (the "Articles"). For further details of the Company's approach to remuneration, see page 106.

Financial and annual reporting

The Board is responsible for approving the Group's Annual Report and Accounts, the Interim Accounts and Half-Yearly Report, and the preliminary announcement of the final results, following recommendation from the Audit and Risk Committee. The Board has delegated authority to the Disclosure Committee to approve regular trading updates.

Capital expenditure and financing

The Board is responsible for the approval and oversight of investments and capital projects in the following circumstances:

- Any proposed investments and capital projects exceeding £6 million in value
- Any unbudgeted investments and capital projects exceeding £2 million
- Any time the Group seeks to borrow in excess of £5 million
- Any time the Group seeks to enter into any mortgage, charge (fixed or floating), pledge, hypothecation or other encumbrance of a similar nature over all or any part of the undertaking, property and assets (both present and future) and uncalled capital of the Company
- Any member of the Group seeks to issue any debt instruments for amounts in excess of £5 million, including bond issues, debenture issues and loan stock instruments (but excluding intragroup debt instruments)
- The Company seeks to enter into any indemnities or guarantees where the maximum amounts payable could exceed £5 million, other than indemnities and guarantees given in respect of the Group's products, services or any banking facilities (including any in substitution for or renewal of existing arrangements)

Corporate governance report continued

Engagement with shareholders and wider stakeholder groups

The Board, together with the Senior Leadership Team, regularly reviews and promotes engagement with our shareholders and wider stakeholder groups. The Board regularly reviews engagement mechanisms and processes to ensure these are operating effectively, and receives reports from the Senior Leadership Team, including the head of investor relations, capturing feedback from shareholders. The Board uses shareholder feedback to contribute to our engagement strategy, as developed by the Board, to approach issues that are most important to the long-term success of the Group. The Chairman regularly engages with our shareholder base to gain insight around their views on the current governance framework and Group performance against our strategy.

In October 2023, the Company announced an update on the actions taken and the views received from shareholders, following the voting outcome of Resolution 13 at the Company's 2023 AGM, held on 11 May 2023. Resolution 13 was approved by shareholders but received less than 80% in favour. The waiver of Rule 9 granted by Resolution 13 permits the Concert Party's interest in the Company's shares to increase as a result of the implementation of the authority to purchase the Company's own shares without requiring the Concert Party to make a mandatory offer for the other shareholders' shares. The Directors do not think this presents an issue for the Company and believe this resolution to be in the best interests of all shareholders. The Company worked to positively engage shareholders, including dissenting shareholders, to help them understand the need for the resolution and address their concerns.

The Company hosted its first Capital Markets Day in October 2023, during which financial stakeholders had the opportunity to engage with various members of the Board and gain further insight into the Group's strategy and new product offerings being made available to the market. Through the event, the Company received hugely positive and valuable feedback, and this forum allowed stakeholders the opportunity to experience demonstrations of our new technology and to raise questions. Further information on how we engage with our shareholders and wider stakeholder groups can be found on page 28.

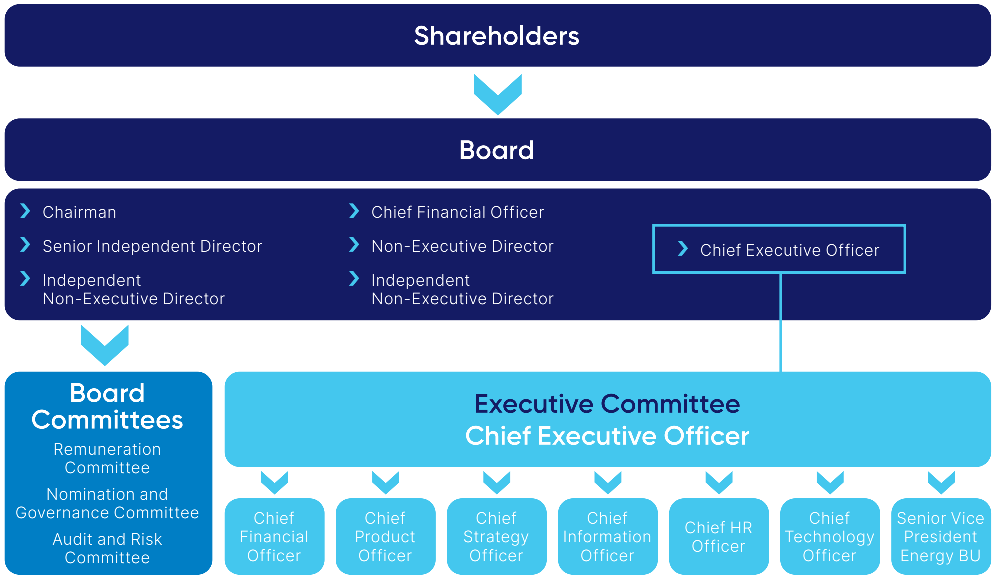
Environmental, social and governance

The Board ensures that the Group's environmental, social and governance impacts, risks and opportunities are reviewed on a regular basis. This has been achieved by the delegation of accountability to the ESG Executive Committee, the membership of which is comprised of the VP of Sustainability and Corporate Social Responsibility ("CSR"), the Chief Executive Officer, Martin Vohánka; several members of the Executive Committee, along with members from the Senior Leadership Team, including representatives from legal, human resources, communications, commercial and investor relations. Independent Non-Executive Director, Susan Hooper joined the Committee for the first two years of its operations, to lend additional expertise and experience, whilst the Executive and leadership team built internal understanding and established the building blocks for successful development and implementation of the sustainability action plan. From 2024 onwards the ESG Executive Committee will run without Board representation.

The ESG Executive Committee meets every quarter to set strategic direction and monitor the progress of ESG strategy, related policies and reporting. These discussions allow for recommendations to be made regarding the evolution and refinement of our ESG strategy, with consideration for ESG risks and opportunities. We have set tangible targets to monitor our progress in-line with these discussions, and we are aiming to achieve net zero emissions by 2050. The Board received regular updates on ESG matters from the Senior Leadership Team and received training on climate and its impact on the Group. For further details of the Company's approach to Sustainability, see page 52 and the Company's Sustainability report.

Risk management and internal controls

The Board has ultimate responsibility for risk management and the internal controls in place, including the oversight and strengthening of the environment to ensure a comprehensive system to identify, assess and mitigate risk is in place. The Board is responsible for setting the Group's risk appetite and risk management framework. The Board's oversight is supported by the Audit and Risk Committee and the Senior Leadership Team.



The Group sets risk management based on the three lines of defence and the Board receives regular updates from the second and third lines of defence. The Company's outsourced Internal Audit function provides independent assurance to the Senior Leadership Team, the Audit and Risk Committee, and the Board, with respect to the effectiveness of the Group's internal control environment. Further information on the Company's internal controls framework can be found on page 39.

Board governance framework

Board independence

The Board of Directors is expected to exercise independent judgement, free from external interference, in order to fulfil its duty to promote the success of the Company for the benefit of its members as a whole.

The Independent Non-Executive Directors act as a sounding board for the Executive team, providing constructive challenge and further guidance given their varied expertise and skillsets. The Board collaborates well to achieve its shared purpose, and all Directors are given the opportunity to raise questions and probe issues further within meetings. This cohesive environment improves the quality of discussion and, as a result, allows for more effective decision making. The varied experience on the Board adds value to these discussions, and the Executive team welcomes suggestions and advice based on the past experience of the Independent Non-Executive Directors.

The Board also has a Non-Independent Non-Executive Director, Joseph Morgan Seigler, who is nominated to the Board by its major shareholder, Bock Capital EU Luxembourg WAG S.à.r.l. Morgan is subject to the same duties and responsibilities as fellow Board members to exercise independent judgement and avoid conflicts of interest.

The Group has taken steps to avoid undue influences impacting Board decision making. The Directors promptly inform the Company Secretary where there has been a change to their external interests or relationships in order to ensure the Company has an accurate register of this information, to ensure conflicts of interest are avoided. Further steps taken include the implementation of shareholding agreements, relationship agreements, and other relevant processes and procedures.

Our Board composition is designed to ensure that no individual(s) dominate(s) decision making, and to minimise the risk of issues such as groupthink. The independence of the relevant Non-Executive Directors is revisited at each Board meeting, and the Directors are also each requested to confirm whether they have any conflicts of interests pertaining to the content tabled for discussion. These processes ensure that external influences do not compromise the independent judgement of the Directors.

Both upon appointment and on an ongoing basis, Directors are required to provide requisite information to allow the Board, aided by the Nomination and Governance Committee, to ensure their independence. Following the provision of this information, the Board is satisfied that there are no matters that give rise to conflicts of interest which could compromise the independence of the Independent Non-Executive Directors.

Time commitment

Our Chairman, Independent Non-Executive Directors and Non-Independent Non-Executive Director are not employed in an executive capacity by the Company. These Board members have received letters of appointment, which provide the main terms of their respective appointments to the Board and cover an initial term of three years. Following the provisions of the Code, all Directors are put forward for initial election and thereafter annual re-election by shareholders at the Company's AGM.

The appointment letters further provide time commitment expectations of each Director in their role. Independent Non-Executive Directors can expect a typical time commitment of 26 days a year on average, while Non-Independent Non-Executive Directors are expected to commit, on average, 16 days per year.

Our Chairman, Paul Manduca, is expected to commit circa one day per week given the intricacies of the role. These time frames are intended to serve as a guide, as the time commitment required of Directors can fluctuate. All Board members are expected to devote sufficient time to effectively discharge their duties.

The Board reviews the role profiles of each Director and the level of commitment required to meet those requirements to act in the best interest of stakeholders. The external commitments of the Directors are reviewed by the Nomination and Governance Committee on an ongoing basis to ensure that they can fulfil the time commitment to successfully discharge their role. This process is managed by the Company Secretary and the Chairman, and the complexity of each external interest is examined, such as whether other sectors in which an individual operates are highly regulated. Any changes to Directors' external appointments are further reviewed by the Nomination and Governance Committee. The Board has concluded that, notwithstanding Directors' other appointments, they are each able to dedicate sufficient time to fulfil their duties and obligation to the Company.

Corporate governance report continued

Directors' attendance at Board and Committee meetings for the year ended 31 December 2023

Members	Board of Directors (scheduled/ad hoc)	Audit and Risk Committee	Nomination Committee (scheduled/ad hoc)	Remuneration Committee (scheduled/ad hoc)
Paul Manduca*	6/6 scheduled 3/3 ad hoc	N/A	3/3 scheduled 2/2 ad hoc	N/A
Martin Vohánka	6/6 scheduled 1/3 ad hoc	N/A	N/A	N/A
Magdalena Bartoś[1]	2/2 scheduled 3/3 ad hoc	N/A	N/A	N/A
Oskar Zahn[2]	3/3 scheduled	N/A	N/A	N/A
Sharon Baylay-Bell*	6/6 scheduled 3/3 ad hoc	5/5 scheduled	3/3 scheduled 2/2 ad hoc	4/4 scheduled 1/1 ad hoc
Mirjana Blume*	6/6 scheduled 3/3 ad hoc	5/5 scheduled	3/3 scheduled 2/2 ad hoc	4/4 scheduled 1/1 ad hoc
Caroline Brown[3]	3/3 scheduled 2/3 ad hoc	3/3 scheduled	1/1 scheduled 0/2 ad hoc	2/2 scheduled 0/1 ad hoc
Steve Dryden*[4]	3/3 scheduled	2/2 scheduled	2/2 scheduled	2/2 scheduled
Susan Hooper*	6/6 scheduled 3/3 ad hoc	5/5 scheduled	3/3 scheduled 2/2 ad hoc	4/4 scheduled 1/1 ad hoc
Joseph Morgan Seigler[5]	5/6 scheduled 2/3 ad hoc	N/A	N/A	N/A

* Denotes Independent Director.

Notes:
1. Magdalena Bartoś resigned as a Director with effect from 30 April 2023.
2. Oskar Zahn was appointed as a Director with effect from 12 May 2023.
3. Caroline Brown resigned as a Director with effect from 11 May 2023.
4. Steve Dryden was appointed as a Director with effect from 1 June 2023.
5. Joseph Morgan Seigler was unable to attend a scheduled meeting of the Board of Directors due to personal illness, and an ad hoc meeting due to a scheduling conflict.

Individuals such as the Chairman, the Chief Executive Officer, the Chief Financial Officer, among other members of management and external advisors may be invited to attend all or part of any meeting as and when deemed appropriate and necessary with the agreement of the respective Chair.

Board roles and their responsibilities

Chairman

- Ensure all Non-Executive Directors have the opportunity to effectively contribute, through engagement in open and honest discussions
- Oversee the effectiveness and suitability of the Company's governance processes, with support from the Company Secretariat
- Ensure the Board receives accurate and timely papers to accommodate the fulfilment of its duties
- Continually monitor the long-term development of the Group and ensure that effective strategic planning is undertaken

Chief Executive Officer

- Devise the strategy and long-term objectives of the Group in-line with established risk appetite
- Maintain oversight over operational performance and report accurately to the Board and its Committees
- Ensure the Board's strategies, objectives and decisions are implemented in a timely and effective manner

Chief Financial Officer

- Oversee the day-to-day financial management of the Group
- Provide strategic financial leadership, creating the necessary policies and procedures to ensure sound financial management
- Ensure the accuracy, integrity and timeliness of financial reporting and compliance with any relevant reporting and accounting standards

Senior Independent Non-Executive Director

- Provide a sounding board for the Chairman
- Serve as an intermediary for other Directors
- Be available to shareholders where other channels of communication are inappropriate
- Lead the annual evaluation of the performance of the Chairman

Company Secretary

- Act as the trusted advisor to the Board and its Committees on all corporate governance matters

Non-Executive Directors

- Provide constructive challenge to the Executive Directors and other members of the Senior Leadership Team
- Contribute to the development of strategy and provide oversight to ensure its execution
- Apply independent and impartial experience and expertise
- Oversee the effectiveness and integrity of the Company's financial reporting and risk management systems

Nomination and Governance Committee report

Nomination and Governance Committee report

"

The Nomination and Governance Committee has continued to work to strengthen the skills and expertise of our Board."

Paul Manduca
Chair of the Nomination and Governance Committee

Dear shareholders,

In this Nomination and Governance Committee report for the year ended 31 December 2023, I am pleased to describe our considerations, discussions and outcomes from the year. The Nomination and Governance Committee comprises of me (Non-Executive Chairman of the Board and of the Committee), and all four Independent Non-Executive Directors (Sharon Baylay-Bell, Mirjana Blume, Steve Dryden and Susan Hooper). The biographies of each member of the Committee are set out on pages 80 to 83. The Committee met five times during 2023, at which time we reviewed the composition of the Board considering the relevant and necessary knowledge, skills, expertise and diversity of each Director. We also reviewed the succession plans for both the Board of Directors and Senior Leadership Team and had oversight of the externally facilitated evaluation of the Board. In the first half of 2023, the Committee was engaged in the nomination process and eventual appointment of Oskar Zahn as Chief Financial Officer and Steve Dryden as Independent Non-Executive Director.

In February 2024, our Committee revised its Terms of Reference to establish a Nomination and Governance Committee, which provides additional remit over corporate governance considerations. The change affirms our commitment to developing a robust governance framework based on best practice, to support our business.

As the Chair of the Nomination and Governance Committee, I lead my Committee colleagues to fulfil the responsibilities of the Committee, notably to ensure the effectiveness of the Board, through its governance frameworks, processes and composition, at present and for the future.

Nomination and Governance Committee report continued

Committee overview

- The Committee is composed of the Chairman of the Board and all four of the Independent Non-Executive Directors
- All members have relevant expertise to support the Committee
- Meetings are attended by the Executive Directors, and other relevant attendees, by invitation of the Chairman, where attendance would support the Committee in fulfilling its responsibilities

Key responsibilities

- Monitor the governance framework, including the structure, size and composition of the Board and its Committees, to ensure a balance of skills, knowledge, experience and diversity
- Lead a rigorous and transparent process for identifying and selecting candidates to serve as Directors on the Board and its Committees and make recommendations to the Board for their appointment
- Develop and implement effective succession plans for the Board, its Committees and the Senior Leadership Team, having regard to the skills and expertise needed to ensure the long-term sustainable success of the Company
- Oversee the development of a diverse talent pipeline and monitor the Company's diversity policies and initiatives, including their effectiveness
- Review the external directorships and commitments of the Non-Executive Directors
- Assist the Chairman in ensuring there is a rigorous annual evaluation of the performance of the Board, its Committees, the Chairman and individual Directors
- Ensure that appropriate procedures are in place for training and developing Directors
- The Committee's Terms of Reference, which are reviewed and approved annually, are available on the Company's website at https://investors.eurowag.com

Highlights during 2023

- Oversight of the Company's first externally facilitated Board evaluation
- Nomination and appointment of Oskar Zahn as an Executive Director and Chief Financial Officer
- Nomination and appointment of Steve Dryden as an Independent Non-Executive Director, and Chair of the Audit and Risk Committee
- Consideration, and recommendation to the Board, of the election/re-election of each continuing Director ahead of their election/re-election by shareholders at the Company's 2023 AGM
- Review of succession plans for the Board of Directors, its Committees and the Senior Leadership Team
- Review of the external appointments and the time commitments of the Non-Executive Directors
- Reviewed the skills and the composition of the Board of Directors, and its Committees
- Reviewed the structure of fees for the Independent Non-Executive Directors

Focus areas for 2024

- Implementation of the actions arising from the externally facilitated Board evaluation undertaken in December 2023
- Continued review of succession plans for the Board of Directors and Senior Leadership Team
- Continued strengthening of the Board of Directors and its governance processes
- Continued focus on diversity in all aspects within the Group, including the requirements of the Parker Review, the FTSE Women Leaders Review, and the targets set out under the FCA Listing Rules
- Implementation of the updated Terms of Reference with respect to corporate governance
- Oversee the onboarding for the newly appointed Independent Non-Executive Directors
- Monitor the implementation of the newly published UK Corporate Governance Code 2024

Director nomination processes

The Company made two Director appointments during 2023, and we welcomed Oskar Zahn as the Chief Financial Officer in April 2023 and Steve Dryden as an Independent Non-Executive Director in June 2023. These appointments followed the retirement of Magdalena Bartoś as Chief Financial Officer in April 2023 and the retirement of Caroline Brown as Independent Non-Executive Director in May 2023.

The Nomination and Governance Committee had oversight of the rigorous search, selection and nomination processes which were supported by an external search agent. In both nomination processes, the Committee identified the search criteria and reviewed relevant documentation provided by the search agent, including a longlist and shortlist of candidates, their curricula vitae and feedback from the assessment and interview process. The Committee assessed the candidates, giving due consideration to their knowledge, skills, experience and background, alongside the needs of the Company.

In February 2023, the Committee reviewed the nomination of Oskar Zahn as the Chief Financial Officer and Executive Director of the Company and recommended his appointment to the Board. The selection process was supported by the external search agent, Odgers Berndtson. During the selection process, over 60 candidates were assessed, from which a shortlist of 20 candidates was presented to the Chief Executive Officer and 10 candidates were then interviewed. On completion of the interview process, Oskar Zahn was assessed against the Korn Ferry leadership assessment criteria, which was created explicitly for the purpose of leadership selection.

To support the Chief Financial Officer transition process and help ensure continuity and best success in the role, an interim Chief Financial Officer, David Forth, was appointed. David Forth held the role from 1 February 2023 to his departure from the business on 29 September 2023.

In April 2023, the Committee reviewed the nomination of Steve Dryden as an Independent Non-Executive Director and successor as the Chair of the Audit and Risk Committee and recommended his appointment to the Board. The selection process was supported by the external search agent, Korn Ferry. During the selection process, the Committee received a longlist of 18 candidates from Korn Ferry, of which five were female. The top six candidates were then shortlisted and five went through the interview process.

On 1 March 2024, Sophie Krishnan and Kevin Li Ying were appointed as Independent Non-Executive Directors, and members of the Audit and Risk Committee and the Remuneration Committee. These appointments followed a robust appointment process which was supported by the external search agent, Korn Ferry. During the selection process, the Committee reviewed the candidate specifications and agreed that expertise in product technology and technology transformation was desired. The Committee received from Korn Ferry a longlist of 15 candidates in September 2024 and a shortlist of five candidates, of which three were female and two were from an ethnic minority background. The interview processes noted that Sophie Krishnan and Kevin Li Ying were each qualified and capable candidates with the necessary skills and experience to be appointed as Directors of our Company.

During 2024, the Committee will lead any nomination process for new Directors, as required by vacancies and ongoing succession planning. The formal nomination process, as agreed by the Directors and in-line with governance best practice, will continue to be followed. The Board has ultimate responsibility for any consideration of nominations based on merit against objective criteria, with regard to diversity factors, as identified by the Nomination and Governance Committee.

Succession planning

The Committee regularly reviews and updates the succession plans for the Board and Senior Leadership Team. In the course of its reviews, the Committee considered the appointment profile of each Director, including relevant expertise and diversity, over the three-year time horizons to capture plans for contingency, in the medium-term and in the longer term, to ensure the long-term success of our Company.

Board

As part of its review of Board succession plans during 2023, the Committee reviewed the skills and expertise of the independent Non-Executive Directors, which supported succession planning discussions. During its review of the Directors, the Committee had regard for matters such as external appointments and time commitment, as well as the benefits of diversity including gender, social, ethnic and cognitive. Following its review, the Committee concluded that the Board should strengthen its expertise in digital platforms and technology transformation to further align with the Company's strategy. The Board's expertise in these areas were strengthened through the appointment of Sophie Krishnan and Kevin Li Ying who joined the Board in March 2024.

The Committee reviewed the composition of the Board in March 2024 and concluded that the existing composition of our Board was appropriate to meet the current leadership needs of the business. The Committee will continue to review the composition of the Board and its succession plans and make recommendations to the Board that would strengthen and enhance the Board's capabilities and expertise.

The Committee is committed to promoting diversity of thought, and for the Board and Senior Leadership Team to be representative of the communities in which the Company operates, including industry and geographic presence. The Committee values the diverse skills, experiences and backgrounds that comprise the Board, which are strategically aligned to the Company's purpose and values.

Senior Leadership Team

The Committee maintains oversight over the succession plans and ongoing development of the Company's Senior Leadership Team. In December 2023, the Committee reviewed the succession plans for the Executive Committee members, as well as the plans for the target model for the organisational design of the Executive Committee for the years 2024, 2025 and 2026. In its review, the Committee considered the alignment to the Company's strategic plans, including its transition to a provider of financial technology. The Committee is committed to ensuring the development of the Company's top performers, and their readiness to join the Senior Leadership Team, through its review of succession plans.

Diversity and Inclusion Policy

In December 2022, the Board established its Policy on diversity and inclusion, which was reviewed by the Committee and reaffirmed in December 2023. The purpose of the Policy is to ensure the Board and the Committee is comprised of a diverse and inclusive membership which will enhance decision making and promote the best success of our Company. The Committee values the benefits of diversity of thought, alongside diversity of skills, experiences and backgrounds, in its considerations of appointments to Board and Senior Leadership Team positions. The Company requires that appointments consider diversity, while ensuring roles are offered on merit against objective criteria to the best available candidate. The policy set by the Board aspires to commit to no less than 50% of women on the Board and at least one Director from a minority ethnic background as a medium-term objective.

The Committee regularly reviews the composition of the Board and its Committees and is committed to meeting the targets as set in the FTSE Women Leaders Review, the Parker Review on Diversity and the FCA Listing Rules.

Nomination and Governance Committee report continued

Training and ongoing development

The Committee maintains oversight of the programme to induct and onboard future Director appointments, and the plans to enhance the integration for recently appointed Directors to further their understanding of the Company, with a focus on its people and culture. This includes ongoing activities to engage its people, further details of which can be found on page 29.

During the year, the Board engaged in training on human rights, climate and climate risk, the current Code and the FCA Listing Rules. At its strategy day in July 2023, the Board received updates on customer and product strategy, financing and e-wallet products, and the eMobility business. During the course of 2024, the Committee will oversee the Directors' training on a range of topics.

Board evaluation

On an annual basis, the Board has evaluated its own performance and that of its Committees, as well as the individual performance of the Chairman and each Director. The Company undertook its first externally facilitated Board evaluation during 2023. The Board evaluation included a questionnaire and interviews, facilitated by Lintstock. In September 2023, Lintstock presented its plans for the approach and conduct of the Board evaluation which were discussed and agreed by the Committee. During 2024, the Committee will support the Board, including the Chairman, to implement the actions to enhance the Board operations.

The evaluation considered the effectiveness of the Board and its Committees as a whole. Topics discussed during the evaluation included Board composition, stakeholder oversight, boardroom dynamics, the management and focus of meetings, the quality of Board support, succession plans and talent management, and priorities for change.

Each Director completed a questionnaire and was interviewed by Lintstock to capture their professional feedback. The results were reviewed by the Chairman who discussed the findings with the Board. In March 2024, Lintstock presented the findings of the evaluation to the Board, including analysis against the Lintstock Governance Index, a metric-based comparator. The Board discussed the findings and agreed the priorities and action plans to enhance the Board's operations. The key areas for focus during 2024 were identified, including succession planning and diversity, strengthening processes and information flow to the Board and building capacity and oversight.

A separate evaluation of the Chairman was conducted by Lintstock with the Senior Independent Director. The Directors completed a Chairman evaluation questionnaire, the responses of which were reviewed by the Senior Independent Director who then met with the Chairman to discuss and address any points of action.

Committee evaluation

As part of the Board evaluation conducted during 2023, the Committee reviewed its own performance. The Committee will continue to monitor the implementation of the action plans during 2024 to ensure the continual improvement of the Committee's operations.

Annual re-election of Directors

In accordance with the Code, all Directors will stand for election or re-election by shareholders at the 2024 AGM. Both the Committee and the Board are satisfied that all Directors continue to be effective in, and demonstrate commitment to, their respective roles on the Board. The Committee believes each Director makes a valuable contribution to the leadership of the Company. The Board, therefore, recommends that shareholders approve the resolutions to be proposed at the 2024 AGM relating to the re-election of the Directors.

Paul Manduca
Chair of the Nomination and Governance Committee
25 March 2024

Audit and Risk Committee report

Audit and Risk Committee report

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The Committee has diligently assessed financial performance, controls reporting, internal audit reports and the risk management framework."

Dear shareholders,

As the Chair of the Audit and Risk Committee, I am pleased to present the Committee's report summarising our activities during the financial year ended 31 December 2023, and my first report to you as Chair of the Audit and Risk Committee, having stepped into the role in June 2023.

The priority areas of the Committee this year have revolved around ensuring the timely implementation of robust procedures in financial reporting, IT general controls, system transformation, compliance and the Speak Up (Whistleblowing) Policy process. Additionally, the Committee has diligently assessed financial performance, controls reporting, internal audit reports and the risk management framework.

The Committee is composed entirely of Independent Non-Executive Directors, whose detailed biographies can be found on pages 80 to 83. The expertise of the Committee covers accounting, internal and external auditing, and the necessary business experience to fulfil their duties as Committee members. Committee meetings are routinely attended by the Chairman of the Board, the Chief Financial Officer, the Group's External Auditors ("PwC"), the Internal Auditors ("KPMG" Česká republika, s.r.o.), and other members of the management team. Both PwC and KPMG have consistently participated in all Committee meetings throughout the year ended 31 December 2023, and will continue to do so in future meetings.

Steve Dryden
Chair of the Audit and Risk Committee

Audit and Risk Committee report continued

The Committee has evaluated the contents of the Annual Report and Accounts and believes that it provides the essential information needed to assess the Group's performance, business model and strategy. Taken as a whole, the report is deemed fair, balanced and understandable. This Committee report should be read in conjunction with the Financial review on pages 32 to 38, the Risk management section on pages 39 to 46, the External Auditors' report on pages 130 to 135, and the Group Financial statements on pages 137 to 200.

I will be available at the AGM to address any enquiries from shareholders regarding the Committee's activities this year.

I would like to take this opportunity to thank the dedicated members of the finance, risk and compliance teams as well as our external assurance providers, for their hard work throughout this financial year.

Steve Dryden
Chair of the Audit and Risk Committee
25 March 2024

Committee overview

- Comprises four Independent Non-Executive Directors (Steve Dryden (Chair), Mirjana Blume, Sharon Baylay-Bell and Susan Hooper)
- Steve Dryden and Mirjana Blume are considered by the Board to have recent and relevant accounting experience. All members have relevant commercial and operating experience
- Five meetings have been held during the year ended 31 December 2023
- Meetings are attended by the Chairman of the Board and Chief Financial Officer, other members of management, the Internal Auditors, and the External Auditors, by invitation of the Chair

Focus areas for 2024

- Review and scrutinise the preparation of the Annual Report and Accounts for the year ended 31 December 2023, including significant financial reporting issues and judgements
- Monitor the implementation of controls around the financial position and M&A
- Assist the Board in its review of the effectiveness of the Group's systems of internal control and risk management methodology
- Review and advise the Board on the effectiveness of the Group's whistleblowing procedures
- Review the performance of the External Auditors and the Internal Auditors
- Undertake an externally facilitated review of the Committee's performance, composition and Terms of Reference

Key responsibilities

The Committee's main responsibilities, as outlined in its Terms of Reference, are:

- Recommending the half and full-year financial results to the Board
- Maintaining the integrity of all financial and non-financial reporting, including review of significant judgements and estimates
- Monitoring the Group's internal financial controls and risk management systems
- Overseeing the relationship with the External Auditors and reporting the findings and recommendations of the Auditors to the Board

The Committee's Terms of Reference, which are reviewed and approved annually, are available on the Company's website at https://investors.eurowag.com.

Activities of the Committee

The Committee has focused on the audit, assurance, and risk and compliance processes within the business. The Committee's role is to ensure that management's disclosures reflect the supporting detail provided to the Committee throughout the year, challenging where necessary and, in some cases, requesting items to be re-presented, in order for the Committee to further understand certain matters. The Committee reports its findings and makes recommendations to the Board in the form of Committee reports at each Board meeting. Individual items of business considered by the Committee, including as part of the Annual Report and Accounts process, are set out below:

Actions	Outcomes	Cross-reference
Annual reporting		
External audit planning and key accounting matters	The Committee received and approved the external audit plan and audit fee proposal for PwC in December 2023.	pages 103 and 105
Review of significant financial reporting issues and key judgements	The Committee received and approved management's accounting paper and PwC's audit findings in March 2023, in respect of the 2022 Annual Report and Accounts. The Committee received and approved management's accounting paper and PwC's audit findings in March 2024, in respect of the 2023 Annual Report and Accounts.	page 100
Review of Going concern and Viability statements	The Committee received and approved management's paper on Going Concern and Viability in March 2023, in respect of the 2022 Annual Report and Accounts, and in February 2024 in respect of the 2023 Annual Report and Accounts.	page 47
Review of Annual Report	The Committee recommended the 2022 Annual Report and Accounts to the Board in March 2023, and recommended the 2023 Annual Report and Accounts to the Board in March 2024.	n/a
Review and actioning of contents within the Financial Reporting Council's ("FRC") letter	In August 2023, the Company received a letter from the FRC, asking it to clarify certain disclosures made in the 2022 Annual Report and Accounts. The Committee oversaw the process of reviewing the relevant disclosures and responding to the FRC with clarifications. The Committee has also undertaken a thorough review of the 2023 Annual Report and Accounts against the FRC letter, in order to ensure each point has been adequately addressed.	n/a

Actions	Outcomes	Cross-reference
Risk management and internal control		
Risk management framework and risk registers	The Committee reviewed the 2023 risk management framework. The Committee reviewed a new risk management framework and evaluated the risk appetite for the top 30 items in the risk register.	page 39
Review of principal and emerging risks	The Committee and the Board completed a robust assessment of the Company's emerging and principal risks, along with their associated appetite limits. As part of its review, the Committee scrutinised the procedures in place to identify emerging risks, and how these are being managed and mitigated. Details of the risks approved by the Board can be found in the Risk section of this report.	page 40
Review of internal controls	The Committee reviewed the internal control reporting for 2023 and reviewed the design and effectiveness of the internal controls in December 2023.	page 103
Approved internal audit plan	The Committee approved the internal audit plan for 2024 in December 2023.	page 105
Governance		
External Auditors review	During the year the Committee reviewed the effectiveness of the External Auditors, through an External Auditors questionnaire distributed to the Board and senior management. Lessons learnt from the previous year's audit were suggested with improvement areas firmly identified.	page 103
Committee Terms of Reference	The Committee reviewed and agreed the Terms of Reference for the Committee.	investors.eurowag.com
IT general controls	The Committee received regular reports on the IT general controls internal audit, and reviewed the IT general controls mitigation plan, which had been aligned with revised internal processes and optimised in light of the prior year's Internal Audit report on IT general controls.	page 103

Audit and Risk Committee report continued

Actions	Outcomes	Cross-reference
KPIs and metrics	The Committee continued to review, challenge and recommend metrics and indicators to enhance the Company's control environment. In particular, the Committee reviewed the externally reported environmental metrics and recommended them to the Board for approval.	page 25
Mergers and acquisitions	The Committee received reports on M&A financial performance, as well as reviewing and challenging external assurance and integration plans in relation to the Company's acquisitions.	page 46
Anti-Money Laundering ("AML") Policy	The Committee received updates from the AML Officer, and reviewed and approved the Group's AML Policy. It also received updates on the annual compliance report, and reviewed and approved the compliance action plan.	page 45
Finance internal controls	The Committee received updates on internal controls specifically around finance and financial reporting.	page 103
Speak Up (Whistleblowing) Policy	The Committee reviewed and approved the new Speak Up (Whistleblowing) Policy and adjacent whistleblowing procedures and implemented various employee awareness initiatives through the Speak Up (Whistleblowing) campaign.	page 105

Key accounting issues, significant judgements and significant estimates

In the preparation of the Group's 2023 financial statements, the Committee assessed the accounting principles and policies adopted, and whether management had made appropriate estimates and judgements. In doing so, the Committee discussed management reports and enquired into judgements made and discussed key matters with the External Auditors.

The significant issues considered by the Committee in relation to the financial statements include:

Significant judgements and significant estimates	Summary
Principal vs agent consideration (significant judgements)	The Group has considered whether it acts as a principal or an agent in the acceptance business model (see explanation of the business models used in sales of energy in Note 4.3) in sale of energy. The Group is not selling just the energy but an integrated web-based solution comprising advice on where to buy energy, offering discounted energy prices that are independent of pricing of the Group's suppliers, use of payment cards, extended payment terms and administration of the energy sales transaction. The Group sells energy to its customers under one contract covering sales transactions realised under the two business models used by the Group and described in Note 4.3. In the case of the acceptance business model, the principal versus agent assessment involves significant judgement. The Group has some element of control in that it has agreed minimal supply with the acceptance partners which required them to have the energy available, however, the energy is fungible and the Group does not typically pay in advance. The customer might also purchase the energy directly from the acceptance partner, instead the customer is selecting the most advantageous price available on the Group's website, choosing the right location (and supplier/partner) on his route where he can make the purchase only with the Group's payment card. In applying the judgement, management concluded that the Group is the principal mainly because it is the primary obligor in respect of delivery of energy and related services to its customers. The Group is also responsible for sales strategy, decides whether to accept or reject customers and carries credit risk from customer receivables. Management also considered the following additional control indicators: › The Group has discretion in establishing the price for the specified energy independent from the prices of petrol stations under the acceptance model. In the past, the Group has often revised its prices as a reaction to market development or inflation › The Group has the right to choose its suppliers. When the bunkering model is not suitable along the main truck routes, the Group is choosing from possible acceptance partners, which are considered attractive by its customers

Significant judgements and significant estimates	Summary	
Put options granted to non-controlling interests ("NCI") (significant judgements)	The Group concluded that it does not, in substance, acquire present access to economic benefits of acquired subsidiaries KomTes Chrudim s.r.o. and FIRETMS.COM. The put option redemption liability will be settled with a transfer of the non-controlling interest's shares for a price that is deemed to approximate their fair value. Therefore, the non-controlling shareholders have retained the risks and rewards associated with ownership until the options are exercised and non-controlling interest is recognised in equity until then.	
Functional currency of W.A.G. payment solutions, a.s. (significant judgements)	Following the Inelo acquisition and significant increase in EUR borrowings in March 2023, which is being repaid from cash generated and retained mainly in EUR by W.A.G. payment solutions, a.s., the management considers EUR to be the functional currency of the entity from March 2023 (previously CZK). In-line with IAS 21, the management has reviewed primary (currency influencing mainly sales prices and settlement of energy and cost of energy sold) and secondary factors (currency of financing and retained cash) including integration activities in the European area and concluded that CZK is no longer the primary currency in which the entity receives and expends cash. This represents a significant judgement as the Group would recognise foreign exchange loss of EUR 12 million and foreign currency translation reserve would be higher by EUR 17 million with CZK functional currency of the entity for the year ended 31 December 2023. Following change of the functional currency, the entity recognised foreign exchange gain of EUR 5 million (Note 16).	
Adjusting items (significant judgements)	In determining whether an item should be presented as an adjusting item to IFRS measures, the Group considers items that must initially meet at least one of the following criteria: › It is a significant item, which may cross more than one accounting period › It has been directly incurred as a result of either an acquisition, capital restructuring or relates to Group's strategic transformation programme as these are not part of the Group's underlying trading activity	If an item meets at least one of the criteria, the Board, through the Audit and Risk Committee, exercises judgement as to whether the item should be classified as an adjusting item to IFRS performance measures. A list of these items including definitions and exclusion justifications are disclosed in Note 11.
Cash Generating Unit ("CGU") structure for Energy and FMS (significant judgements)	CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Consistently with prior periods, the Group has identified five CGUs in 2023 – Energy, Fleet management services, Navigation, Toll and Tax refund. After reviewing results of impairment testing, the CGU structure represents a significant judgement for Fleet management services and Energy as higher	impairment loss might be recognised under a different CGU structure regarding ADS and Webeye acquisitions. The Group considers its CGU structure appropriate mainly due to the current level of integration and ownership of key IP and software systems by W.A.G. payment solutions, a.s. The Group is not budgeting and reporting these acquisitions separately in its management reporting due to the fact that the cash inflows from ADS and Webeye acquisitions are not considered to be largely independent of the other cash inflows.

Audit and Risk Committee report continued

Significant judgements and significant estimates	Summary
Impairment of non-financial assets (significant estimates)	Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget and forecasts for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount of Fleet management solutions CGU is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill. The key assumptions used to determine the recoverable amount of the CGUs are disclosed and further explained in Note 19.
Inelo contingent consideration (significant estimates)	Contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration of Inelo is based on EBITDA performance for the year to 31 December 2022 and is capped at EUR 12.5 million. The Group will either pay full consideration or no consideration is payable. The Group has completed the calculation of 2022 EBITDA and concluded it to be below the required target level. Negotiations remain ongoing, the outcome is uncertain, however the Group believes that the performance condition has not been met and therefore zero contingent consideration is presented as at 31 December 2023.

Further information is available within the Independent Auditors' report on pages 130 to 135.

Our disclosures against the Code are reviewed by the Internal Audit team and reported to the Committee.

FRC letter

In August 2023, the FRC's Corporate Reporting Review Team ("CRRT") sent a letter to the Company asking for clarification or further information in certain areas with respect to the 2022 Annual Reports and Accounts. The CRRT found no required amendments or restatements to the 2022 Annual Report and Accounts, and relevant enhancements to the have been considered within the 2023 Annual Report and Accounts.

As part of its work during 2023, the Committee reviewed the letter and provided a detailed response to the FRC in September and November 2023. The response addressed each area in turn and provided further information and clarification where necessary.

As part of its role in the 2023 Annual Report and Accounts, the Committee incorporated the FRC's comments within the overall checking process, to ensure that each area had been included, or sufficiently addressed where necessary.

Fair, balanced and understandable

The Committee carried out a thorough review of the Group's Annual Report and Accounts. The Committee gave particular consideration to whether the Annual Report and Accounts, taken as a whole, was fair, balanced and understandable, concluding it was.

To make this assessment, the Committee received copies of the Annual Report and financial statements to review during the drafting process, to ensure that the key messages being followed aligned with the Company's position, performance and strategy being pursued and that the narrative sections of the Annual Report were consistent with the financial statements. After consideration of all of this information, we are satisfied that, when taken as a whole, the 2023 Annual Report and Accounts is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

Going concern and viability review

The Committee reviewed management's approach to the Going concern and Viability statement prior to the year end and agreed that a three-year horizon was appropriate for viability reporting. After the year end, the Committee reviewed management's reports setting out its view of the Group's viability including a description of the factors considered in forming an assessment of the Group's prospects. The viability review was based on the Group's three-year strategic plan and an analysis of the impact of the principal risks relating to product demand decline risk, technology security and resilience risk, external parties dependency risk, physical security risk and climate change risk, and mitigating actions.

Having considered management's assessment, the Committee approved the Going concern statement set out on page 49 to 50 and the Viability statement set out on pages 47 to 49.

Risk and internal controls

The key elements of the Group's internal control framework and procedures are set out on pages 39 to 40. The principal risks the Group faces are set out on pages 41 to 46. The Committee devoted part of each meeting to discussions concerning risk and its management.

The Executive Committee has established a sub-committee, the Business Assurance Committee. The sub-committee reports to the Executive Committee and also has a separate reporting line directly to the Audit and Risk Committee where the Chair of the Business Assurance Committee presents updates. The executive sub-committee co-ordinates the governance, risk and controls at the Group level before reporting to the Committee and the Board. During the year, the Committee reviewed risk registers and the principal risks, and challenged management in respect of the Company's risk management framework and risk appetite statements ahead of Board discussions to approve the Group's final risk management framework and risk appetite statements.

The material internal controls are in the process of being reviewed by the Business Assurance Committee and the Audit and Risk Committee. The relevant material internal controls have been defined and mitigate the highest inherent risks of the Group and are linked to the principal risks. The work to assure the effectiveness of the material internal controls is ongoing. As at 31 December 2023, the results of overall testing showed that 56% of the material internal controls were effective, 23% of the material internal controls were partly effective and 21% of the material internal controls were not effective. Partially effective and not effective controls were discussed at the Audit and Risk Committee. As a follow-up, due dates for remediation of the partially effective and not effective controls were obtained from the control owners. Based on the commitments made, the Group expects to achieve approximately 90% effectiveness of internal controls in Q4 2025. Progress will be monitored and reported regularly to the Audit and Risk Committee. The Audit and Risk Committee, with support from the Business Assurance Committee, will continue to oversee the remediation and action plans to ensure the effectiveness of all material internal controls.

In addition to the general internal controls and risk management processes described on pages 39 to 40, the Group also has specific systems and controls to govern the financial reporting process and preparation of the Annual Report and Accounts. These systems include clear policies and the procedures for ensuring that the Group's financial reporting processes and the preparation of its financial statements comply with all relevant reporting requirements. Group accounting policies are comprehensively detailed in the Group accounting policy manual, which all businesses are required to comply with in the preparation of their results.

Compliance

The Committee, with support from reports from the Chair of the Business Assurance Committee, reviewed its assurance arrangements covering legal, financial, tax, risk, IT and cyber security and employment policies, identified areas where additional assurance on Group compliance with these policies and procedures was required and agreed actions with management to obtain the desired level of assurance.

FRC minimum standards for audit committees

The Committee considers that the requirements set out in FRC Audit Committees and the External Audit: Minimum Standard published in May 2023 have been applied and the Committee is compliant with those requirements. During the year, the Committee reviewed its own Terms of Reference, with no changes adopted, as the Committee's operations either meet or exceed the requirements of the minimum standard.

Effectiveness of external audit

The Committee, on behalf of the Board, is responsible for the relationship with the Auditors, and in carrying out its oversight evaluates the effectiveness of the Auditors and statutory audit process. The quality of the statutory audit is a principal requirement of the annual audit process and is regarded by the Committee as such.

The effectiveness of the external audit process depends on appropriate risk identification. In December 2023, the Committee discussed the Auditors' plan for the 2023 audit. This included a summary of the proposed audit scope and a summary of what the Auditors considered to be the most significant financial reporting risks facing the Group, together with the Auditors' proposed audit approach to these significant risks. In March 2024, the Auditors reported against its audit scope, providing an opportunity for the Committee to monitor progress and raise questions, and challenge both the Auditors and management.

The Auditors are invited to attend meetings of the Audit and Risk Committee, as well as meeting with management at regular intervals during the annual audit process.

The Committee formally reviewed the effectiveness of the 2022 external audit during 2023. The Committee will formally review the effectiveness of the 2023 external audit during the first half of 2024.

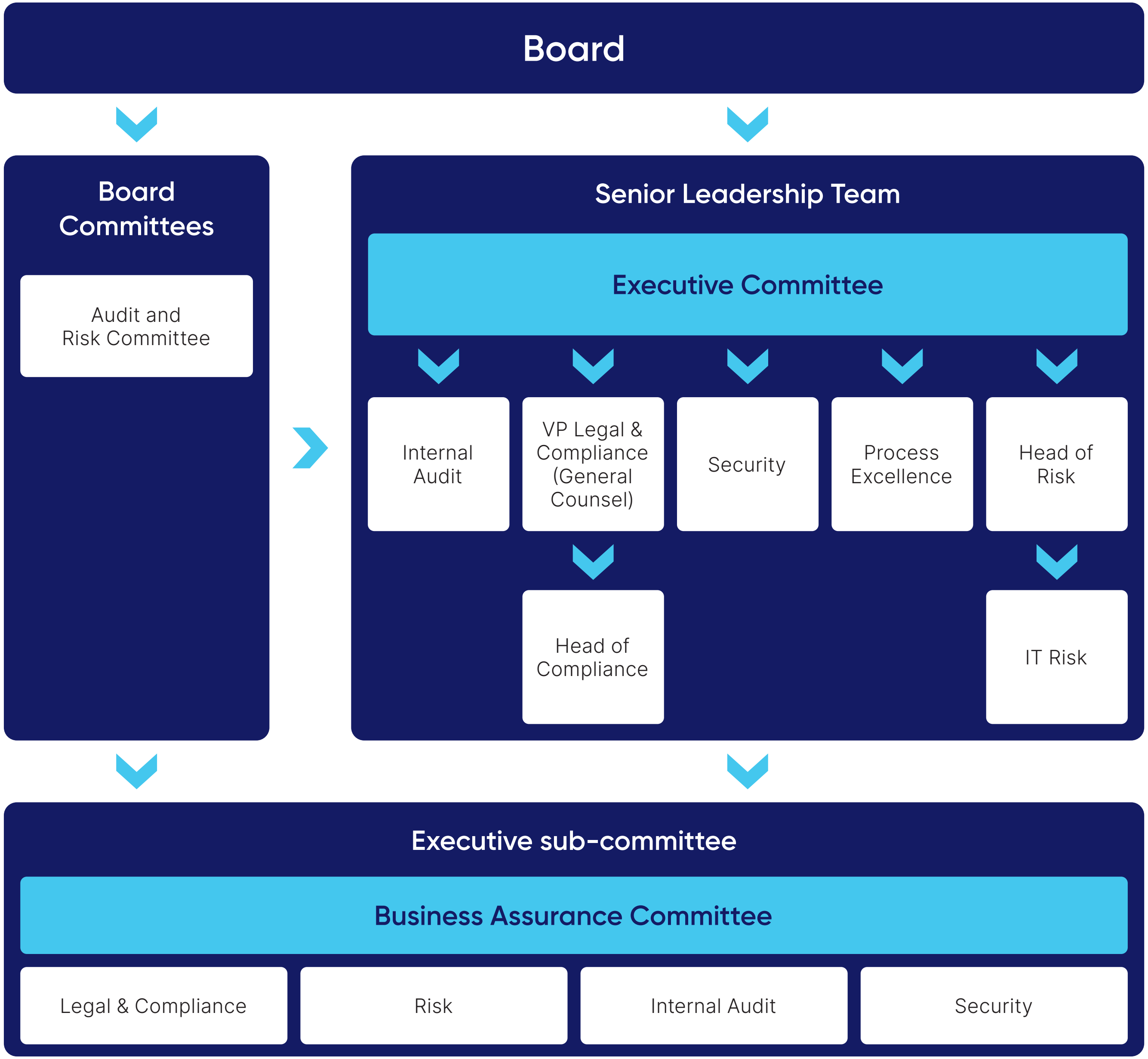
Auditors' independence

The Committee keeps under review the cost effectiveness, independence and objectivity of the External Auditors. The Committee has put in place a policy on the engagement of the External Auditors to supply non-audit services and a review of the effectiveness of the External Auditors.

In assessing the independence of the Auditors from the Group, the Committee takes into account the information and assurances provided by the Auditors, confirming that all their partners and staff involved with the audit are independent of any links to the Group. PwC confirmed that all their partners and staff complied with their ethics and independence policies and procedures, which are fully consistent with the FRC Ethical Standard, including that none of their employees working on the audit hold any shares in W.A.G payment solutions plc.

PwC UK has audited the Company and Group since 2021. PwC CZ audited the predecessor group in 2019 and 2020. The lead audit partner rotates every five years to assure independence. PwC, Deloitte and former External Auditor EY took part in the 2019 audit tender process. PwC and EY were shortlisted, and PwC were later selected as External Auditors for the Group. Mr Mark Skedgel became lead partner in late 2021, responsible for the Group's statutory audit for the 2021 year end onwards. The Committee has no current plans to re-tender the audit.

Audit and Risk Committee report continued



The Committee is satisfied that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014, published by the Competition and Markets Authority on 26 September 2014. In recognition of underlying Auditor rotation requirements, the Committee currently intends that a tender process will be undertaken during the year to 31 December 2029 to cover the financial year ending 31 December 2029 onwards. The Committee will continue to review the Auditors' appointment each year to ensure that the Company is receiving an optimal level of service.

The Committee is satisfied that PwC continue to be independent, and free from any conflicting interest with the Group.

Non-audit services policy

The External Auditors are primarily engaged to carry out statutory audit work. There may be other services where the External Auditors are considered to be the most suitable supplier by reference to their skills and experience. A policy is in place for the provision of non-audit services by the External Auditors, to ensure that the provision of these services does not impair the External Auditors' independence or objectivity, in accordance with the FRC Ethical and Auditing Standards.

Service	Policy
AUDIT-RELATED SERVICES May include the provision of services subject to approval by the Audit and Risk Committee, including capital markets services, review of interim financial statements, compliance certificates and reports to regulators.	All permitted non-audit services require approval in advance by the Chair of the Audit and Risk Committee or the Audit and Risk Committee, subject to the cap of 70% of the fees paid for the audit in the last three consecutive financial years (the cap does not apply until three years of audit fees have been accumulated).
PERMISSIBLE SERVICES Permissible services are detailed in the FRC's whitelist of Permitted Audit-Related and Non-Audit Services. Any audit-related service or non-audit-related service which is not on the list cannot be provided by the External Auditors.	Permissible in accordance with the FRC Revised Ethical Standard 2019.

Non-audit services

Fees for non-audit services paid to PwC in 2023 include the cost of reporting accountant work related to the acquisition of Inelo. Reporting accountant work is based on listing requirements and is often performed by the existing audit firm due to the nature of the work and the continuity of knowledge.

Internal audit

KPMG were appointed Internal Auditors for the Group in October 2021. This financial year, the Committee reviewed various internal audit reports for 2023, and approved the Internal Audit plan for 2024 in December. The Committee has assessed the effectiveness of the Internal Audit function and has satisfied itself that the quality, experience and expertise of the function continue to be appropriate for the business. The Committee will review the effectiveness of the Internal Audit function again during 2024.

Audit fees for 2023

Fees paid to the External Auditors for the year were €1.85 million, of which 5.18% (€96,000) was for non-audit and other assurance services and €1.75 million was for the audit. The audit to non-audit fee ratio was 1:0.05.

The Committee reviewed the relatively high audit fee and was satisfied that it was appropriate, given the amount of substantive testing undertaken. The non-audit fees resulted from assurance services related to work as a reporting accountant due to the Inelo acquisition. Reporting accountant work is subject to the non-audited services cap. Non-audit services represented 5.46% of fees paid to the External Auditors in the year. The Committee will continue to review the non-audit fee ratio.

Whistleblowing

The Committee approved the Group's Speak Up (Whistleblowing) campaign and implemented a range of employee awareness campaigns around whistleblowing. Part of the Speak Up (Whistleblowing) campaign involved making employees aware of the Committee Chair's email address, which is published on the Group's intranet, for the purpose of whistleblowing.
No items have been notified to the Committee Chair prior to this report. Further information on the Company whistleblowing arrangements is available on page 63.

Terms of Reference

The Committee has reviewed and approved the Terms of Reference, which are available on the Company's website, and were last reviewed and approved in December 2023. The Committee will, at least annually, review its Terms of Reference to ensure they remain appropriate and robust.

Committee effectiveness review

The Board undertook a review of its own effectiveness which included the effectiveness of the Committee. The Board and Committee will implement actions from the review during 2024.

Continuing education and training

The entire Board has received training on human rights, the impact of climate and climate risk and the current Code, as well as training on its obligations with respect to the Listing Rules, and regularly receives information and regulatory updates that could affect the work of the Committee.

Remuneration report

Remuneration report

> **"The Committee has undertaken a comprehensive review of senior executive pay and is proposing changes to better align pay with stakeholders' interests."**

Sharon Baylay-Bell
Remuneration Committee Chair

Annual Statement

I am pleased to present Eurowag's Directors' Remuneration Report for 2023.

This year, the Directors' Remuneration Report comprises the following three sections:

- This Annual Statement, where I summarise the work of the Committee during 2023 and our approach to Directors' remuneration
- A copy of the new Directors' Remuneration Policy ("Policy"), which will be subject to a binding shareholder vote at the May 2024 AGM
- The Annual Report on Remuneration, which explains in more detail how Directors have been paid in 2023 and, subject to its approval, how we intend to implement the new Policy in 2024

2023 business performance

Eurowag delivered a robust performance in 2023, despite the challenging macroeconomic pressures such as reduced freight demand, less kilometres driven, significant increases in inflation and interest rates, thereby demonstrating once again the inherent resilience of our business model and the mission critical nature of our services. At a headline level, net revenue grew 34.4% to €256.5 million, with adjusted EBITDA up 33.2% to €108.7 million, supported by acquisitions and strong organic growth. Adjusted EBITDA margins were maintained at 42.4%, demonstrating the strong profitability of the business. These results give us a strong foundation from which to build as we enter 2024 and beyond.

The business made significant strides in 2023 towards achieving its objective of delivering the CRT industry's first integrated digital platform. As a result of our strategic M&A programme and investment in digital transformation, Eurowag has added both new geographies and data-centric products, which bring many benefits to our customers. Our heavy capital investment phase is now complete, and we are focused on integrating operations, technology and products, all aligning to one integrated digital platform, which will unlock further value and opportunities for Eurowag and its customers. We also continued to make great progress on inclusivity, reducing direct GHG emissions and customer NPS.

You can find more information about Eurowag's activities and performance in 2023 in the Board Chairman's statement on page 2 and in the Chief Executive Officer's review on page 20.

Remuneration outcomes for 2023

The annual bonus for 2023 was based 70% on Group adjusted EBITDA, 10% on number of active trucks, 10% on ESG measures, and 10% on a combination of customer NPS and employee engagement.

- The Group achieved an adjusted EBITDA of €108.7 million in 2023, which was between the threshold and maximum levels. Consequently, a payout of 20% out of 70% was awarded
- The total number of active trucks stood at 256,778, also falling within the threshold and maximum range. This performance level resulted in a payout of 5% out of 10%

- Our ESG measures included the percentage of women in total management, customer greenhouse gas ("GHG") emissions and our direct emissions targets, and contributed to a payout of 6% out of 10%
- Our performance against the customer NPS and employee engagement measures led to a payout of 5% out of 10%

The overall annual bonus outcome for 2023 was 36.0% of maximum opportunity, comprising a 36.0% of salary cash bonus and a 18.0% of salary deferred bonus, with deferral in cash for the Chief Executive Officer and shares for the Chief Financial Officer. The former Chief Financial Officer, Magdalena Bartoś, was under notice at the start of 2023 and did not participate in the 2023 annual bonus.

Magdalena Bartoś and other senior executives were granted a Performance Share Plan ("PSP") award at admission. This award was eligible to vest in October 2024 and was contingent on an EBITDA per share measure for the year ended 31 December 2023. The threshold of the EBITDA per share target was not achieved and therefore this award will lapse.

The Remuneration Committee has carefully assessed the bonus and PSP vesting outcomes and believes that they accurately reflect performance over the relevant performance periods. No discretion was exercised by the Remuneration Committee to alter the formulaic outcomes.

Board changes

As set out in last year's report, on 25 October 2022 we announced that Magdalena Bartoś would be stepping down as Chief Financial Officer and Board Director of the Company, to pursue other interests. Ms Bartoś worked her six-month notice period and left the business on 30 April 2023. Despite not receiving a payment in lieu of notice, she did receive a non-compete-related payment as stipulated in her contract and in accordance with Czech labour law. Ms Bartoś was instrumental in the success of our listing in 2021 and was treated as a good leaver for incentive purposes, although the performance criteria for her retained 2021 PSP award was not met and therefore this award lapses.

Oskar Zahn joined as Chief Financial Officer on 17 April 2023 and subsequently joined the Board on 12 May 2023. Mr Zahn forfeited remuneration from his former employer and under our recruitment policy and in-line with typical practice, he was compensated for forfeited remuneration on a like-for-like basis in terms of time vesting, value and performance. The buyout included a modest estimate of his 2022 annual bonus, and buyout of his share awards, some of which will vest based on service only and others based on both service and Eurowag performance. Full details of the compensatory awards are set out on page 118.

Our people

In 2022, the Company conducted two salary reviews for its employees. The first review, effective from 1 September 2022, resulted in an average salary increase of 8.5% for 222 of the lowest-paid employees. The second review, effective from 1 January 2023, included all employees, and led to an average base salary increase of 8.85%.

All our employees participate in an annual bonus scheme. Bonuses for all employees except the sales teams will be paid in April 2024.

Review of senior executive pay and 2024 Policy approval

Context

Over the last few months, the Committee has undertaken a comprehensive review of the reward framework in light of Eurowag's continued strategic progress, the growth aspirations of the business and the challenges of retaining and attracting talent against global tech businesses.

The main finding from the review is a lack of flexibility in our current long-term incentive offering. More specifically, when seeking to recruit global senior talent, it has become clear that offering a single long-term incentive – performance shares – has become restrictive and inhibits our growth plans.

In contrast, common practice in tech businesses and in particular in Europe and the US is to grant both performance shares and restricted shares. The opportunity of using hybrid schemes is a theme that is currently being explored by The Investment Association in 2024.

While below main Board employees are not bound by the Policy and therefore could be granted both performance and restricted shares, the Committee believes the Policy should apply for participating Executive Directors so that all members of the senior team are completely aligned and to avoid divisiveness in participation and outcomes.

Proposed changes

The Committee has determined that a more appropriate structure will be to grant a mix of performance shares and restricted shares under a new Long-Term Incentive Plan ("LTIP"). The awards under the LTIP will be made to Eurowag's senior team including the Chief Financial Officer but excluding the Chief Executive Officer, who currently participates in the annual bonus only.

	Current	Proposed	
Award levels (% of salary)	Performance share maximum	Performance share maximum	Restricted share maximum
Chief Financial Officer	150%	75%	75%

It is proposed that there is no change to our overall maximum percentage opportunity of 150% of salary earnings potential. The Committee is aware, though, that the total expected value of long-term incentives will be higher as restricted shares will be subject to an underpin condition (see later) rather than performance criteria. The Committee believes the proposed award level is appropriate as it seeks to enhance the competitiveness of packages through a higher long-term, share-based component. The Committee had considered whether it might be more appropriate to make material increases to base salaries to enhance competitiveness. However, this would have significantly increased fixed pay which the Committee wishes to avoid. In contrast, the restricted share quantum can be scaled back either at grant or at vesting (including to nil) through testing of the underpin and taking account of the prevailing share price and is therefore variable in nature. Furthermore:

- Restricted shares are long-term in nature (five years - vest after three years, and subject to a two-year holding period)

Remuneration report continued

- Restricted shares contain good and bad leaver provisions and therefore cannot be banked unlike fixed pay
- The value of restricted shares is directly related to the rise and fall in share price

The Committee believes the mix of performance and restricted shares better aligns our approach to our strategy, while performance shares align executives with long-term sustainable growth and returns and restricted shares provide long-term stewardship of the share price. This approach will enhance our ability to retain and attract tech talent to deliver our ambitious strategic goals.

Oskar Zahn joined Eurowag in April 2023 and has made a very significant contribution to Eurowag and has become a highly regarded member of the Executive team. To further align him with the future success of the Company, the Committee is proposing to make Mr Zahn a one-off grant of restricted shares in 2024 to the value of 100% of salary alongside his proposed hybrid award. This will give Mr Zahn significant alignment with the share price and retain him over the medium-term. The awards will vest after three years subject to the achievement of the 2024 restricted shares underpin. Vested awards will have a two-year holding period attached.

Operation of the Policy in 2024

The Committee intends to operate the Policy as follows in the current financial year.

- Fixed pay – The Chief Executive Officer's and Chief Financial Officer's base salaries will not be increased in 2024. The Chief Executive Officer's and Chief Financial Officer's salaries are currently €321,000 per annum and £430,000 respectively
- Annual bonus – The Chief Executive Officer and Chief Financial Officer will participate in the 2024 annual bonus plan, which aligns them with the financial and corporate goals set by the Remuneration Committee which cascade down the organisation. In accordance with the Policy, the Chief Executive Officer's and Chief Financial Officer's bonus opportunity will be set at 150% of their salary, with one-third of any bonus deferred

  Over the past year, we conducted a comprehensive review of our incentive measures, making adjustments to our financial objectives. 70% of the 2024 bonus will be based on financial objectives, incorporating Group adjusted EBITDA (30%), net revenue (20%), net debt leverage (10%) and capex (10%). In addition, 10% will be based on platform delivery and the remaining 20% will be based on individual performance. The Committee believes the revised measures provide an appropriate focus on our key financial and non-financial priorities due to the major transformation of the business from a single product fuel card business to a technology platform business. The targets remain commercially sensitive and will be disclosed retrospectively in next year's Remuneration Report.
- Long-term incentives – The Chief Executive Officer will not participate in the 2024 LTIP. The Chief Financial Officer will receive an award under the LTIP to the value of 75% of salary in performance shares and 75% of salary in restricted shares, subject to the approval of the 2024 Policy and the new LTIP at the May 2024 AGM. He will also receive a one-off award of restricted shares (100% of salary) as explained earlier. Further details of the performance share measures and targets and the restricted share underpin are set out in the Annual Report on Remuneration

Concluding remarks

In summary, the Committee has concluded that:

- The structure of pay packages should be amended to provide greater flexibility through the grant of restricted shares alongside performance shares. This hybrid award will provide strategic alignment and greater stewardship of the share price and help the Company retain and attract key talent in the tech space. Restricted shares will also help to avoid short-term decision making which is particularly important in an acquisitive business, from a long-term perspective
- The overall annual maximum long-term incentive opportunity will remain unchanged but the rebalancing of opportunity between performance and restricted shares will help increase the overall competitiveness of packages
- Some revisions to the performance criteria are required in 2024 to better align our incentives with our one- and three-year goals. The inclusion of an underpin for the restricted share element of our LTIP ensures that awards will not vest if there has been clear underperformance against the key elements included in our underpin framework

The Committee considers that the rest of the Policy remains fit for purpose and no other material changes are currently required. The Policy is compliant with all corporate governance guidelines and includes bonus deferral (at one-third of bonus earned), malus and clawback provisions, shareholding guidelines (during employment and post-cessation) and workforce aligned pension provisions.

The Committee strongly believes that the proposed Policy changes set out above are the best way to support the Group's strategic aims; it also allows us to retain and motivate the existing management team whilst ensuring we remain focused on the interests of shareholders.

I would like to thank our largest shareholders for their input into the design of our proposed Directors' Remuneration Policy and hope you will be able to support this resolution, the usual annual advisory resolution and the resolution to approve the new LTIP at the May 2024 AGM. If you have any questions or feedback on this report or our approach to remuneration, please feel free to contact me via the Company Secretary at Eurowag-UKCoSec@Computershare.co.uk.

Sharon Baylay-Bell
Chair of the Remuneration Committee
25 March 2024

Directors' Remuneration Policy

A new Directors' Remuneration Policy will be put to a binding shareholder vote at the May 2024 AGM and, subject to its approval, will apply with effect from the date of the AGM and apply for a period of three years. The Policy has been prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended.

The Committee undertook a comprehensive review of the Group's Remuneration Policy for senior employees, including the Executive Directors, to ensure that it was appropriate for a global listed tech company. This took into account practice in the UK, across Europe, and the US and in the tech sector and recognised the various jurisdictions in which the Company's senior executives and employees work and reside. In undertaking this review, the Remuneration Committee sought independent, specialist advice. The members of the Committee bring their experience to bear and had the opportunity to discuss proposals without management present to ensure that decisions are reached objectively and without inappropriate influence. No person participates in decisions relating to their personal remuneration.

The Directors' Remuneration Policy was designed with the following objectives in mind:

- To attract, retain and motivate the Executive Directors and senior employees, incorporating incentives that align with and support the Group's business strategy as it evolves, and which align Executives to the creation of long-term shareholder value
- To continue to support the Group's growth ambitions, with a significant proportion of potential total remuneration to be performance-related and delivered in awards of the Company's shares
- To ensure that pay is competitive in the various markets in which the Group operates and is sufficient to attract and retain high calibre personnel in the global tech market
- To encourage wider employee share ownership across the business
- To take into account good practice requirements in the UK, incorporating the necessary structural features to ensure a strong alignment to performance and delivery of strategic goals

The Remuneration Committee considered the six factors listed in Provision 40 of the Code.

Clarity

The Policy is designed to be simple and support long-term, sustainable performance. The Policy has been discussed internally and is well understood by participants. The Policy clearly sets out the limits in terms of quantum, an overview of the performance measures that can be used and discretions that could be applied if appropriate.

Simplicity

The Group's arrangements are simple and include a market standard annual bonus and a single LTIP under which performance shares and restricted shares may be granted. There are no complex or artificial structures required to deliver the Policy.

Risk

Appropriate individual limits and caps are set with appropriate weighting on long-term performance to discourage any inappropriate risk taking. The Committee retains discretions to override formulaic outturns. When considering performance measures and target ranges, the Committee will take account of the associated risks and liaise with the Audit and Risk Committee as necessary. The long-term nature of a large proportion of pay (through annual bonus deferral, post-vesting holding periods and post-cessation shareholding requirements) encourages a long-term, sustainable mindset. Clawback and malus provisions are in place across all incentive plans.

Predictability

The Policy contains appropriate caps for each component of pay. The potential reward outcomes are easily quantifiable and are set out in the illustrations provided in the Policy. Performance can be reviewed at regular intervals to ensure there are no surprises in outcomes at the end of the performance period.

Proportionality

Incentive outcomes are contingent on successfully meeting stretching performance targets, which are aligned to the delivery of the Company's strategy. The Committee retains discretions to override formulaic outturns.

Alignment to culture

The Policy encourages performance delivery, which is aligned to the culture within the business. However, this performance focus is always considered within an acceptable risk profile. The measures used in the variable incentive plans reflect business priorities and are aligned across the Group.

Changes to the Directors' Remuneration Policy

The main changes to the 2024 Policy are:

- **Pensions:** Executive Directors' pension contribution rates, where provided, will be capped at the local workforce contribution rate. The rate for UK employees has increased from 7% to 8% and the Policy has been amended to reflect this change
- **Long-term incentives:** The previous PSP has been replaced with the new LTIP. Under the LTIP, Executive Directors may receive hybrid awards in the form of both performance shares and restricted shares in any financial year, noting that the 2022 Policy permitted performance share awards only. The overall maximum opportunity in face value terms remains unchanged at 150% of salary through limits of 75% of salary each for performance shares and restricted shares. Restricted shares will vest after three years subject to the satisfaction of an underpin and continued service. Vested LTIP awards, consistent with performance shares, will be subject to a further two-year holding period. The Chief Financial Officer will be granted a one-off award of restricted shares in 2024 in addition to normal 2024 LTIP awards
- **Malus and clawback:** Further detail has been provided on provisions in-line with latest guidance

Remuneration report continued

Remuneration Policy for Executive Directors

The following table summarises each element of the Remuneration Policy for the Executive Directors, explaining how each element operates and links to the corporate strategy.

Base salary

Link to strategy	Operation	Maximum potential value	Performance metrics
› To provide a base level of pay that helps us recruit, retain and engage high-calibre Executive Directors › Recognises the knowledge, skills and experience of the individual and reflects the scope and size of the role	› Salaries are normally reviewed, but not necessarily increased, annually with any changes usually effective from either 1 January or 1 April. An out of cycle review may be conducted if the Committee determines it is appropriate › When setting base salaries, the Committee considers a number of factors, including (but not limited to) the skills and experience of the individual, the size and scope of the role, the geography in which the role competes, salary increases across the Group, and business performance as well as salary levels for comparable roles in other similarly sized UK and comparable companies	› There is no maximum salary level › However, salary increases are normally considered in relation to the wider salary increases across the Group › Above workforce increases may be necessary in certain circumstances, for example when there has been a change in role or responsibility or where an Executive Director has been appointed to the Board on an initial salary which is lower than the desired market positioning	› Individual performance, as well as the performance of the Group, is taken into consideration as part of the annual review process

Pension

Link to strategy	Operation	Maximum potential value	Performance metrics
› To provide cost-effective retirement benefits	› The Executive Directors may receive a pension contribution to a Company pension scheme or in the form of a cash allowance in lieu of pension › Pension contributions or allowances are normally paid monthly and are not bonusable	› Pension provision is no more generous than any applicable local arrangements implemented for other employees › Where provided, pension contributions for Executive Directors are capped at that of the wider local workforce (which, for UK employees, is 8% of salary)	› Not applicable

Benefits

Link to strategy	Operation	Maximum potential value	Performance metrics
To provide competitive, cost-effective benefits, which help to recruit and retain Executive Directors	Benefits may include insurances such as life and accident insurance, private medical and dental cover, a mobile telephone, use of a company car or a car allowance, a fuel card, travel allowances and other market standard benefits provided across the Group from time to time Other benefits, such as residency allowances, air travel where located away from home, tax return preparation costs, relocation expenses, tax equalisation, expatriate arrangements or support in meeting specific related costs incurred may be provided as necessary Reasonable business-related expenses (including any tax thereon if determined to be a taxable benefit) will be reimbursed	There is no specific maximum, although it is not expected to exceed a normal market level The value of benefits will vary based on the cost to the Company of providing the benefits	Not applicable

Annual bonus

Link to strategy	Operation	Maximum potential value	Performance metrics
To incentivise and reward for the delivery of annual corporate targets aligned to the business strategy To align with shareholders' and wider stakeholders' interests	The annual bonus is subject to performance measures and objectives set by the Committee for the financial year and continued service At the end of the performance period, the Committee assesses the extent to which the performance targets have been achieved and approves the final outcome One-third of any bonus earned will be deferred in shares, normally for three years under the Deferred Bonus Share Plan ("DBSP"), in respect of which dividend equivalents may apply to the extent such deferred awards vest Malus and clawback provisions apply as set out on page 114 Bonus awards are payable at the Committee's discretion	The annual bonus policy maximum is 150% of base salary The target annual bonus opportunity is normally set at 50% of the maximum The amount payable for achieving threshold performance is up to 25% of the maximum If the threshold level is not achieved, no payment will arise for the portion of bonus against that metric	The Committee will determine the relevant measures and targets each year taking into account the key strategic objectives at that time Performance measures may include financial, strategic, operational, ESG and/or personal objectives The majority of the performance measures will be based on financial performance The Committee sets targets that are challenging, yet realistic in the context of the business environment at the time and by reference to internal business plans and external consensus. Targets are set to ensure that there is an appropriate level associated with achieving the top end of the range but without encouraging inappropriate risk taking The Remuneration Committee has the discretion to adjust formulaic outcomes if the Committee believes that such outcome is not a fair reflection of business and/or individual performance, including consideration of shareholder and broader stakeholder views

Remuneration report continued

Long-term incentive

Link to strategy	Operation	Maximum potential value	Performance metrics
› To incentivise and reward for the delivery of long-term performance and sustainable shareholder value creation › To align with shareholders' interests and to foster a long-term ownership mindset	› Under the LTIP, hybrid awards may be granted. Hybrid awards comprise a mix of performance shares and restricted shares in the form of nil/nominal cost options or conditional awards › Performance shares vest after no less than three years subject to the satisfaction of performance criteria and continued service › Restricted shares vest after no less than three years subject to the satisfaction of an underpin and continued service › Vested performance share and restricted share awards are subject to a further holding period applying at least until the fifth anniversary of grant, during which they may not ordinarily be sold (other than to pay relevant tax liabilities due) › Dividend equivalents may accrue over the period from grant until the later of vesting and the expiry of any holding period › Malus and clawback provisions apply as set out on page 114	› The maximum annual award is 75% of salary for performance shares and 75% of salary for restricted shares › In addition to the above grant levels, the Chief Financial Officer will receive an additional one-off grant of restricted shares during 2024 only to the value of 100% of salary › The proportion of performance shares which may vest for threshold performance will be no more than 25% of the maximum award. If the threshold level is not achieved, no vesting will arise against that metric	Performance shares: › Performance conditions, weightings and target ranges will be determined prior to grant each year to align with the Company's longer-term strategic priorities at that time › The measures which may be considered include financial and shareholder value metrics, as well as strategic, non-financial measures. The majority of the measures will be based on financial and/or shareholder value metrics. In normal circumstances, financial or shareholder value measures will make up the majority of the long-term incentive Restricted shares: › Restricted share awards will be subject to the satisfaction of a performance underpin which considers the overall performance of the business over the three-year performance period. If the underpin is not achieved, vesting will be reduced, including potentially down to nil, at the discretion of the Committee › The Remuneration Committee has discretion under the LTIP, in-line with the Code, to adjust the level of vesting that would otherwise result (for example, that would otherwise result by reference to formulaic outcomes alone). This discretion would only be used in exceptional circumstances and may take into account corporate and personal performance

All employee share plans

Link to strategy	Operation	Maximum potential value	Performance metrics
› To encourage wider share ownership across all employees, including the Executive Directors › To align with shareholders' interests and to foster a long-term mindset	› Executive Directors may participate in all employee schemes on the same basis as other eligible employees › While no scheme is currently in place, the Policy permits participation in a Share Incentive Plan, a Save As You Earn ("SAYE") scheme or any other all-employee share scheme if introduced during the life of this Policy	› Limits are in-line with those set by HMRC	› Not applicable

Shareholding requirements

Link to strategy	Operation	Maximum potential value	Performance metrics
To align with shareholders' interests and to foster a long-term mindset	Executive Directors will normally be expected to retain vested shares, net of sales to settle tax, until they have met the required shareholding Progress towards the guideline will be reviewed by the Committee on an annual basis The shareholding requirement will continue to apply for a period of two years after termination of employment, with the obligation being to retain the lower of the shareholding requirement or those shares held towards the shareholding requirement at the date of termination. The shareholding requirement will halve upon the commencement of the second year following termination	The shareholding requirement for Executive Directors is 200% of base salary The equivalent net value of unvested ordinary shares subject to any awards held by an Executive Director to which only time-based vesting or a holding period applies will count towards the shareholding requirement	Not applicable

Fees policy for Chairman and Non-Executive Directors

The following table summarises the fees policy for the Chairman and the Non-Executive Directors.

Fees

Link to strategy	Operation	Maximum potential value	Performance metrics
To provide a competitive fee to attract Non-Executive Directors who have the requisite skills and experience to oversee the implementation of the Company's strategy	Fees for the Chairman are set by the Committee Fees for the other Non-Executive Directors are set by the Board, excluding the Non-Executive Directors Fee levels are determined based on an estimate of the expected time commitments of each role and by reference to comparable fee levels in other companies of a similar size and complexity Additional fees are payable to the Senior Independent Director and Chairs of the Audit and Risk and Remuneration Committees (or any other Committee operated by the Board), to reflect their additional responsibilities and a fee is payable for acting as a member of one or more of such Committees Additional fees may be payable for additional responsibilities such as ESG-related responsibilities or for being the Non-Executive Director designated for engagement with the workforce for the purposes of the Code Higher fees may be paid to a Non-Executive Director should they be required to assume executive duties on a temporary basis The Non-Executive Directors and the Chairman are not eligible to receive benefits and do not participate in pension or incentive plans Business expenses incurred in respect of their duties including international travel and accommodation for meetings (including any tax thereon) are reimbursed	Fees are reviewed, but not necessarily increased, annually. Fee increases are normally effective from either 1 January or 1 April There is no maximum fee level	Not applicable

Remuneration report continued

Notes to the Policy table

Differences between Directors' remuneration and employees' pay

The key difference between senior executives' pay and that of the workforce is participation in variable pay schemes. Senior executive remuneration arrangements are more aligned to Company performance due to the level of their business influence, with high focus on business performance and shareholder alignment. For our employees, a significant factor in determining remuneration is the individual's performance with appropriate retention initiatives focusing on high performers and key talent. Over half of our employees participate in an annual bonus arrangement. Participation in the new LTIP and the existing below Board Employee Share Plan ("ESP") is limited to the most senior people and those with greater influence on Group performance outcomes and the share price. The value of each element of the package that an employee may receive will vary according to the employee's seniority and level of responsibility.

Selection of performance measures and targets

The Remuneration Committee determines the performance measures applying to the annual bonus and performance shares (under the LTIP) based on the strategic priorities of the Group at the time. The measures and their weightings may change from year to year to reflect the needs of the business. Measures used may include financial (such as net revenue, adjusted EBITDA and adjusted EPS), operational, strategic, ESG or sustainability goals, total shareholder return, and personal or individual objectives. The use of such measures is intended to ensure performance is assessed on a rounded basis and is appropriately aligned to the Group's KPIs. The targets for both the annual bonus and LTIP performance shares are set after considering internal business plans, economic forecasts and, to the extent it exists, external analyst consensus. The target range is calibrated so that it is realistic yet requires stretching outperformance to achieve the top end. Restricted shares granted under the LTIP are subject to an underpin assessment.

Malus and clawback

The incentive pay awards made by the Company are subject to provisions that allow it to recover any value delivered (or which would otherwise be delivered) in connection with any variable award including annual bonus, DBSP and PSP awards in exceptional circumstances, and where it believes that the value of those variable pay awards is no longer appropriate.

The malus and clawback provisions can be used in the following circumstances:

- A material misstatement
- An error of calculation (including on account of inaccurate or misleading information)
- An action or conduct that amounts to serious misconduct
- An instance of corporate failure (e.g. administration or liquidation)
- A significantly adverse impact on the Group's reputation

Malus and clawback may be effected prior to the third anniversary of the vesting of an LTIP award or prior to the third anniversary of the payment of a bonus or grant of deferred bonus share award, as relevant.

Discretions retained by the Committee in operating the incentive plans

The Committee operates the Group's incentive plans according to their respective rules and in accordance with HMRC and listing rules where relevant. To ensure the efficient operation and administration of these plans, the Committee may apply certain discretions. These include (but are not limited to) the following:

- Determining the participants in the plans
- Determining the timing of grants and/or payments
- Determining the size of grants and/or payments (within the limits set out in the Policy table)
- Determining the appropriate choice of measures, weightings and targets for the incentive plans from year to year including any use of discretion to amend the outcome, as appropriate
- Determining good leaver status and the extent of vesting and or payment under the incentive plans
- Determining the extent of vesting of awards under share-based plans in the event of a change of control
- Making any appropriate adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events, variation of capital and special dividends)

While performance conditions will generally remain unchanged once set, the Remuneration Committee may vary the performance conditions applying to any award after it is granted if an event occurs, which causes the Remuneration Committee to consider that it would be appropriate to amend the performance conditions, provided the Remuneration Committee acts fairly and reasonably in making the alteration and, in the case of awards to the Company's Executive Directors, the amended performance conditions are not materially more or less challenging than the original conditions would have been but for the event in question.

Legacy arrangements

As set out in the Prospectus, the Company had various legacy share and cash arrangements which may vest on their original terms post-IPO. This Policy gives authority to the Company to honour any commitments entered with current Directors prior to the approval of this Policy and prior to the Company's admission or with internally promoted future Directors prior to their appointment. Details of any payments under the legacy arrangements will be set out in future Directors' Remuneration Reports as they arise.

Statement of consideration of shareholder views

In considering the operation of the Policy, the Committee takes into account the published remuneration guidelines and specific views of shareholders and proxy voting agencies.

The Committee will consider shareholder feedback received in relation to the AGM each year and the reports from shareholder representative bodies more generally. The Committee consulted with the Company's largest shareholders when seeking changes to the Policy for approval in 2024. Furthermore, the Committee will consider specific concerns or matters raised at any time by shareholders on remuneration.

Statement of consideration of employment conditions elsewhere in the Group

The views of senior executives were taken when drawing up the new Policy.

In considering rewards for Executive Directors and senior executives, the Committee has been provided with an update of pay and employment conditions throughout the Group. This includes details of base salary increases, bonus award levels, share scheme participation across the Group workforce, as well as more information on salaries and proposed increase for the Executive Committee and Senior Leadership Team. The Committee has reviewed and agreed all grants of share awards. The 2023 Employee Engagement scores, which included workforce feedback on executive and employee remuneration, were shared and reviewed with the designated Non-Executive Director for employee engagement.

Recruitment of Executive Directors – approach to remuneration

The ongoing remuneration package for any new Executive Director will be set in accordance with the terms of the Policy in place at the time of appointment. The principles, which will be applied, are set out below:

- Base salary – will be set at an appropriate level taking into account the skills and experience of the individual, the criticality and nature of the role and the geography in which the role competes or is recruited from. If the base salary is set below market on appointment to reflect experience, there will be an expectation that subsequent increases may be above those of the wider workforce to bring this into line with the desired level as the individual develops in the role. In some cases, it may be necessary to set a new recruit's salary above his or her predecessor's salary. The Committee is mindful that the Company should avoid paying more than is necessary to recruit the desired candidate
- Benefits – will be in-line with those offered to other employees in the same location and take account of any local market norms. In addition, the Committee recognises that it may need to meet certain relocation expenses, expatriate benefits, temporary accommodation and travel expenses, as appropriate
- Pension – will be in-line with that offered to local or wider workforce norms
- Annual bonus – will be operated in-line with the terms set out in the Policy table (including the maximum opportunity disclosed) and will be pro-rated in the year of joining to reflect the period of service rendered during the financial year. Depending on the timing of the appointment, it may be necessary for the Committee to use alternative performance measures for the remainder of the initial performance period
- LTIP – will be operated in-line with the terms set out in the Policy table, including the maximum opportunities disclosed. An award may be made shortly after appointment (assuming not in a closed period)
- Buy-out awards – the Committee may consider offering additional cash and/or share-based elements to replace remuneration forfeited by an individual on leaving their previous employment when it considers these are necessary to facilitate the appointment and in the best interests of the Company and its shareholders. Any buy-out arrangements will be made under the existing incentive plans or the relevant provision of the UKLA Listing Rules and would, as far as possible, be delivered on a like-for-like basis taking account of the nature, time horizons and any performance requirements attached to the awards forfeited

For an internal appointment, any variable pay element or benefit awarded in respect of the prior role may be allowed to continue on its original terms. For the avoidance of doubt, this includes any remuneration arrangements in place prior to the Company's admission. On appointment of a new Chairman of the Board or Non-Executive Director, the fees will be set taking into account the experience and calibre of the individual and the prevailing rates of other Non-Executive Directors in similar sized companies at the time.

Executive Directors' service contracts

The service contracts for the Chief Executive Officer and Chief Financial Officer are terminable by either party, with six months' notice for the Chief Executive Officer and 12 months' notice for the Chief Financial Officer. Additionally, any contracts for newly appointed Executive Directors will include equal notice in the future, capped at a maximum of 12 months. The specific date of each service contract is recorded in the table below:

	Date of service contract
Chief Executive Officer[1] - Martin Vohánka	7 September 2021
Chief Financial Officer[2] - Oskar Zahn	12 May 2023

Notes:
1. The Chief Executive Officer was appointed as Director of W.A.G payment solutions plc on 3 August 2021.
2. The Chief Financial Officer was appointed as Director of W.A.G payment solutions plc on 12 May 2023. Magdalena Bartoś stepped off the Board on 30 April 2023.

Executive Directors' service agreements are kept available for inspection at the Company's single alternative inspection location.

Executive Directors' external appointments

Executive Directors may accept external appointments as Non-Executive Directors of other companies with the specific approval of the Board in each case. Any fees payable will be retained by the Executive Directors.

Remuneration report continued

Non-Executive Directors' terms of appointment

The Non-Executive Directors do not have service contracts with the Company but instead have letters of appointment. The appointments of each of the Independent Non-Executive Directors are for an initial term of three years from the date of appointment, unless terminated earlier, until the conclusion of the Company's AGM occurring approximately three years from that date. The appointment of each Independent Non-Executive Director is also subject to annual re-election at the Company AGM. The date of appointment for each Non-Executive Director is shown in the table below.

	Date of appointment
Paul Manduca	7 September 2021
Joseph Morgan Seigler	7 September 2021
Mirjana Blume	7 September 2021
Sharon Baylay-Bell	7 September 2021
Susan Hooper[1]	7 September 2021
Steve Dryden	1 June 2023
Kevin Li Ying	1 March 2024
Sophie Krishnan	1 March 2024

Note:
1. Susan Hooper is stepping off the Board following the year end on 16 May 2024.

The Chairman's appointment can be terminated with six months' notice or, at the Company's discretion, immediately in exchange for a payment in lieu of notice. Additionally, the Company reserves the right to terminate the Chairman's appointment without compensation. Similarly, a Non-Executive Director's appointment requires one month's notice for termination, but the Company also has the authority to terminate it immediately without compensation.

Policy on payment for departure from office

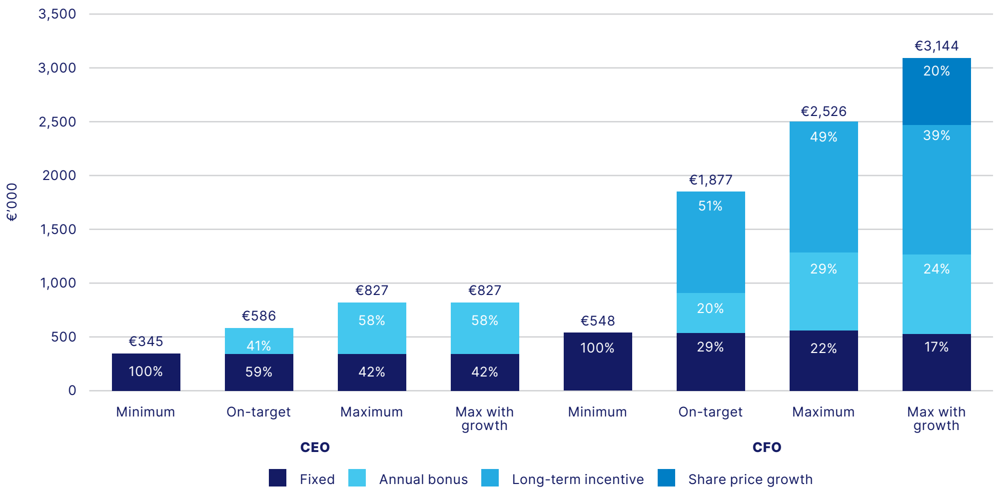
On termination of an Executive Director's service contract, the Committee will take into account the departing Director's duty to mitigate their loss when determining the amount of compensation. The Committee's policy is described below and will be implemented, taking into account the contractual entitlements, the specific circumstances for the departure and the interests of shareholders:

- Base salary, benefits and pension – if notice is served by either party, the Executive Director can continue to receive base salary, benefits and pension for the duration of their notice period. The Executive Director may be asked to perform their normal duties during their notice period, or they may be put on garden leave. The Company may, at its sole discretion, terminate the contract immediately, at any time after notice is served, by making a payment in lieu of notice equivalent to base salary only, with any such payments being paid in monthly instalments over the remaining notice period. The Executive Director will normally have a duty to seek alternative employment and any outstanding payments will be subject to offset against earnings from any new role
- Annual bonus – if an Executive Director ceases to be employed or is under notice of termination for any reason prior to the date that a bonus is due to be paid, no bonus shall be payable. In certain good leaver circumstances (death, injury or disability, redundancy, retirement, their office or employment being in a company which ceases to be a Group member or for any other reason if the Committee so decides), the Committee may determine that a bonus shall continue to be paid at the normal time and the bonus will typically be subject to a time pro-rata reduction. Any DBSP awards will lapse upon cessation, except in good leaver situations as set out above. In such cases, awards will normally vest on their normal vesting dates but the Committee may decide to vest awards upon cessation of employment. The Committee may apply a pro-rata reduction if it decides it is appropriate to do so
- PSP/LTIP awards – unvested performance share awards will lapse upon cessation. In certain good leaver situations, performance shares will normally be retained by the individual for the remainder of the vesting period and remain subject to the relevant performance conditions and ordinarily subject to a pro-rata reduction for time. The Committee will retain discretion to assess performance/underpins and allow awards to vest at an earlier date if considered appropriate. Any outstanding SIP and/or SAYE awards will be treated in-line with HMRC regulations. Disbursements, such as legal costs and outplacement fees, may be payable as appropriate. The Committee retains the authority to settle any legal claims against the Company, if considered to be in the best interests of shareholders

Illustration of the Policy

The chart below sets out the potential values of the remuneration package of the Executive Directors for 2024 under various performance scenarios.

The chart is based on the following assumptions:



The Chief Executive Officer is paid in EUR and the Chief Financial Officer is paid in GBP. The chart is shown in EUR and GBP amounts have been converted into EUR based on the full year 2023 average FX rate of 1 EUR: 0.870 GBP.

Minimum

Comprises the value of base salary, benefits and pension and assumes no payout under incentive schemes. Salary represents annual salary as at 1 January 2024. The benefits values have been estimated. The Chief Executive Officer does not participate in a pension scheme and the Chief Financial Officer's pension contribution is 8% of base salary.

On target

Target performance comprises an annual bonus payout of 50% of maximum and, for the Chief Financial Officer only, LTIP performance shares vesting at 25% of maximum and LTIP restricted shares vesting at 100% of maximum, both with no share price appreciation.

Maximum

Maximum performance comprises annual bonus awarded at maximum level (150% of salary for the Chief Executive Officer and Chief Financial Officer) and, for the Chief Financial Officer only, full LTIP vesting (performance shares and restricted shares each at 75% of salary) and a one-off award of restricted shares to the value of 100% of salary to be granted in 2024 only.

Maximum with growth

As per the maximum scenario, but with an assumed increase of 50% in the value of the Chief Financial Officer's LTIP and one-off award to give an indication of value from potential share price appreciation.

Annual report on remuneration

This section of the Directors' Remuneration Report describes the remuneration outcomes for 2023 and how we intend to amend our new Policy. The Directors' Remuneration Report (excluding the Directors' Remuneration Policy) is subject to an advisory shareholder vote at the 2024 AGM.

Remuneration Committee roles and responsibilities

The Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration and employee engagement, including making recommendations to the Board on the Company's policy on executive remuneration, setting the overarching principles, parameters and governance framework of the Company's Remuneration Policy and determining the individual remuneration and benefits package of each of the Company's Executive Directors and Senior Leadership Team.

Remuneration Committee members and meetings

The Committee currently comprises six Independent Non-Executive Directors:

- Sharon Baylay-Bell (Chair)
- Mirjana Blume
- Susan Hooper (to 16 May 2024, when she steps off the Board)
- Steve Dryden (since 1 June 2023)
- Kevin Li Ying (since 1 March 2024)
- Sophie Krishnan (since 1 March 2024)
- Caroline Brown (to 11 May 2023)

During the year, Caroline Brown stepped off the Board and was no longer a member of the Committee at the 2023 AGM on 11 May 2023. Steve Dryden became a member of the Committee upon his appointment to the Board as a Non-Executive Director on 1 June 2023. Kevin Li Ying and Sophie Krishnan became members of the Committee upon their appointment to the Board as Non-Executive Directors on 1 March 2024.

The Board Chairman, the Chief Executive Officer, the Chief Financial Officer and the Chief Human Resources Officer attend meetings by invitation to provide valuable input. However, no Director plays any part in determining their own remuneration.

The Remuneration Committee is required to meet at least three times a year. The Terms of Reference of the Remuneration Committee cover such issues as membership and the frequency of meetings, as mentioned above, together with requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Remuneration Committee to carry out its duties. Further details on the roles and responsibilities of the Committee are disclosed in the Terms of Reference, which were updated with minor changes during the year and can be found on the Company's corporate website (https://investors.eurowag.com/).

Remuneration report continued

Key activities during the year

The Remuneration Committee held four meetings during 2023 and all members of the Remuneration Committee were present. The Remuneration Committee undertook the following activities in this period:

- Agreed the 2023 base salaries for Executive Directors and selected Senior Leadership Team members under the Remuneration Committee's remit
- Determined the participants in the 2023 annual bonus and PSP schemes and the related measures and targets, ensuring incentives are aligned with Company culture
- Approved the disclosures contained within the 2023 Directors' Remuneration Report
- Determined the appropriate treatment of new senior joiners and leavers during the year, including the joining terms of the new Chief Financial Officer and the cessation agreements for the departed Chief Financial Officer
- Received updates from the Committee's independent advisor on market practice and governance developments, including an overview of the 2023 AGM season and proxy voting agency guidelines
- Received an interim update on the likely outcome of the 2023 annual bonus plan and inflight PSP awards
- Undertook a review of the Directors' Remuneration Policy and approved changes to be voted on at the 2024 AGM
- Undertook an initial consideration of performance measures to apply to the 2024 annual bonus and LTIP schemes
- Undertook a review of the remuneration of the Senior Leadership Team below Board level
- Reviewed and updated the Remuneration Committee's Terms of Reference

Independent advisor

The Company received advice from FIT Remuneration Consultants LLP ("FIT") which was selected by the Remuneration Committee following a tender process. During the year, FIT assisted the Remuneration Committee on a range of subjects including incentive arrangements for 2023, providing an overview of pay trends and governance and remuneration report drafting and proposals for the proposed 2024 Policy. FIT is a signatory to the Remuneration Consultants' Code of Conduct and has confirmed to the Committee that it adheres in all respects to the terms of the Code. The fees for the advice provided to the Remuneration Committee for the period to 31 December 2023 were £50,149 + VAT (on a time and materials basis). FIT separately provided share plan technical services to the Company during the year but provides no other services to the Company and the Committee is satisfied that it receives independent and objective advice.

Single total figure of remuneration (audited)

The single figure of total remuneration disclosures cover the 2023 financial year and the prior financial year.

EUR '000		Salary/fees	Benefits[5]	Pension[6]	Total fixed remuneration	Annual bonus[7]	Long term incentives[8]	Other[9]	Total variable remuneration	Total remuneration
Executive Directors										
Martin Vohánka	**2023**	**321**	**24**	**—**	**345**	**173**	**—**	**—**	**173**	**518**
	2022	300	21	—	321	—	—	—	—	321
Oskar Zahn[1]	**2023**	**316**	**9**	**25**	**350**	**171**	**—**	**467**	**638**	**988**
	2022	—	—	—	—	—	—	—	—	—
Magdalena Bartoś[2]	**2023**	**130**	**6**	**—**	**136**	**—**	**—**	**—**	**—**	**136**
	2022	390	29	—	419	220	586	—	806	1,225
Non-Executive Directors[10]										
Paul Manduca	**2023**	**333**	**—**	**—**	**333**	**—**	**—**	**—**	**—**	**333**
	2022	340	—	—	340	—	—	—	—	340
Sharon Baylay-Bell	**2023**	**95**	**—**	**—**	**95**	**—**	**—**	**—**	**—**	**95**
	2022	88	—	—	88	—	—	—	—	88
Mirjana Blume	**2023**	**93**	**—**	**—**	**93**	**—**	**—**	**—**	**—**	**93**
	2022	89	—	—	89	—	—	—	—	89
Joseph Morgan Seigler[3]	**2023**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	2022	—	—	—	—	—	—	—	—	—
Susan Hooper	**2023**	**92**	**—**	**—**	**92**	**—**	**—**	**—**	**—**	**92**
	2022	88	—	—	88	—	—	—	—	88
Steve Dryden[4]	**2023**	**62**	**—**	**—**	**62**	**—**	**—**	**—**	**—**	**62**
	2022	—	—	—	—	—	—	—	—	—
Caroline Brown[4]	**2023**	**29**	**—**	**—**	**29**	**—**	**—**	**—**	**—**	**29**
	2022	94	—	—	94	—	—	—	—	94

Notes:
1. Oskar Zahn joined the Company on 17 April 2023 and joined the Board as Chief Financial Officer on 12 May 2023. His remuneration reflects his period in service as a Board Director. Mr Zahn is paid in GBP and his remuneration has been converted to Euros at a rate of 0.870. In addition, as Mr Zahn joined the company on 17 April 2023, a month before being appointed Director on 12 May 2023, for that earlier period he received remuneration totalling €29,418 in salary, €1,003 in benefits, €2,353 in pension, and an annual bonus of €15,886, which includes the bonus deferral.
2. Magdalena Bartoś stepped down from the Board on 30 April 2023. Her remuneration includes her pay relating to her service during 2023.
3. Joseph Morgan Seigler was appointed to the Board by TA Associates. He does not receive a fee for his services.
4. Steve Dryden joined as a Non-Executive Director on 1 June 2023 and Caroline Brown stepped down as a Non-Executive Director on 11 May 2023. Their remuneration reflects the period served on the Board during the year.
5. Benefits for Executive Directors consisted of life insurance, private medical and dental insurance, residency allowance, air travel, reimbursement of tax return preparation costs, use of company car, fuel card and travel allowances.
6. Martin Vohánka and Magdalena Bartoś did not participate in a private pension arrangement during the period under review. Oskar Zahn received a pension contribution as a cash allowance to the value of 8% of base salary in lieu.
7. Martin Vohánka participated in the annual bonus scheme for the first time in 2023. The bonus outcome for the year was 36% of maximum. Oskar Zahn's bonus was pro-rated to reflect the period of the year he was on the Board as Chief Financial Officer. Magdalena Bartoś did not participate in the 2023 annual bonus scheme. Two-thirds of the bonus earned will be paid in cash and one-third will be deferred for three years in cash for Martin Vohánka and in shares for Oskar Zahn, contingent upon continuous service. The 2022 annual bonus of Magdalena Bartoś has been adjusted to reflect the bonus deferral part of the 2022 bonus in the amount of €73,433, which was not included in 2022 Annual Report and Accounts.
8. Magdalena Bartoś received a PSP award on admission on 13 October 2021 which was subject to an EBITDA/share measures based on performance for the year ended 31 December 2023. The threshold target was not achieved and therefore this award will lapse. Ms Bartoś was also granted a one-off award in respect of legacy entitlements. These awards vested in April 2023 and were shown in last year's single total figure of remuneration table based on an estimated share price using the final three months of the 2022 financial year (80.5 pence). The actual share price on the date of vesting was 92.2 pence and the 2022 figure has been updated to reflect this.
9. Oskar Zahn joined Eurowag on 17 April 2023 and became a Board Director on 12 May 2023. He received buyout awards to compensate him for remuneration forfeited at his previous employer. This included share awards which vest subject to service only and others based on both service and performance – full details of the awards granted to Mr Zahn are shown on page 120. The 2023 "Other" figure shows the value of Awards I, II and III based on their face values at the time of grant (as they are not subject to performance) and the value of Award IV which was based performance to 31 December 2023. The value of Award IV has been estimated using the three-month average share price to 31 December 2023 (91.3 pence). This value will be updated in next year's report to reflect the share price on vesting (10 May 2024). Mr Zahn also received a cash sum of €57,000 to compensate him for the forfeited 2022 bonus.
10. Non-Executive Directors are paid in GBP and their remuneration has been converted to Euros at a rate of 0.870.

2023 annual bonus outcome (audited)

The 2023 annual bonus was based on the achievement of Group measures, split between Group adjusted EBITDA (70% weighting) and the remainder on strategic objectives relating to the number of active trucks, diversity, customer and direct GHG emissions, customer NPS and employee engagement.

Targets and performance

Performance measure	Threshold (10% payable)	Max (100% payable)	Actual 2023	Bonus outcome (% of maximum for each element)	Bonus earned (% of overall maximum)
Adjusted EBITDA €m (70%)	103.2	129.1	108.7	29%	20%
No. of active trucks (10%)	240.0	280.0	256.8	48%	5%
Inclusive recruitment and employment (4%)	32%	36%	34.6%	69%	3%
Reducing customer GHG emissions (3%)	3%	5%	0.5%	0%	0%
Reducing direct GHG emissions (3%)	4%	6%	11%	100%	3%
Group customer NPS (5%)	35	39	41.8	100%	5%
Employee engagement (5%)	68	72	60	0%	0%
Total bonus					36% of maximum

Adjusted EBITDA for 2023 was €108.7 million, which included a contribution from the Inelo acquisition. This resulted in 29.0% of this part of the bonus being achieved.

Number of active trucks for 2023 was 256,778, which included a contribution from the Inelo acquisition. This resulted in 48.0% of this part of the bonus being achieved.

Inclusive recruitment and employment measured by percentage of women in total management for 2023 was 34.6%, which included a contribution from the Inelo acquisition. This resulted in 69.0% of this part of the bonus being achieved.

Reducing customer GHG emissions for 2023 was 0.5%. This resulted in none of this part of the bonus being achieved.

Reducing direct GHG emissions for 2023 was 11.0%. This resulted in 100% of this part of the bonus being achieved.

Group customer NPS for 2023 was 41.8. This resulted in 100% of this part of the bonus being achieved.

Employee engagement for 2023 was 60.0, which included a participation from Inelo. This resulted in none of this part of the bonus being achieved.

The total bonus payout was 36.0% of the maximum opportunity, or 54% of base salary.
The Committee considered the formulaic outturn in the context of wider Company and individual performance and felt that the result was warranted. Therefore, no discretion was used to alter the outturn.

Remuneration report continued

Martin Vohánka and Oskar Zahn's bonus opportunity for 2023 was 150% of base salary. Magdalena Bartoś was under notice during the year and was not eligible for a 2023 bonus.

	Total bonus	Cash (2/3)	Deferred (1/3)
Martin Vohánka	€172,911	€115,274	€57,637
Oskar Zahn[1]	€170,523	€113,682	€56,841

Note:
1. Mr Zahn is paid in GBP and his remuneration has been converted to Euros at a rate of 0.870.

Oskar Zahn's bonus reflects his period of service during the year. One-third of the bonus is deferred for three years – Martin Vohánka's bonus will be deferred in cash to reflect his high shareholding in the business and Oskar Zahn's bonus will be deferred in shares.

2021 PSP award vesting (audited)

The first PSP awards were granted upon admission on 13 October 2021 and these were subject to an adjusted EBITDA per share measure for the financial year ended 31 December 2023. Awards were granted to the former Chief Financial Officer, Magdalena Bartoś, and other senior executives.

Vesting (% of awards)	Adjusted EBITDA/ share for the year ended 31 December 2023[1]	Actual performance	Vesting (%)
0%	<13.79 cents	13.27 cents	0% vesting
25%	13.79 cents		
100%	≥15.39 cents		

Note:
1. Adjusted EBITDA per share excluding the Inelo acquisition.

Adjusted EBITDA per share for 2023 was below the threshold and therefore these awards will lapse.

Chief Financial Officer buyout and PSP awards granted in 2023 (audited)

Grant of buyout awards

On 28 February 2023, Eurowag announced the appointment of Oskar Zahn as Chief Financial Officer with effect from 17 April 2023 and as an Executive Director on 12 May 2023. Mr Zahn joined from a FTSE-listed business and, in recognition of remuneration forfeited upon leaving his former employer, the Committee approved buyout awards to compensate him.

The buyout awards were granted in accordance with our Policy as nominal cost options, ensuring that replacement awards were provided on a like-for-like basis. Considerations included the nature of the award (shares/cash), performance requirements and time horizons. The grants were executed on 20 April 2023 under a one-off arrangement within the Company's ESP, comprising five distinct awards, as follows:

Award	Related to	Normal vesting date	Number of shares under award[1]	Face value of awards
Award I	Restricted shares that vest based on time	10 May 2026	37,689	£29,473
Award II	Restricted shares that vest based on time	8 March 2027	45,240	£35,378
Award III	Deferred bonus award that vest based on time	8 March 2024	79,233	£61,690
Award IV[2]	LTIP award which vests subject to time and relative TSR performance to 31 December 2023	10 May 2024	251,391	£196,588
Award V[3]	LTIP award which vests subject to time and performance (40% relative TSR and 60% EPS) to 31 December 2024	8 March 2025	362,017	£283,097

Notes:
1. Awards were granted in the form of nominal cost options based on a share price of 78.2 pence, the closing share price on 27 February 2023, being the date prior to the announcement of the participant's appointment as Chief Financial Officer.
2. It was originally intended that Award IV would be subject to the measures and targets applying to Eurowag's PSP awards granted at the time of admission in 2021. However, given: (i) the significant period of time that had elapsed between the start of the performance period and the time of Mr Zahn joining the Board relative to the three-year performance period; and (ii) the inherent nil value assigned to these awards prior to Mr Zahn's joining, it was felt fairer and more appropriate for these awards to be based on relative TSR measured from the date of Mr Zahn's announcement date to 31 December 2023. This ensured that the principle of performance was applied and that the outcomes are based on Mr Zahn's contribution to the business (rather than performance prior to his joining).
3. These awards are subject to the same measures as apply to the 2022 PSP awards, with 60% based on EPS and 40% on TSR.

Vesting of buyout, Award IV

Vesting (% of awards)	Relative TSR ranking versus FTSE 250, excluding investment trusts	Actual performance	Vesting (%)
0%	Below median	Eurowag TSR – 16.1% ranking the Company in the upper quartile of the peer group (upper quartile TSR = 10.0%)	100% vesting
25%	Median		
100%	Upper quartile or higher		

Eurowag's TSR performance over the period was 16.1%, which ranked the Company in the upper quartile. Accordingly, Award IV will vest in full on 10 May 2024. The estimated value of this tranche of the buyout award has been included in the single figure table using the three-month average share price to 31 December 2023 alongside the grant values of Awards I, II and III which are not subject to performance criteria.

PSP award granted in 2023 (audited)

In addition, reflecting his appointment early in 2023, Mr Zahn was granted an award on 20 April 2023, under the Company's PSP:

	Date of grant	No. of awards granted	Share price on grant	Face value of award	Award as a % of salary	Vesting date
Oskar Zahn	20 April 2023	682,395 nominal cost options	95p	£645,000	150%	20 April 2026

The performance share award will vest on the third anniversary of its grant, contingent upon Mr Zahn's continued service and the extent to which the performance share award's performance conditions (described below) are met.

The performance vesting of a distinct 60% of the performance share award (the "EPS Part") will be contingent upon the Company's adjusted basic earnings per share for its financial year ending 31 December 2025 ("EPS 2025"). One-quarter of the EPS Part shall vest if adjusted basic EPS 2025 equals 11.5 cents. Full vesting of the EPS Part shall apply if adjusted basic EPS 2025 is 14.24 cents or higher. Pro-rata vesting of the EPS Part shall apply between these targets.

The performance vesting of 40% of the performance share award (the "TSR Part") will be contingent upon the Company's total shareholder return ("TSR") performance over the performance period, 1 January 2023 to 31 December 2025. This performance will be evaluated relative to the TSR performance (over the same period) of a comparator group of companies - the constituents of the FTSE 250 Index (excluding investment trusts) as at the start of the performance period.

Vesting (% of awards)	EPS for FY 2025	Relative TSR ranking versus FTSE 250 excluding Investment Trusts
0%	<11.50 cents	Below median
25%	11.50 cents	Median
100%	14.24 cents or higher	Upper quartile or higher

Payments for loss of office and to former Directors (audited)

On 25 October 2022, we announced that Magdalena Bartoś would be stepping down as Chief Financial Officer and as a Board Director of the Company to pursue other interests.

Ms Bartoś completed her six months' notice period and departed the business on 30 April 2023. During this period she continued to receive her base salary and benefits, and as she fulfilled her entire notice period, no payment in lieu of notice was made.

Ms Bartoś received a bonus based on 2022 performance, as reported in last year's Remuneration Report. Ms Bartoś has been treated as a good leaver and accordingly, the deferred share part of this bonus will vest on their normal vesting date.

Ms Bartoś did not receive a bonus in respect of 2023 and she was not granted any PSP awards in either 2022 or 2023. Additionally, while Ms Bartoś was treated as a good leaver, her interest in the 2021 PSP which was contingent on EBITDA/share performance for the year ended 31 December 2023 lapsed due to threshold not being achieved.

In accordance with Czech law and her service agreement which was entered into prior to listing, Ms Bartoś received non-compete compensation for a six-month period (from May to October 2023) to the value of €266,000. Additionally, she was provided with a discounted buy-out of a company car (€34,000).

Share interests and incentives (audited)

	Shares owned outright as at 31 December 2023	Vested but unexercised options	Options unvested and subject to performance conditions	Options unvested and not subject to performance conditions	Shareholding as a percentage of salary	Shareholding requirement met (200% salary)
Executive Directors						
Martin Vohánka[1]	329,195,021	—	—	—	106,123%	YES
Oskar Zahn[2]	—	79,233	1,044,412	334,320	46%	NO
Magdalena Bartoś[3]	761,455	—	171,837	68,568	218%	YES
Non-Executive Directors						
Paul Manduca	150,000	—	—	—	—	—
Joseph Morgan Seigler	—	—	—	—	—	—
Mirjana Blume	13,913	—	—	—	—	—
Caroline Brown[4]	—	—	—	—	—	—
Sharon Baylay-Bell	35,000	—	—	—	—	—
Susan Hooper	—	—	—	—	—	—
Steve Dryden[4]	—	—	—	—	—	—

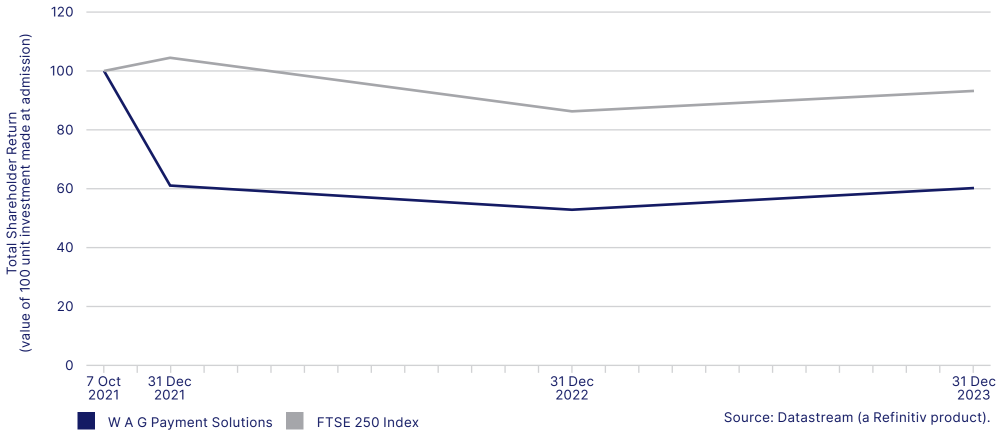
Notes:
1. Comprises 135,775,918 shares held by Martin Vohánka and 193,419,103 shares held by Couverina Business s.r.o, a business wholly owned by Martin Vohánka.
2. Oskar Zahn's shareholding comprises the net of tax value of vested but unexercised options and options unvested which are not subject to any performance requirements.
3. Magdalena Bartoś left the Board on 30 April 2023 and the shareholding in the above table reflects her shareholding at the date of cessation.
4. Steve Dryden joined as a Non-Executive Director on 1 June 2023 and Caroline Brown stepped down as a Non-Executive Director on 11 May 2023.

The shareholding as a percentage of salary is based on shares owned outright and the net of tax number of other awards which are not subject to ongoing performance conditions. The middle market share price at the close of business on 31 December 2023 was £0.90 and the range of the middle market price from 1 January 2023 until 31 December 2023 was £0.737 to £1.03. Since the year end to the date of signing off this report there have been no changes in the shareholdings shown in the table above.

Remuneration report continued

Performance graph against FTSE 250

The chart below shows the value of £100 invested in the Company on IPO compared with the value of £100 invested in the FTSE 250 Index at the same date and the movement in value until 31 December 2023. We have chosen the FTSE 250 Index as Eurowag is a constituent of the index and it provides the most appropriate and widely recognised index for benchmarking the Company's corporate performance since IPO.



Source: Datastream (a Refinitiv product).

CEO single figure history

Chief Executive Officer single figure history	2021	2022	2023
Total remuneration (EUR '000)	134	321	**518**
Annual bonus as % of max	n/a	n/a	**36%**
PSP shares vesting as % of max	n/a	n/a	**n/a**

The Chief Executive Officer did not participate in the annual bonus in 2021 or 2022 and has not received any long-term incentive awards. He participated in the 2023 annual bonus.

The Chief Executive Officer's total remuneration for 2023 is as set out in the single figure of total remuneration table on page 118. The Chief Executive Officer's total remuneration for 2022 is based on fixed pay received during the 2022 financial year. The Chief Executive Officer's total remuneration for 2021 is based on the period between incorporation and 31 December 2021.

Chief Executive Officer pay ratio

The Company has fewer than 250 UK employees and, therefore, has no statutory requirement to publish a Chief Executive Officer pay ratio. The Committee will continue to review the appropriateness of publishing pay ratios in the future.

Relative importance of spend on pay

The following table shows the Company's expenditure on remuneration for all employees globally as well as distributions to shareholders and adjusted EBITDA delivered, which the Committee believes is a useful additional disclosure. The table below shows the year-on-year change between 2023 and 2022.

	2023	2022	% change
Overall expenditure on pay	**€111.1m**	€79.3m	40%
Dividends	**n/a**	n/a	n/a
Adjusted EBITDA	**€108.7m**	€81.6m	33%

Adjusted EBITDA is as shown in the Annual Report disclosures in Note 11 of the Financial statements and has been shown here because it represents a key financial metric for the Company.

Percentage change in Directors' remuneration and employee pay

The following table shows the percentage change in each Executive and Non-Executive Director's remuneration compared with the average change for all employees of the Company for the year ended 31 December 2023. In calculating the percentage change, remuneration figures have been annualised to provide a better and more meaningful comparison.

	2023			2022		
	Salary/fee	Taxable benefits	Annual bonus	Salary/fee	Taxable benefits	Annual bonus
Martin Vohánka	**7%**	**9.2%**	**n/a**	0%	8.1%	n/a
Oskar Zahn[1]	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a
Magdalena Bartoś[2]	**0%**	**(13.6)%**	**n/a**	0%	(14.6)%	(23.3)%
Paul Manduca	**0%**	**n/a**	**n/a**	0%	n/a	n/a
Joseph Morgan Seigler	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a
Mirjana Blume	**6.6%**	**n/a**	**n/a**	0%	n/a	n/a
Caroline Brown[3]	**0%**	**n/a**	**n/a**	0%	n/a	n/a
Sharon Baylay-Bell	**10%**	**n/a**	**n/a**	0%	n/a	n/a
Susan Hooper	**6.6%**	**n/a**	**n/a**	15.3%	n/a	n/a
Steve Dryden[4]	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a
All employees	**(2.1)%**	**9.2%**	**(4.3)%**	8.0%	(33.0)%	(1.3)%

Notes:
1. Oskar Zahn joined the Board on 12 May 2023.
2. Magdalena Bartoś stepped down from the Board on 30 April 2023. Remuneration has been annualised for 2023.
3. Caroline Brown stepped down from the Board on 11 May 2023.
4. Steve Dryden joined the Board on 1 June 2023.
5. Changes in remuneration are based on the currency in which Directors are paid, to remove the impact of currency movements.

Statement of shareholding voting

At the AGM held on 11 May 2023, there was an advisory vote on the Directors' Remuneration Report and, at the AGM held on 26 May 2022, there was a binding vote on the Directors' Remuneration Policy. The voting outcomes are set out in the table below.

	Votes for	%	Votes against	%	Votes withheld	%
Approval of the Directors' Remuneration Policy (2022)	598,900,680	100.00%	1,925	0%	0	0%
Approval of the Directors' Remuneration Report (2023)	590,773,551	99.86%	823,021	0.14%	0	0%

The Remuneration Committee was pleased with the high level of support received.

Implementation of Policy in FY 2024

Component of pay	Implementation for 2024
Base salaries	There will be no change to the Chief Executive Officer and Chief Financial Officer's base salaries in 2024. These are: Chief Executive Officer: €321,000/Chief Financial Officer: £430,000. Salaries will not be increased in 2024 and employee increases will be determined and be effective from 1 April 2024.
Benefits and pension	The Chief Executive Officer does not receive any pension contributions or allowance in lieu. The Chief Financial Officer's pension contribution rate will be set at 8% of salary, which is in-line with the UK pension contribution rate. There are no material changes to benefit provisions.

Component of pay	Implementation for 2024
Annual bonus	The Chief Executive Officer and Chief Financial Officer will participate in the 2023 annual bonus scheme. The maximum opportunity will be 150% of base salary. One-third of any bonus earned will be deferred for a period of three years in the form of cash for the Chief Executive Officer and in shares for the Chief Financial Officer. The 2024 bonus will be subject to the following performance conditions: **Financial (70%):** › Adjusted EBITDA (30%) › Net revenue (20%) › Net debt leverage (10%) › Capex (10%) **Non-financial objectives (30%):** › Eurowag platform roadmap delivery (10%) › Individual KPIs and objectives (20%) For 2024, net revenue, net debt leverage and capex have been included as these are key short-term financial goals for the business which are aligned to our transformation. This also provides a more rounded assessment of financial delivery. For the first time, we are now able to incorporate personal objectives which are tailored to each senior executive. This uses our new performance appraisal system which has been introduced for all employees. The non-financial objectives include a key strategic goal related to the major transformation of the business from a single product fuel card business to a technology platform business. The target ranges are not disclosed prospectively as they are commercially sensitive, but will be reported in next year's Remuneration Report.

Remuneration report continued

Component of pay	Implementation for 2024
LTIP - performance shares and restricted shares	Under the proposed Policy, which is subject to a shareholder vote at the 2024 AGM, it is proposed that awards of performance shares and restricted shares are granted under a hybrid structure. The Chief Executive Officer will not receive a PSP award in 2024 and it is anticipated that the Chief Financial Officer will receive the following awards: - Performance shares – 75% of salary - Restricted shares – 75% of salary 60% of the performance shares award will be based on adjusted basic EPS relating to FY 2026 and 40% will be based on relative TSR: - Group adjusted basic earnings per share – 60% weighting – targets relating to the 2025 financial year. None of this part of the award will vest if the 2026 adjusted EPS is less than 7.9 cents; 25% of this part of the award will vest for adjusted EPS of 7.9 cents and there will be full vesting for 8.3 cents or higher - Relative TSR vs FTSE 250 Index – 40% weighting – no vesting for below median ranking; for a median ranking of 25% of this part of the award will vest, rising on a straight-line basis to full vesting for upper quartile ranking or higher. In addition, the Chief Financial Officer will receive a one-off award of restricted shares in 2024 with a face value of 100% of base salary. These awards together with the normal annual restricted shares (75% of salary) will vest after three years subject to the assessment of an underpin. Vested awards will be subject to a further two-year holding period. The restricted share awards will vest subject to the achievement of an underpin. If the underpin is not achieved, the Committee may scale back vesting accordingly (including to nil). The performance underpin framework ensures that awards will not vest if there has been clear underperformance against the key elements included in the framework. For the 2024 restricted share awards, the proposed underpin framework to be measured over the period 2024-2026 is as follows:

Component of pay	Implementation for 2024
	- Financial health of the business taking into account revenue growth, operating margin, adjusted EPS, return on capital, cash conversion and balance sheet strength - Strategic priorities – delivery of key strategic objectives over the vesting period including operation and individual performance - Stakeholder experience – consideration of our key stakeholders including employees, customers, suppliers and shareholders - ESG progress – progress towards our key environmental and social goals
NED fees	The Board Chairman fee is unchanged and NED fees have been increased for 2024 as follows: Board Chairman fee: £290,000 Non-Executive Director base fee: £64,800 Senior Independent Director fee: £11,000 Audit and Risk Committee Chair fee: £25,000 Remuneration Committee Chair fee: £20,000 Designated ESG Director additional fee: £10,000 Member of Audit, Nomination or Remuneration Committees: £5,000

The increases and, in particular, those applying to chairing of Committees reflect the increased time commitment involved.

On behalf of the Board

Sharon Baylay-Bell
Chair of the Remuneration Committee
25 March 2024

Directors' report

The Directors present the Annual Report, together with the audited consolidated financial statements for the year ended 31 December 2023. The Directors' Report, together with the Strategic Report on pages 01 to 76, represents the management report for the purposes of compliance with the Disclosure Guidance and Transparency Rules 4.1.R.

Corporate governance statement

The information that fulfils the requirements of the corporate governance statement for the purposes of the FCA's Disclosure Guidance and Transparency Rules can be found in the corporate governance information on pages 84 to 92 (all of which forms part of the Directors' Report), the wider Corporate Governance Report and this Directors' Report.

Articles of Association and powers of the Directors

The Company's Articles contain the rules relating to the powers of the Company's Directors and their appointment and replacement mechanisms. The Articles may only be amended by special resolution at a General Meeting of the shareholders. The Articles provide that the business of the Company shall be managed by the Board, which may exercise all the powers of the Company, subject to the Statutes, these Articles and any special resolutions of the Company. The Articles can be found at: https://investors.eurowag.com/application/files/7016/7715/5498/articles-of-association.pdf.

Directors

As at the date of this report, the Board is comprised of two Executive Directors, seven Independent Non-Executive Directors and one Non-Independent Non-Executive Director (the Nominee Director - further information is provided on page 80 of this report).

In 2023, there were changes regarding the Directors. Magdalena Bartoś stepped down as Chief Financial Officer on 30 April 2023, which was followed by Oskar Zahn being appointed as Chief Financial Officer on 12 May 2023. On 11 May 2023, Caroline Brown stepped down as a Director, which was followed by Steve Dryden being appointed as a Director on 1 June 2023. On 1 March 2024, Sophie Krishnan and Kevin Li Ying were each appointed as Directors. On 7 February 2024, it was announced that Susan Hooper would resign as a Director, following the AGM of the Company to be held on 16 May 2024. Further details on each of the Directors appointed can be found on page 80 of this report. Further details on the Director's skills and the Company's succession planning can be found on pages 94 and 95 of the Nomination and Governance Committee Report.

During the year, an assessment of the independence of the Chairman of the Board and each of the Independent Non-Executive Directors was carried out, following the relevant independence parameters provided for within the Code. The Company considers all Independent Non-Executive Directors, as well as the Chairman, Paul Manduca, to be independent upon appointment and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. The independence of the Directors will continue to be assessed annually during the Board evaluation process. In accordance with the Code, Mirjana Blume is the Senior Independent Director and acts as a sounding board for the Chairman and an intermediary for the other Non-Executive Directors and should lead the annual evaluation of the Chairman.

GHG emissions

The information relevant to climate disclosures, including the Company's TCFD statement, 2030 climate target and emissions data, is outlined on page 51. This includes information about the Company's total energy consumption in its operations, Scope 1 and Scope 2 emissions and GHG intensity figures covering 2020-2023. The Company has also disclosed its 2020 baseline Scope 3 emissions as well as information on the material categories for Scope 3 emissions based on 2020 data. Information on climate risks is included in both the Principal risks section as well as the TCFD disclosures.

Disclosure of information to Auditors

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's External Auditors are unaware. Each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's External Auditors are aware of that information.

Directors' indemnities

In pursuing their duties, the Directors have the benefit of indemnity provisions contained within the Company's Articles. The Company has additionally purchased and maintained Directors' and Officers' liability insurance to provide further protections for the Directors. The Directors are able to obtain legal or other relevant advice at the expense of the Company in their capacity as Directors. The Company provided a qualifying third-party indemnity to each Director as permitted by Section 234 of the Companies Act 2006 and by the Articles for the full financial year and which remain in force at the date of this report.

Conflicts of interest

The Directors have declared any conflict or potential conflict of interest to the Board, which has the authority to approve such situations. A conflicts of interest register is maintained on an ongoing basis and reviewed annually. The Directors advise the Board as soon as they become aware of any conflict of interest. When a Director has a relevant conflict of interest, they are recused from discussions or decisions on the matter on which they are conflicted.

Directors' report continued

Political and charity donations

The Company's policy is that it does not, directly or through any subsidiary, make what are commonly regarded as donations to any political party. However, the Companies Act 2006 (the "Act") defines political donations very broadly and so it is possible that normal business activities, such as sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling certain public duties, and support for bodies representing the business community in policy review or reform, which might not be thought of as political expenditure in the usual sense, could be captured. Activities of this nature would not be thought of as political donations in the ordinary sense of those words.

The resolution to be proposed at the 2024 AGM, authorising political donations and expenditure, is to ensure that the Group does not commit any technical breach of the Act. At the AGM of the Company held on 11 May 2023, shareholders voted to allow the Company to incur political expenditure up to a maximum aggregate amount of £100,000 in-line with market practice. That authority is due to expire at the AGM due to be held on 16 May 2024 and, therefore, the Company will seek to renew the authority in-line with the above considerations.

Major interests in shares

As at 31 December 2023, and in accordance with Rule 5 of the FCA's Disclosure and Transparency Rules, the following table sets out the major shareholdings notified to the Company by holders of notifiable interests.

	As at 31 December 2023	
Name of shareholder	Number of ordinary shares	Percentage of issued ordinary shares
Couverina Business s.r.o[1]	**193,419,103**	**28.05**
Bock Capital Investors[2]	**179,505,764**	**26.04**
Martin Vohánka[3]	**135,775,918**	**19.69**
Columbia Threadneedle Investments	**22,620,792**	**3.28**
JPMorgan Securities collateral account	**22,175,787**	**3.22**

Notes:
1. A vehicle wholly owned by Martin Vohánka.
2. A vehicle affiliated with Bock Capital EU Luxembourg WAG S.à.r.l., a vehicle associated with TA Associates.
3. Martin Vohánka's total interest was 329,195,021 ordinary shares representing 47.75% of the issued ordinary shares, as at 31 December 2023.

Since 31 December 2023 to the date of this report, the Company has not been informed of any notifiable changes with respect of the shares.

Share capital structure

As at 31 December 2023 and at the date of this report, the issued share capital of the Company comprised 689,471,537 ordinary shares of £0.01 each admitted to the London Stock Exchange. The ordinary shares have attached to them full voting, dividend and capital distribution (including winding up) rights.

Authority to purchase own shares

At the Company's AGM held on 11 May 2023, shareholders passed a resolution allowing the Company to make market purchases of ordinary shares of £0.01 each in the capital of the Company up to a maximum aggregate amount of 10% of the Company's issued share capital. No shares have been purchased under this authority as at the date of this report. This authority is due to expire at the AGM to be held on 16 May 2024. The Board will seek to renew the authority to make market purchases of the Company's ordinary shares at this year's AGM.

Principal shareholder and relationship agreement

In connection with, and effective from, admission, relationship agreements were entered into with Martin Vohánka, Couverina Business, s.r.o ("Couverina") and TA Associates to ensure that, following admission, the Company was able to operate independently of the aforementioned parties for the purposes of the Listing Rules.

Relationship agreement with Martin Vohánka and Couverina

Under the relationship agreement, Martin Vohánka and Couverina have made undertakings to: (i) conduct all transactions and arrangements with any member of the Company and the Group at arm's length and on normal commercial terms; (ii) not take any action which would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and (iii) not propose or procure the proposal of any shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules. Subject to below, Martin Vohánka and Couverina have the right: (i) to nominate for appointment up to two Non-Executive Directors to the Board, while together with their associates' shareholding in the Company are greater than or equal to 25% of the votes available to be cast at General Meetings of the Company; and (ii) to nominate for appointment one Non-Executive Director to the Board, while together with their associates' shareholding in the Company are greater than or equal to 10%. Martin Vohánka and Couverina opted not to appoint any Nominee Directors at admission and currently have expressed that they do not intend to exercise these rights while Martin Vohánka is Chief Executive Officer. Martin Vohánka shall not be considered as a Nominee Director for so long as he is an Executive Director of the Company, but that for so long as he is an Executive Director of the Company, the right of Martin Vohánka and Couverina to appoint Nominee Directors shall be reduced by one, to reflect Martin Vohánka's appointment as a Director of the Company. The relationship agreement additionally governs information flow between the Company and Martin Vohánka and Couverina. For so long as Martin Vohánka (or his concert parties (as defined in the City Code on Takeovers and Mergers (the "City Code")) holds in aggregate an interest in 30% or more of the aggregate voting rights in the Company and subject, where necessary, to the prior consent of the Panel, the Company has undertaken to procure that at the first AGM of the Company, and thereafter once in every calendar year, to propose to its independent shareholders a resolution to waive, in accordance with Appendix 1 to the City Code, all obligations of the relevant shareholder (or its concert parties) to make a general offer for the ordinary shares of the Company in accordance with Rule 9 of the City Code that may otherwise arise as result of the Company purchasing or effecting any other transactions in relation to the ordinary shares or related securities.

Relationship agreement with TA Associates

The TA relationship agreement contains substantially the same terms as the relationship agreement with Martin Vohánka and Couverina as described above, other than the appointment rights, which provide Bock Capital EU Luxembourg WAG S.à.r.l. ("Bock") with the right to appoint one Non-Executive Director to the Board, while together with its associates' shareholding in the Company are greater than or equal to 10% of the votes available to be cast at General Meetings of the Company. Morgan Seigler was appointed to the Board, as Nominee Director, at admission. Morgan Seigler additionally has the ability to share confidential information with Bock in accordance with the terms of the relationship agreement, subject to prior clearance from the rest of the Board.

Disclosures in the Strategic report

In accordance with Section 414C(11) of the Act and the Companies (Miscellaneous Report) Regulations 2018, the Board has decided to include certain disclosures within the Strategic Report, including:

Subject matter	Page
Employee and stakeholder involvement	Our engagement with stakeholders on page 28 and Sustainability on page 51
The employment of disabled people	Sustainability on page 51
The future development, performance and position of the Group	Strategic report on pages 01 to 76
Branches outside the UK	Group information on page 154
Research and development activities	Notes to the financial statements on page 140
Going Concern and Viability statement	Viability Statement on page 47
Climate-related financial disclosures, greenhouse gas consumption, energy consumption and energy efficiency action	Sustainability on page 51

Additional disclosures

The following information can be found elsewhere in this document, as indicated in the table below, and is incorporated into this report by reference.

Disclosure	Page
Directors of the Company	Board of Directors on page 80
Dividends	Consolidated statement of changes In shareholders' equity on page 138
Financial instruments	Notes to the financial statements on page 147
Important post balance sheet events since the financial year end	Notes to the financial statements on page 193
Statement of Directors' responsibilities	Directors' report on page 125

Information required to be included in the Annual Report and Accounts by LR 9.8.4 can be found in this document as indicated in the table below:

Disclosure	Page
Long-Term Incentive Plans	Directors' remuneration report on page 106
Confirmations regarding entering into a relationship agreement with a controlling shareholder and compliance with independence provisions	Principal shareholder and relationship agreement section on page 126
Agreements with a controlling shareholder	Principal shareholder and relationship agreement section on page 126

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

Directors' report continued

- Select suitable accounting policies and then apply them consistently
- State whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements
- Make judgements and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the Going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable. They believe it furnishes shareholders with the information necessary needed to evaluate the Company's position, performance, business model and strategy. Each of the Directors, whose names and roles are detailed in the Board of Directors section on page 80, confirms that, to the best of their knowledge:

- The consolidated financial statements, prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view the assets, liabilities, financial position and profits or loss of the Group
- The Company's financial statements, prepared following United Kingdom Accounting Standards, including FRS 101, give a true and fair view of the Company's assets, liabilities and financial position
- The Strategic Report within this document includes a fair review of the development and performance of the business and the position of the Company and the wider Group, together with a description of the principal risks and uncertainties that it faces

In the case of each Director in office at the date the Directors' Report is approved:

- So far as the Director is aware, there is no relevant audit information of which the Group's and Company's Auditors are unaware
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's Auditors are aware of that information

Going concern

In accordance with Provision 30 of the Code, the Directors consider it appropriate to continue to adopt the Going concern basis of accounting in preparing the financial statements. The Directors, having made appropriate enquiries, are satisfied that the Company and Group as a whole has adequate resources to continue operations for a period of at least 12 months from the date of this report. A comprehensive Going concern statement is presented on page 49.

Viability statement

In accordance with Provision 31 of the Code, the Directors are required to provide a Viability statement that states whether the Company and Group will be able to continue in operation and meet its liabilities, taking into account its current position and the principal risks it faces. The Directors must also specify the period covered by, and the appropriateness of, this statement. The Directors' evaluation of the Company's viability is detailed on page 47.

Fair, balanced and understandable

The Directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and gives shareholders the information needed to assess the Group's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors and is signed by order of the Board by:

For and on behalf of Computershare Company Secretarial Services Limited
Company Secretary
25 March 2024

Financial statements

Other information

Independent auditors' report to the members of W.A.G Payment Solutions plc

Report on the audit of the financial statements

Opinion

In our opinion:

- W.A.G Payment Solutions plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2023 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: Consolidated and Company Statements of Financial Position as at 31 December 2023; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Shareholders' Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 2 to the Consolidated Financial Statements, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- PwC component audit teams were engaged to perform two full scope audits in the Czech Republic and one in Poland. The PwC Czech Republic component team were also requested to perform specified procedures over certain balances and transactions. The Group audit team carried out audit procedures over centralised balances, the consolidation and the company.

Key audit matters

- Presentation of adjusting items to EBITDA (group)
- Valuation of the acquired Inelo intangibles (group)
- Impairment of goodwill within the Fleet Management Solutions CGU (group)
- Carrying value of investment in subsidiaries (parent)

Materiality

- Overall group materiality: EUR 7,695,000 (2022: EUR 5,725,000) based on 3% of net energy and services sales.
- Overall company materiality: EUR 2,739,000 (2022: EUR 2,778,000) based on 1% of total assets.
- Performance materiality: EUR 5,771,000 (2022: EUR 4,293,000) (group) and EUR 2,054,000 (2022: EUR 2,083,500) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Valuation of the acquired Inelo intangibles (group) and impairment of goodwill within the Fleet Management Solutions CGU (group) are new key audit matters this year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Presentation of adjusting items to EBITDA (group) As at 31 December 2023, certain costs have been classified as adjusting items impacting adjusted EBITDA and certain other costs have been classified as adjusting items impacting adjusted earnings for the year. The adjusting items impacting adjusted EBITDA relate to: M&A related expenses; strategic transformation expenses; share based compensation; impairment losses of non-financial assets and restructuring costs. The adjusting items impacting adjusted earnings relate to amortisation of acquired intangibles, offset by a tax effect of adjusting items. We focused on this area as there is no definition of an adjusting item within IFRS and so judgement is required by the directors in determining whether items classified as adjusting are consistent with the group's accounting policy. We also focussed on this area given the potential fraud risk attached to the presentation of these items in meeting market consensus and profit based personal incentive targets. Refer to the Notes 6 and 11 to the financial statements and the Key accounting issues, significant judgements and significant estimates section of the Audit and Risk Committee report.	We have considered the nature of the balances and challenged the directors as to whether the items disclosed as adjusting items are consistent with the accounting policy, with the approach taken in previous reporting periods and with the FRC's guidance. We evaluated and understood the rationale behind each adjusting item and audited each category of adjusting items to EBITDA to a specific materiality of EUR 1.0m. This involved agreeing the sampled items to underlying supporting documentation and assessing whether the treatment of the item as adjusting was consistent with the group's accounting policy. For amortisation of acquired intangibles we have target tested these expenses and assessed whether the treatment of each item as adjusting was consistent with the group's accounting policy. We have also challenged the disclosures included in the Notes to the financial statements to assess whether they were clear and balanced. Based on our procedures, the presentation and disclosure of adjusting items is consistent with the evidence obtained.
Valuation of the acquired Inelo intangibles (group) On 15 March 2023 the group acquired 100% of the share capital of Grupa Inelo S.A ("Inelo"). In accordance with IFRS 3, the directors are required to perform an exercise to determine the fair values of the identifiable assets acquired and liabilities assumed at the date of acquisition, which has resulted in the recognition of intangible assets and associated goodwill alongside the net assets of Inelo. We focused on this area because the valuation of intangible assets requires the directors to exercise judgement in generating the fair value of these assets, as it is derived from models which include subjective assumptions and cash flow estimates. Refer to the Notes 6 and 8 to the financial statements and the Key accounting issues, significant judgements and significant estimates section of the Audit and Risk Committee report.	As part of our audit of the directors' fair value exercise and the associated intangible valuations models: › We validated that the methodology applied to value each individual intangible asset was reasonable and in line with market practice. › We tested the fair value ascribed to intangible assets by understanding the assumptions adopted, which primarily include the cash flow forecasts, customer attrition and discount rates. › We obtained evidence to evaluate the key assumptions underpinning the cash flow forecasts, including considering the existence of contradictory evidence. › We used our internal valuation experts to determine that the assumptions on discount rate and attrition rates were reasonable, through reference to suitable third-party comparator information. › We audited the disclosures related to business combinations to ensure these were consistent with the requirements of IFRS 3. Based on our procedures, the valuation of intangible assets relating to the Inelo business and the disclosures included in the financial statements are consistent with the evidence obtained.
Impairment of goodwill within the Fleet Management Solutions CGU (group) In accordance with IAS 36 (Impairment of assets), goodwill must be tested for impairment on at least an annual basis. The determination of recoverable amount, being the higher of value-in-use and fair value less costs of disposal, requires estimation by the directors to value the relevant CGU. The directors have charged an impairment to goodwill in the year to the Fleet Management Solutions ("FMS") CGU, due to a reduction in the cash flows expected to be generated from the CGU. The impairment charge has been reported as an adjusting item to EBITDA. We focused on the risk of impairment within the FMS CGU as the impairment test involves several subjective estimates by the directors. These estimates include key assumptions in relation to the future cash flows of the CGU, including considering the impact of climate change, and the level of synergies expected to be realised following the acquisition of Inelo. Refer to the Notes 6 and 19 to the financial statements and the Key accounting issues, significant judgements and significant estimates section of the Audit and Risk Committee report.	As part of our audit of the directors' impairment assessment and underlying discounted cash flow model: › We obtained and audited the impairment model which calculates the value-in-use based on five year forecast cash flows. › We identified the key assumptions within the cash flow forecast for the next five years and focused our work on these. We verified these cash flows to underlying support, including Board approved budgets and third-party market forecast data. We challenged the basis of the forecasts to validate that all key assumptions were supportable and that the cash flows reflected the CGUs current strategic plan, including the integration activities within the Inelo business and the resultant realisation of synergy benefits. We also challenged the potential impact of climate change to the cash flow forecast, ensuring this was consistent with the assessment performed within the TCFD disclosures. › We used our internal valuation experts to determine that the discount rate and growth rate were within an acceptable range through reference to suitable third-party comparator information. › We obtained the assessment of the fair value less costs of disposal of the CGU and evaluated the reasonableness of the assumptions applied, specifically the estimated costs of disposal and EBITDA multiple through the use of our internal valuation experts. › We evaluated the disclosures included in the financial statements, including the sensitivity analysis, to validate that these were in compliance with IAS 36. Based on our procedures, the impairment charge recognised and the disclosures included in the financial statements are consistent with the evidence obtained.
Carrying value of investment in subsidiaries (parent) Investment in subsidiaries are accounted for in the Company balance sheet at cost less provision for impairment. Investments are tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the investments in subsidiaries are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the income statement. A review for indicators of impairment was performed by the directors, including considering the latest available forecasts and developments in the Group during the year. The assessment identified no impairment indicator in respect of the investments in subsidiaries. Refer to the Note 6 to the company financial statements.	We evaluated the directors' determination of whether there were any other indicators of impairment. Our procedures included: › comparing the carrying value of investment with the market capitalisation of the Group at 31 December 2023; and › comparing the carrying value of investment with the carrying amount of investees' net assets. Overall, we found the assessment of the carrying value of investment in subsidiaries and associated disclosures to be consistent with the evidence obtained.

Independent auditors' report to the members of W.A.G Payment Solutions plc continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group financial statements are a consolidation of multiple reporting units across Europe, comprising the group's operating businesses and centralised functions. These reporting units maintain their own accounting records and controls and report to the head office finance team in the Czech Republic for consolidation purposes. In establishing the overall approach to the Group audit, we identified four reporting units which, in our view, required an audit of their complete financial information both due to their size or risk characteristics: W.A.G Payment Solutions plc (the Company); W.A.G Payment Solutions a.s; W.A.G Issuing Services a.s (both incorporated in the Czech Republic); and Inelo Polska (incorporated in Poland). W.A.G Payment Solutions plc (the company) was audited by the Group engagement team, W.A.G Payment Solutions a.s, and W.A.G Issuing Services a.s were audited by PwC Czech Republic and Inelo Polska was audited by PwC Poland. We also added three components to our scope to perform specified procedures to ensure sufficient coverage of certain balances within the group consolidation, which were all performed by PwC Czech Republic. Where work was performed by component auditors, we determined the appropriate level of involvement we needed to have in that audit work to ensure that we could conclude that sufficient appropriate audit evidence had been obtained for the Group Financial Statements as a whole. In addition to instructing and reviewing the reporting from our component audit teams, we conducted file reviews and participated in key meetings with local management. Most of these meetings took place remotely but we visited the Czech Republic twice in person to meet group and local management as well as the PwC Czech Republic and PwC Poland component auditors. We also had regular dialogue with component teams throughout the audit. The Group consolidation and financial statement disclosures included in Group audit scope were audited by the Group audit team. Based on the detailed audit work performed across the Group, we obtained coverage of 87% of net energy and services sales.

The impact of climate risk on our audit

In planning our audit, we considered the potential impacts of climate change on the group's business and its financial statements. We made enquiries of the directors' to understand the process for assessing climate-related risks and opportunities, the extent of the potential impact of climate change risk on the Group's financial statements and the Group's preparedness for this. The Sustainability report describes and explains how climate change could have an impact on the group's business. Using our knowledge of the business we considered whether the risks identified are materially complete and have been appropriately estimated and disclosed. We have assessed how the group has considered the impact of climate change risk on the impairment assessment over non-current assets (see Kay Audit Matter above) and ensured consistency to the impact in the Group's viability assessment and TCFD disclosures.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - company
Overall materiality	EUR 7,695,000 (2022: EUR 5,725,000).	EUR 2,739,000 (2022: EUR 2,778,000).
How we determined it	3% of net energy and services sales	1% of total assets
Rationale for benchmark applied	Net energy and services sales is a key metric used by the directors and external stakeholders to assess the performance of the group and it removes any impact of significant volatility in gross revenue and cost of sales due to oil price fluctuations.	Based on the nature of the Plc company, trading is not the entity's main function. The Plc company has transactions that are there to support the group in its trading and so total assets is considered appropriate and is a generally accepted auditing benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between EUR 2,739,000 to EUR 7,125,100. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to EUR 5,771,000 (2022: EUR 4,293,000) for the group financial statements and EUR 2,054,000 (2022: EUR 2,083,500) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above EUR 384,750 (group audit) (2022: EUR 286,000) and EUR 136,950 (company audit) (2022: EUR 138,900) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and agreeing the directors' going concern assessment to the Group's Board approved plan and ensuring that the base case scenario, representing the trading performance to September 2025, indicates that the Group generates sufficient cash flows to meets its obligations while complying with covenant arrangements;
- Engaging our specialists to perform a number of the procedures listed below;
- Corroborating growth forecasts to third-party market data and revenue and cost synergies to internally approved plans and third-party consultant assessments;
- Obtaining and reviewing the updated amendment letter to the Group's Club Finance agreement to conclude no interest cover covenant test at 30 June 2024;
- Assessing the historical accuracy and reasonableness of the directors' forecasting;
- Analysing the cash flows in the forecast models to identify unexpected trends and relationships and ensuring the mathematical accuracy of management's models;
- Evaluating management's severe but plausible downside scenario to ensure that it reflected historically experienced levels of disruptions, ensuring this is appropriately modelled through the cash flows and that the mitigating actions proposed by the directors' are achievable;
- Assessing whether climate change is expected to have a significant impact during the period of the going concern assessment; and
- Reviewing the related disclosures in the Annual Report and Accounts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Independent auditors' report to the members of W.A.G Payment Solutions plc continued

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Strategic Report and Governance sections is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the FCA Listing Rules and health and safety, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as taxation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries that credit revenue or EBITDA. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions among the engagement personnel covering the potential for material misstatements due to error or fraud, the risks associated with related parties and emphasis on the need to maintain professional scepticism throughout the engagement;
- Inquiries of the directors, management and others within the entity, including those outside of finance, as to their knowledge, awareness and concerns regarding fraud, or breaches in laws and regulations;
- Identification and testing of journal entries that hit our risk criteria, in particular any journal entries posted with unusual account combinations which resulted in a credit to revenue/ EBITDA and incorporating an element of unpredictability in the nature, timing and extent of audit procedures performed;
- Assessment of matters reported on the Group's whistleblowing helpline and the results of investigation of such matters;
- Testing accounting estimates made by the directors;
- Reading the minutes of the Board meetings to identify any inconsistencies with other information provided by management;
- Reviewing component teams' key working papers for all in-scope components, with a particular focus on the areas involving judgement and estimates;
- Reviewing internal audit reports in so far as they related to the financial statements; and
- Reviewing legal expense accounts to identify items which may indicate the existence of material legal claims.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the directors on 2 December 2021 to audit the financial statements for the year ended 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement is three years, covering the years ended 31 December 2021 to 31 December 2023.

Other matter

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Mark Skedgel (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
26 March 2024

Consolidated statement of comprehensive income (EUR '000)

	Notes	For the year ended 31 December 2023	2022
Revenue from contracts with customers	10	**2,088,107**	2,368,252
Costs of energy sold		**(1,831,577)**	(2,177,395)
Net energy and services sales	10	**256,530**	190,857
Other operating income	15	**10,089**	449
Employee expenses	12	**(96,793)**	(67,212)
Impairment losses of financial assets	25	**(8,884)**	(3,912)
Impairment losses of non-financial assets	19	**(56,663)**	—
Technology expenses		**(18,931)**	(9,823)
Other operating expenses	14	**(55,510)**	(47,227)
Operating profit before depreciation and amortisation (EBITDA)		**29,838**	63,132
Analysed as:			
Adjusting items	11	**78,862**	18,461
Adjusted EBITDA	11	**108,700**	81,593
Depreciation and amortisation	11	**(57,529)**	(30,393)
Operating (loss)/profit		**(27,691)**	32,739
Finance income	16	**14,682**	4,750
Finance costs	17	**(25,794)**	(8,802)
Share of net loss of associates accounted for using the equity method		**(504)**	(711)
(Loss)/profit before income tax		**(39,307)**	27,976
Income tax expense	18	**(4,241)**	(10,280)
(Loss)/profit from continuing operations		**(43,548)**	17,696
Loss after tax for the year from discontinued operations		**(489)**	—
(LOSS)/PROFIT FOR THE YEAR		**(44,037)**	17,696

	Notes	For the year ended 31 December 2023	2022
OTHER COMPREHENSIVE (EXPENSE)/INCOME			
Items that may be reclassified to profit or loss			
Change in fair value of cash flow hedge recognised in equity	26	**(7,139)**	7,602
Exchange differences on translation of foreign operations		**16,539**	1,303
Deferred tax related to other comprehensive income		**154**	—
Items that will not be reclassified to profit or loss			
Changes in fair value of equity investments at fair value through other comprehensive income	23	**(15,475)**	—
TOTAL OTHER COMPREHENSIVE (EXPENSE)/INCOME		**(5,921)**	8,905
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		**(49,958)**	26,601
Total (loss)/profit for the financial year attributable to equity holders of the Company		**(45,637)**	16,630
Total profit for the financial year attributable to non-controlling interests		**1,600**	1,066
Total comprehensive (expense)/income for the financial year attributable to equity holders of the Company		**(51,552)**	25,507
Total comprehensive income for the financial year attributable to non-controlling interests		**1,594**	1,094
Earnings per share (in cents per share):	29		
Basic earnings per share		**(6.62)**	2.41
Diluted earnings per share		**(6.62)**	2.41

Consolidated statement of financial position (EUR '000)

	Notes	As at 31 December 2023	2022
ASSETS			
Non-current assets			
Intangible assets	19	**532,404**	268,171
Property, plant and equipment	20	**55,760**	39,826
Right-of-use assets	21	**22,226**	13,340
Investments in associates	22	**11,719**	12,223
Financial assets at fair value through other comprehensive income	23	**—**	14,364
Deferred tax assets	18	**9,564**	10,505
Derivative assets	9, 26	**—**	3,093
Other non-current assets		**4,845**	3,791
Total non-current assets		**636,518**	365,313
Current assets			
Inventories	24	**14,903**	20,291
Trade and other receivables	25	**396,943**	378,152
Income tax receivables		**2,205**	1,800
Derivative assets	9, 26	**3,425**	3,851
Cash and cash equivalents	27	**90,343**	146,003
Total current assets		**507,819**	550,097
TOTAL ASSETS		**1,144,337**	915,410
Shareholders' equity and liabilities			
Share capital	28	**8,113**	8,107
Share premium	28	**2,958**	2,958
Merger reserve	28	**(25,963)**	(25,963)
Other reserves	28	**4,427**	10,342
Business combinations equity adjustment		**(22,460)**	(12,526)
Retained earnings		**289,380**	329,362
Equity attributable to equity holders of the Company		**256,455**	312,280
Non-controlling interests	28	**6,381**	4,283
Total equity		**262,836**	316,563

	Notes	As at 31 December 2023	2022
Non-current liabilities			
Interest-bearing loans and borrowings	30	**293,822**	121,272
Lease liabilities	21	**17,417**	9,510
Provisions	33	**1,324**	—
Deferred tax liabilities	18	**28,878**	8,677
Derivative liabilities	9, 26	**3,140**	186
Other non-current liabilities	32	**9,236**	27,376
Total non-current liabilities		**353,817**	167,021
Current liabilities			
Trade and other payables	32	**402,834**	398,235
Interest-bearing loans and borrowings	30	**113,297**	21,884
Lease liabilities	21	**4,909**	3,917
Provisions	33	**2,529**	2,124
Income tax liabilities		**3,927**	5,649
Derivative liabilities	9, 26	**188**	17
Total current liabilities		**527,684**	431,826
TOTAL EQUITY AND LIABILITIES		**1,144,337**	915,410

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

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 26 March 2024. They were signed on its behalf by:

Oskar Zahn
Chief Financial Officer

Company No. 13544823

Consolidated statement of changes in shareholders' equity (EUR '000)

	Notes	Share capital	Share premium	Merger reserve	Other reserves	Business combinations equity adjustment	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
At 1 January 2022		38,113	194,763	(25,963)	1,465	(17,046)	84,526	275,858	8,889	284,747
Profit for the year		—	—	—	—	—	16,630	16,630	1,066	17,696
Other comprehensive income		—	—	—	8,877	—	—	8,877	28	8,905
Total comprehensive income		—	—	—	8,877	—	16,630	25,507	1,094	26,601
Capital reduction	28	(30,006)	(191,805)	—	—	—	221,811	—	—	—
Dividends paid		—	—	—	—	—	—	—	(56)	(56)
Share-based payments	13	—	—	—	—	—	6,395	6,395	—	6,395
Acquisition of non-controlling interests	28	—	—	—	—	5,644	—	5,644	(5,644)	—
Put options held by non-controlling interests	32	—	—	—	—	(1,124)	—	(1,124)	—	(1,124)
Total transactions with owners recognised directly in equity		(30,006)	(191,805)	—	—	4,520	228,206	10,915	(5,700)	5,215
At 31 December 2022		8,107	2,958	(25,963)	10,342	(12,526)	329,362	312,280	4,283	316,563
(Loss)/profit for the year		—	—	—	—	—	(45,637)	(45,637)	1,600	(44,037)
Other comprehensive (expense)/income		—	—	—	(5,915)	—	—	(5,915)	(6)	(5,921)
Total comprehensive (expense)/income		—	—	—	(5,915)	—	(45,637)	(51,552)	1,594	(49,958)
Share options exercised	28	**6**	**—**	**—**	**—**	**—**	**—**	**6**	**—**	**6**
Dividends paid		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(142)**	**(142)**
Share-based payments	13	**—**	**—**	**—**	**—**	**—**	**7,604**	**7,604**	**—**	**7,604**
Acquisition of subsidiaries	8	**—**	**—**	**—**	**—**	**(10,401)**	**—**	**(10,401)**	**3,683**	**(6,718)**
Sale of subsidiaries	28	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(525)**	**(525)**
Acquisition of non-controlling interests	28	**—**	**—**	**—**	**—**	**4,461**	**(1,949)**	**2,512**	**(2,512)**	**—**
Put options held by non-controlling interests	8, 32	**—**	**—**	**—**	**—**	**(3,994)**	**—**	**(3,994)**	**—**	**(3,994)**
Total transactions with owners recognised directly in equity		**6**	**—**	**—**	**—**	**(9,934)**	**5,655**	**(4,273)**	**504**	**(3,769)**
At 31 December 2023		**8,113**	**2,958**	**(25,963)**	**4,427**	**(22,460)**	**289,380**	**256,455**	**6,381**	**262,836**

Consolidated statement of cash flows (EUR ’000)

	Notes	For the year ended 31 December 2023	2022
Cash flows from operating activities			
(Loss)/profit before tax for the year		**(39,796)**	27,976
Non-cash adjustments:			
Depreciation and amortisation	11	**57,529**	30,393
Gain on disposal of non-current assets		**(209)**	(114)
Interest income		**(219)**	(234)
Interest expense	17	**19,787**	5,815
Movements in provisions		**405**	541
Impairment losses of financial assets	23	**8,884**	3,912
Movements in allowances for inventories		**3**	183
Impairment of goodwill	19	**56,663**	—
Foreign currency exchange rate differences		**(7,264)**	(1,838)
Fair value revaluation of derivatives and securities		**(2,114)**	2,769
Share-based payments	13	**7,604**	6,395
Other non-cash items		**477**	709
Working capital adjustments:			
(Increase) in trade and other receivables and prepayments		**(19,401)**	(79,507)
Decrease/(increase) in inventories		**7,058**	(10,156)
(Decrease)/increase in trade and other payables		**(32,027)**	75,087
Interest received		**219**	234
Interest paid		**(17,417)**	(10,123)
Income tax paid		**(9,266)**	(7,799)
Net cash inflow from operating activities		**30,916**	44,243

	Notes	For the year ended 31 December 2023	2022
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**1,534**	289
Proceeds from sale of financial instruments		**—**	56
Proceeds from sale of subsidiaries	8	**150**	—
Purchase of property, plant and equipment		**(12,582)**	(7,271)
Purchase of intangible assets		**(37,437)**	(37,290)
Purchase of financial instruments	23	**(1,112)**	(14,364)
Payments for acquisition of subsidiaries, net of cash acquired	8	**(284,277)**	(42,712)
Investment in associates		**—**	(3,000)
Net cash (outflow) from investing activities		**(333,724)**	(104,292)
Cash flows from financing activities			
Payment of principal elements of lease liabilities		**(5,352)**	(3,112)
Proceeds from borrowings	30	**356,886**	—
Repayment of borrowings		**(97,283)**	(15,014)
Acquisition of non-controlling interests	28	**(6,976)**	—
Dividend payments		**(142)**	(56)
Proceeds from issued share capital		**6**	—
Net cash inflow/(outflow) from financing activities		**247,139**	(18,182)
Net decrease in cash and cash equivalents		**(55,669)**	(78,231)
Cash and cash equivalents at beginning of the financial year		**146,001**	224,154
Effect of exchange rate changes on cash and cash equivalents		**10**	78
Cash and cash equivalents at the end of year (net of bank overdrafts)	27	**90,342**	146,001

Notes to the financial statements for the year ended 31 December 2023

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 and 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 truck parks for commercial road transportation
- Providing a 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
- Combining advanced solutions in the field of electronics, software engineering and applied mathematics
- The sale of navigation licences
- Other services

A list of subsidiaries is included in Note 7.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards ("IFRS") and with the requirements of the Companies Act 2006 as applicable to companies reporting under these standards.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative financial instruments) that have been measured at fair value. The consolidated financial statements are presented in EUR and all values are rounded to the nearest thousand (EUR '000), except where otherwise indicated.

The Group's fiscal year begins on 1 January and ends on 31 December.

Going concern

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

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

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

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

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

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

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

Noting that on 14 March 2024, the Group signed an amendment to its Club Finance facility removing the requirement to calculate the interest cover covenant at 30 June 2024. Furthermore, the Group also increased the amount that can be used for revolving loans from EUR 25 million to EUR 40 million under the uncommitted Incremental Facility. The total amount of the uncommitted

Incremental Facility remains unchanged at EUR 150 million (with EUR 83.5 million committed as at the year-end). See Note 30 for the covenant assessment as at 31 December 2023.

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

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

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

Information on Independent Auditors

The below fees represent amounts paid to PricewaterhouseCoopers LLP.

	For the year ended 31 December	
EUR '000	**2023**	2022
The statutory audit of consolidated and Company's financial statements	**1,072**	819
Audit of the financial statements of the Company's subsidiaries	**685**	356
Total audit fees	**1,757**	1,175
Other assurance services	**96**	590
Total non-audit fees	**96**	590
Total	**1,853**	1,765

Other assurance services relates to work as a reporting accountant due to the Grupa Inelo S.A. ("Inelo") acquisition (Note 8).

3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a negative balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Notes to the financial statements for the year ended 31 December 2023 continued

4. Summary of significant accounting policies

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

4.1. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9, 'Financial instruments: recognition and measurement', is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

There can also be a situation where the holder of non-controlling interest in the acquiree is granted put options that convey to those shareholders the right to sell their shares in that acquiree for an exercise price specified in the option agreement. From the perspective of the Group, such written put options meet the definition of a financial liability according to IAS 32 if the Group has an obligation to settle in cash or in another financial asset if the non-controlling shareholders exercise the option. If the terms affecting the exercisability of the option are genuine, then a liability for the put option exercise price is recognised. This is the case even if the put option is exercisable only on the occurrence of uncertain future events that are outside of control of both parties to the contract.

The amount that may become payable under the option on exercise is initially recognised at the present value of the redemption amount within financial liabilities with a corresponding charge directly to equity. The charge to equity is recognised separately as business combination equity adjustment.

Any subsequent adjustments to the redemption liability are recorded in equity as business combination equity adjustment. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity. Once the put option is exercised, the amount previously recorded in equity as business combination equity adjustment is transferred into retained earnings.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

4.2. Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each balance sheet date. Fair value-related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes:

- Disclosures of valuation methods, significant estimates and assumptions (Note 9)
- Quantitative disclosures of fair value measurement hierarchy (Note 9)
- Financial instruments carried at fair value (Note 26)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.3. Revenue from contracts with customers

Revenues are recognised when the Group has satisfied a performance obligation and the amount of revenue can be reliably measured. The Group will recognise revenue at an amount that reflects the consideration to which the Group expects to be entitled (after reduction for expected discounts) in exchange for transferring goods or services to a customer.

Sale of energy

Energy means any source that makes a vehicle move (diesel, petrol, e-mobility, biofuel additives and alternative fuel, such as LNG/CNG).

The Group operates two business models for the sale of energy to fleets of professional transport and forwarding companies:

- The acceptance business model – sale through acceptance partner locations (petrol stations); customers may access any petrol station, which is accepting the Group's payment solutions, for a price that is independent from the prices of petrol stations under pre-agreed terms
- The bunkering business model – owned/rented truck parks and supply partnership sites (Group supplies energy to bunkering sites located at partner sites); energy inventory is in ownership of the Group until it is purchased by the Group's customers

The Group is acting as a principal in both business models with significant judgement made in respect of the acceptance model (Note 6 under Principal versus agent consideration).

The revenue from the sale of energy is recognised when the Group satisfies a performance obligation (transfers control over the energy), usually on delivery of the energy. The Group recognises revenue at an amount that reflects the consideration to which the entity expects to be entitled (after reduction for expected discounts and volume rebates) in exchange for transferring goods or services to a customer. Sales are recognised net of VAT.

Arranging payments of toll

The revenues from commission for arranging payments of toll are recognised over time in the period in which the performance obligation is satisfied and the service is rendered. The amount of consideration depends on the number of trucks entering a toll gate within a particular month. The Group is acting as an agent as the Group's responsibility is limited to arranging the provision of toll services.

Revenues from tax refund

The revenues from commission fees for the tax refund are recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Revenue is recognised based on assumption, how much time is needed for preparation and submission of a request for refund and other activities needed till reimbursed tax receipt.

Provision of tax refund services without "net invoicing" (pre-financing) is performed on behalf of a customer and no receivable is recognised in trade and other receivables (Note 25).

In cases where the Group's customer uses a "net invoicing" service provided by the Group, the client receives its tax refund almost immediately. This method, also known as a "financed refund", ranks as one of the fastest ways to reclaim VAT and excise duty paid to clients in the moment of the purchase of energy, other services or arranging payments of toll associated with passenger transport or freight haulage. The revenue from the provision of credit in the amount of refund tax for the period of reimbursement is recognised over the average reimbursement period for each country in which the Group operates.

Notes to the financial statements for the year ended 31 December 2023 continued

Fleet management solutions

The revenues from the sale of on-board units ("OBU") and recurring fees for software services are recognised in the period in which the performance obligation is satisfied, and the services are rendered. Fleet management software allows companies the effective administration of their vehicle fleet and 24/7 monitor the activity of the whole fleet.

Navigation

Navigation revenue is generated through the licensing of navigation software and digital map content to B2B and B2C customers. The licence of navigation software is granted as a "right to use an intellectual property" while the licence of digital map content (including traffic) is granted as a "right to access to an intellectual property". Right to access provides the customer the right to access, over a certain period of time, map data that is regularly updated during the contract period. Right-to-use licences are those that only provide the customer the right to use navigation software as it exists at the moment the control passes to the customer. This does not give the customer the right to receive future updates or upgrades other than those that can be considered as minor enhancements or bug fixing.

Revenue for "right-to-use" licences is recognised at the moment the control passes to the customer. Revenue from "right-to-access" licences is recognised over the (estimated) period during which the Group is obliged to provide access to the customers, based on third-party content costs plus an appropriate margin. The period for B2C lifetime "right-to-access" licences is estimated at three years and for B2B lifetime customers, five years.

Other services

Other services considered immaterial from a Group perspective include:

- 24hr assistance services – revenue recognised over the period for which the service is activated
- Legal services – revenue recognised at the moment the service is rendered
- Insurance – the Group is acting as a broker offering clients different insurance products on behalf of some insurance companies. Revenue is a commission from insurance companies recognised at the moment when a contract is signed

4.4. Taxes

Current income tax

Current income tax assets and liabilities for an accounting period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. No significant tax provisions were established as at 31 December 2023 and 2022.

Deferred tax

Deferred tax is calculated separately for each company of the Group, using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences and the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available, against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information arises and/or circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

4.5. Foreign currency transactions

The Group's consolidated financial statements are presented in EUR. Each entity in the Group determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange valid at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss as finance income and expenses. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

On consolidation, the assets and liabilities of foreign operations are translated into EUR at the exchange rates prevailing at the reporting date and their statements of profit or loss are translated at the average exchange rate for the relevant year. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

4.6. Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws of the United Kingdom, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

4.7. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

The useful life of intangible assets is assessed as either finite or indefinite (goodwill).

Intangible assets with finite life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Amortisation of intangible assets with finite life is recorded on a straight-line basis over their estimated useful life as follows:

	Years
Client relationships	7–15
Internal software developments	2–10
Patents and rights	2–20
External software	2–8
Other intangible assets	2–3

Intangible assets in progress are not amortised.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Client relationships

Client relationships were acquired as part of a business combination (Notes 8 and 19). They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight line based on the timing of projected cash flows of the contracts over their estimated useful life.

Internal software development

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset

Notes to the financial statements for the year ended 31 December 2023 continued

- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit.

Development includes the programming relating to internal development of externally purchased software, development of software-based solutions provided to the Group's customers and development of new fleet management products and services, which include fleet management and toll units.

Patents and rights and external software

Separately acquired patents and rights, and external software are shown at historical cost. Patents and rights, and software acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

4.8. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the aggregate amount paid, and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately, based on their specific useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recorded on a straight-line basis over the estimated useful life of an asset as follows:

	Years
Buildings	10–40
Leasehold improvements	4–15
Machinery and equipment	2–20
Vehicles	2–5
Fixtures and fittings	5–10
OBU units	3–5

Land and tangible assets in progress are not depreciated.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful life, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.9. Leases

Identification of the subject of a lease – lease agreement

A lease is a contract, or part of a contract, that conveys the right to use an identifiable asset for a period of time in exchange for consideration. At the inception of the contract, the Group assesses whether the contract is a lease or contains a lease. The Group reassesses whether the contract is a lease or contains a lease only when the contractual terms are amended.

The Group assesses whether a contract transfers the right to control the use of an identifiable asset over a period of time based on:

- The Group has the right to obtain a substantial economic benefit from the asset for the period of its use
- The lease is agreed for the lease of a specific asset, and the lessor does not have the right to exchange it or to profit financially from the exchange
- The Group has the right to control the use of an identifiable asset
- The lease is longer than 12 months (short-term lease exemption allowed under IFRS 16)
- The value of the new asset exceeds EUR 4,500 (low value exemption allowed under IFRS 16)

The Group assesses whether the contract contains a lease separately for each potential lease component.

The Group does not have any external subleases outside of the Group nor any contract where the Group is a lessor.

Lease liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are payments by the lessee to the lessor for the right to use an underlying asset for the duration of the lease. These payments include:

- Fixed payments (lowered by any lease incentives)
- Variable lease payments that are indexed or fixed to a rate
- Call option to purchase where there is sufficient certainty that the lessee will make use of the option

- Payment of penalties for termination of the lease where the lease period corresponds to the lessee making use of the option to terminate the lease

After the commencement date, variable lease payments not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs. Interest from the lease obligation is recognised as a finance cost.

Right to use an asset

The Group measures the right to use an asset on the date the lease commences on the basis of a lease agreement. These are based on:

- The value of the lease liability increased by the lease payment that the Group has paid before the day the lease commences (reduced by lease incentives – discounts)
- The initial direct costs of the lease paid by the Group
- The estimated value of the costs for dismantling and removing an identified asset or the reclamation of the site where the asset was located
- An increase by the asset's modification and renovation costs required in the lease agreement, namely by the creation of a reserve in compliance with IAS 37 'Provisions, contingent liabilities and contingent assets'

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

4.10. Investment in associates

Associates are entities over which the Group has significant influence, but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 4.14.

4.11. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of an asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

4.12. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification and measurement

Financial assets are classified based on the business model of the Group and characteristic of contractual cash flows. Under IFRS 9, the financial assets are classified into the following categories: financial assets subsequently measured at amortised cost ("AC"), financial assets at fair value through other comprehensive income ("FVOCI") and financial assets at fair value through profit or loss ("FVTPL").

The Group classifies financial assets into the following categories:

(A) Financial assets subsequently measured at amortised cost – classified if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (referred to as the SPPI test)

Expected credit losses, foreign exchange rate differences, and interest revenues are recognised in the statement of profit or loss. On derecognition, losses/gains are recognised in the statement of profit or loss.

(B) Financial assets at fair value through other comprehensive income:

- Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in finance income/(costs). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in finance income/(costs), and impairment expenses are presented as separate line item in the statement of profit or loss
- Equity securities which are not held for trading and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant

Notes to the financial statements for the year ended 31 December 2023 continued

(C) Financial assets at fair value through profit or loss:

- This category includes the financial assets held with strategy of active trading with financial assets. Contractual cash flow collection is not the primary objective of the business model
- Expected credit losses are not calculated and recognised. Changes in the fair value and foreign exchange rate differences are recognised in the statement of profit or loss. Changes in the fair values are included in finance income/(costs)

Trade and other receivables that do not contain a significant financing component, or for which the Group has applied the practical expedient, are measured at the transaction price determined under IFRS 15.

The Group's financial assets include cash, trade and other receivables with no significant financing component meeting criteria for classification as AC and derivatives meeting criteria for classification as FVTPL and FVOCI.

Trade and other receivables

Trade and other receivables are carried at original invoice amount less an allowance for impairment of these receivables.

See the next section for a description of the Group's impairment policies and Note 25 for further information on trade and other receivables.

Impairment of financial assets carried at amortised cost

As the Group financial statements include financial assets representing trade and other receivables, only which do not include a significant financing component, the Group applies a simplified approach in calculating expected credit loss ("ECL"). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the statement of profit or loss.

The simplified approach adopted by the Group uses elements from the general approach; the main difference is that no staging of financial assets is used.

ECL measurement is based on three components used by the Group: Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD"):

- PD is an estimate of the likelihood of default to occur over a given time period. It is calculated from a combination of customers' financial position and performance, transactional data, volumes, and payment performance. The set of variables differs according to scorecards applied to customers, which is determined by their resident country
- EAD is an estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting period, including repayments of principal and interest, and expected drawdowns on committed credit limits
- LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD

Impaired debts are derecognised when they are assessed as uncollectable.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade date, being the date on which the Group commits to purchase or sell the asset.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either: (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

Financial liabilities are classified into two main categories: (a) at amortised cost; and (b) at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 30.

Trade and other payables

Trade payables are recognised at their nominal value, which is deemed to be materially the same as the fair value.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedged item affects profit or loss.

Derivatives embedded in financial liabilities are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

The embedded derivatives are separately valued upon inception and at each balance sheet date using an appropriate valuation model, with the changes in fair value recognised in profit or loss.

For the purpose of hedge accounting, in accordance with IAS 39, hedges are classified as:

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as cash flow hedges or net investment hedges.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss.

Hedge ineffectiveness for interest rate swaps may occur due to the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan or due to differences in critical terms between the interest rate swaps and loans.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Notes to the financial statements for the year ended 31 December 2023 continued

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in OCI in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within finance income/(costs). Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

4.13. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs are assigned to individual items on the basis of “first in, first out” (“FIFO”) method (the initial price in the measurement of inventory additions is used as the initial price in the measurement of inventory disposals). Costs of purchased inventory include acquisition-related costs (freight, customs, commission, etc.).

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.14. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an assets or CGU’s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs, to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is estimated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets’ or CGU’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets’ recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Intangible assets with indefinite useful life are tested for impairment annually as at 31 December, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

4.15. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash in hand and cash at banks.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts, as they are considered an integral part of the Group’s cash management.

4.16. Share-based payments

Employees of the Group receive remuneration in the form of share-based payment transactions whereby employees render service as consideration for equity instruments or cash. Further information relating to these transactions is set out in Note 13.

Equity-settled transactions

The fair value of options granted is recognised as an employee expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of options granted, using the Black-Scholes model. The total amount is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues the appropriate number of shares to the employee. The proceeds received, net of any directly attributable transaction costs, are credited directly to equity.

Cash-settled transactions

Liabilities for cash-settled share-based payments are recognised as employee expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee-related liabilities in the balance sheet.

4.17. Adjusting items

Adjusting items are items of income and expense which the Group believes should be separately presented and disclosed to provide additional information to investors and to enhance their understanding of the underlying business performance of the Group. The items were determined based on the rules disclosed under significant judgements. Adjusting items are separately disclosed on the face of the consolidated statement of comprehensive income and in Note 11. Examples of such items include costs related to M&A activities, amortisation of acquired intangibles, expenses related to strategic transformation of the Group, share-based compensation, impairment of non-financial assets and restructuring costs.

4.18. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

5. Changes in accounting policies and disclosures and adoption of new and revised standards

5.1. 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 its annual reporting period commencing 1 January 2023:

- **IFRS 17 'Insurance Contracts'**
- **Amendments to IAS 8** – Definition of accounting estimates
- **Amendments to IAS 12** – Deferred tax related to assets and liabilities arising from a single transaction
- **Amendments to IAS 1 and IFRS Practice Statement 2** – Disclosure of accounting policies
- **International Tax Reform** – Pillar Two Model Rules – amendments to IAS 12 (see also Note 18)

These amendments did not have a significant impact on the Group's consolidated financial statements.

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the period commencing 1 January 2023 and have not been early adopted by the Group. These new standards, amendments and interpretations are not expected to have any significant impacts on the Group's consolidated financial statements.

Notes to the financial statements for the year ended 31 December 2023 continued

6. Significant accounting judgements, estimates and assumptions

6.1. Significant judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Principal versus agent consideration

The Group has considered whether it acts as a principal or an agent in the acceptance business model (see explanation of the business models used in sales of energy in Note 4.3) in the sale of energy. The Group is not selling just the energy but an integrated web-based solution comprising advice on where to buy energy, offering discounted energy prices that are independent of pricing of the Group's suppliers, use of payment cards, extended payment terms and administration of the energy sales transaction. The Group sells energy to its customers under one contract covering sales transactions realised under the two business models used by the Group and described in Note 4.3. In the case of the acceptance business model, the principal versus agent assessment involves significant judgement. The Group has some element of control in that it has agreed minimal supply with the acceptance partners which required them to have the energy available; however, the energy is fungible and the Group does not typically pay in advance. The customer might also purchase the energy directly from the acceptance partner, instead the customer is selecting the most advantageous price available on the Group's website, choosing the right location (and supplier/partner) on his route where he can make the purchase only with the Group's payment card.

In applying the judgement, management concluded that the Group is the principal, mainly because it is the primary obligor in respect of delivery of energy and related services to its customers. The Group is also responsible for sales strategy, decides whether to accept or reject customers and carries credit risk from customer receivables.

Management also considered the following additional control indicators:

1. The Group has discretion in establishing the price for the specified energy independent from the prices of petrol stations under the acceptance model. In the past, the Group has often revised its prices as a reaction to market development or inflation.
2. The Group has the right to choose its suppliers. When the bunkering model is not suitable along the main truck routes, the Group chooses from possible acceptance partners, which are considered attractive by its customers.

Put options granted to non-controlling interests

The Group concluded that it does not, in substance, acquire present access to the economic benefits of acquired subsidiaries KomTes Chrudim s.r.o. and FIRETMS.COM. The put option redemption liability will be settled with a transfer of the non-controlling interest's shares for a price that is deemed to approximate their fair value. Therefore, the non-controlling shareholders have retained the risks and rewards associated with ownership until the options are exercised and the non-controlling interest is recognised in equity until then.

Adjusting items

In determining whether an item should be presented as an Adjusting item to IFRS measures, the Group considers items that must initially meet at least one of the following criteria:

- It is a significant item, which may cross more than one accounting period
- It has been directly incurred as a result of either an acquisition, capital restructuring or relates to Group's strategic transformation programme as these are not part of the Group's underlying trading activity
- It is unusual in nature, e.g. outside the normal course of business

If an item meets at least one of the criteria, the Board, through the Audit and Risk Committee, exercises judgement as to whether the item should be classified as an Adjusting item to IFRS performance measures. A list of these items including definitions and exclusion justifications are disclosed in Note 11.

CGU structure for Energy and FMS

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Consistent with prior periods, the Group has identified five CGUs in 2023 – Energy, Fleet management services, Navigation, Toll and Tax refund. After reviewing results of impairment testing, the CGU structure represents a significant judgement for Fleet management services and Energy as higher impairment loss might be recognised under a different CGU structure regarding the ADS and Webeye acquisitions. The Group considers its CGU structure appropriate, mainly due to the current level of integration and ownership of key IP and software systems by W.A.G. payment solutions, a.s. The Group is not budgeting and reporting these acquisitions separately in its management reporting due to the fact that the cash inflows from the ADS and Webeye acquisitions are not considered to be largely independent of the other cash inflows.

Functional currency of W.A.G. payment solutions, a.s.

Following the Inelo acquisition and significant increase in EUR borrowings in March 2023, which are being repaid from cash generated and retained mainly in EUR by W.A.G. payment solutions, a.s., management considers EUR to be the functional currency of the entity from March 2023 (previously CZK). In line with IAS 21, management has reviewed primary (currency influencing mainly sales prices and settlement of energy and cost of energy sold) and secondary factors (currency of financing and retained cash), including integration activities in the European area, and concluded that CZK is no longer the primary currency in which the entity receives and expends cash. This represents a significant judgement as the Group would recognise foreign exchange loss of EUR 12 million and foreign currency translation reserve would be higher by EUR 16 million with CZK functional currency of the entity for the year ended 31 December 2023. Following change of the functional currency, the entity recognised foreign exchange gain of EUR 4 million (Note 16).

6.2. Significant estimates

The preparation of consolidated financial statements requires the use of estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in the following paragraph. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget and forecasts for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount of the Fleet management solutions CGU is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill. The key assumptions used to determine the recoverable amount of the CGUs are disclosed and further explained in Note 19.

Inelo contingent consideration

Contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. The contingent consideration of Inelo is based on EBITDA performance for the year to 31 December 2022 and is capped at EUR 12.5 million. The Group will either pay full consideration or no consideration is payable. The Group has completed the calculation of 2022 EBITDA and concluded it to be below the required target level. Negotiations remain ongoing, the outcome is uncertain, however the Group believes that the performance condition has not been met and therefore zero contingent consideration is presented as at 31 December 2023.

6.3. Other estimates

JITpay call option

On 4 July 2023, the Group exercised its call option to acquire an additional 18.01% stake in JITpay's share capital for a consideration of EUR 25.7 million. As at 31 December 2023, the call option has not yet been completed due to pending regulatory approval and the Group estimated fair value of the call option to be nil. On 20 February 2024, the Group terminated the call option on account of certain financial status conditions relating to JITpay not having been satisfied.

Notes to the financial statements for the year ended 31 December 2023 continued

7. Group information

The Group is organised in two operating segments:

- Payment solutions represent the Group's revenues, which are based on recurring and frequent transactional payments. The segment includes Energy and Toll payments, which are the typical first choice of a new customer
- Mobility solutions represent a number of services, which are either subscription based or subsequently sold to customers using payment solutions products. The segment includes Tax refund, Fleet management services, Navigation, and other service offerings

The consolidated financial statements of the Group include:

Name	Principal activities	Country of incorporation	Registered address	Effective economic interest 2023	Effective economic interest 2022
W.A.G. PAYMENT SOLUTIONS PLC	Holding company	United Kingdom	Third Floor (East), Albemarle House, 1 Albemarle Street, London W1S 4HA	**Company**	Company
W.A.G. payment solutions UK LIMITED	Payment solutions	United Kingdom	Horton House, Exchange Flags, Liverpool, Merseyside L2 3PF, United Kingdom	**100%**	100%
W.A.G. payment solutions AT GmbH	Payment solutions	Austria	Kammer 44, 4981 Reichersberg, Austria	**100%**	100%
W.A.G. AT GmbH (liquidated)	Payment solutions	Austria	Kammer 44, 4981 Reichersberg, Austria	**—**	100%
W.A.G. payment solutions BE BVBA	Payment solutions	Belgium	Place Marcel Broodthaersplein 8, 1060 Sint-Gillis, Brussels, Belgium	**100%**	100%
CVS Mobile d.o.o.	Mobility solutions	Bosnia and Herzegovina	Ulica Petrovdanska bb 79240, Kozarska Dubica, Bosnia and Herzegovina	**95.81%**	—
W.A.G. payment solutions BG EOOD	Payment solutions	Bulgaria	18 Todor Aleksandrov blvd. 1000 Sofia, Bulgaria	**100%**	100%
WEBEYE BULGARIA LTD	Mobility solutions	Bulgaria	Sofia 1528, Iskar district, 41 "Nedelcho Bonchev" Str., floor 3, apt. 16., Bulgaria	**100%**	100%
W.A.G. payment solutions HR d.o.o.	Payment solutions	Croatia	Grand Centar, Hektorovićeva ulica 2, 10000 Zagreb, Croatia	**100%**	100%
WEBEYE Hrvatska d.o.o.	Mobility solutions	Croatia	Zagreb (Grad Zagreb) Buzinski prilaz 10, Croatia	**100%**	100%
CVS Mobile d.o.o.	Mobility solutions	Croatia	Jankomir 25 10090 Zagreb, Croatia	**95.81%**	—
W.A.G. payment solutions, a.s.	Payment solutions and mobility solutions	Czech Republic	Na Vítězné pláni 1719/4, 14000 Prague 4, Czech Republic	**100%**	100%
W.A.G. Issuing Services, a.s.	Payment solutions	Czech Republic	Na Vítězné pláni 1719/4, 14000 Prague 4, Czech Republic	**100%**	100%
W.A.G. payment solutions CZ, s.r.o.	Payment solutions	Czech Republic	Na Vítězné pláni 1719/4, 14000 Prague 4, Czech Republic	**100%**	100%
Reamon Tax, a.s.	Mobility solutions	Czech Republic	Göthova 149, Dačice I, 38001 Dačice, Czech Republic	**100%**	100%
Princip a.s.	Mobility solutions	Czech Republic	Hvězdova 1689/2a, 14000 Prague 4, Czech Republic	**100%**	100%
Tripomatic s.r.o. (sold)	Mobility solutions	Czech Republic	Za Parkem 631/14, Medlánky, 62100 Brno, Czech Republic	**—**	35.7%
Sygic Czech Republic s.r.o. (merged with W.A.G. payment solutions CZ, s.r.o.)	Mobility solutions	Czech Republic	Běchovická 701/26, 10000 Prague 10, Czech Republic	**—**	70%
KomTeS Chrudim s.r.o.	Mobility solutions	Czech Republic	Malecká 273, Chrudim IV, 53705 Chrudim, Czech Republic	**51%**	51%
WebEye CZ s.r.o. (merged with W.A.G. payment solutions CZ, s.r.o.)	Mobility solutions	Czech Republic	Tuřanka 1222/115, Slatina, 627 00 Brno, Czech Republic	**—**	100%

Name	Principal activities	Country of incorporation	Registered address	Effective economic interest 2023	2022
W.A.G. payment solutions DK ApS	Payment solutions	Denmark	Frederiksborggade 15, 2nd and 3rd floor, 1360 Copenhagen, Denmark	**100%**	100%
W.A.G. payment solutions EE OÜ	Payment solutions	Estonia	Akadeemia tee 21/4-301, 12618 Tallinn Harjumaa, Estonia	**100%**	100%
W.A.G. payment solutions FI Oy	Payment solutions	Finland	Aalto University Campus, Metallimiehenkuja 10, 02150 Espoo, Finland	**100%**	100%
W.A.G. payment solutions FR SARL	Payment solutions	France	Montpellier Optimum, 450 Rue Baden Powell, 34000 Montpellier, France	**100%**	100%
W.A.G. payment solutions DE GmbH	Payment solutions	Germany	Rudolfpl. 3, 50674 Köln, Germany	**100%**	100%
WebEye Deutschland GmbH	Mobility solutions	Germany	Schatzbogen 33, 81829 München, Germany	**100%**	100%
FireTMS.com GmbH	Mobility solutions	Germany	Geschäftsanschrift: Stresemannstraße 123, 10963 Berlin, Germany	**81%**	—
CVS Mobile GmbH	Mobility solutions	Germany	Sckellstraße 1/II, 81667 München, Germany	**95.81%**	—
W.A.G. payment solutions EL SP LTD	Payment solutions	Greece	12A Eleftheriou Venizelou Str., GR - 151 27 Melissia, Athens, Greece	**100%**	100%
W.A.G. payment solutions HU, Kft.	Payment solutions	Hungary	1138 Budapest, Népfürdő utca 22. B. ép. 13. em., Hungary	**100%**	100%
W.A.G. HU, Kft. (in liquidation)	Payment solutions	Hungary	1138 Budapest, Népfürdő utca 22. B. ép. 13. em., Hungary	**100%**	100%
E-Toll Services Hungary, Kft.	Mobility solutions	Hungary	2151 Fót, Akácos, East Gate Business park 0221/12 hrsz. D2. ép, Hungary	**100%**	100%
RoadOn Magyarország Kereskedelmi és Szolgáltató, Kft. (in liquidation)	Mobility solutions	Hungary	2151 Fót, Akácos, East Gate Business park 0221/12 hrsz. D2. ép, Hungary	**100%**	100%
WebEye Magyarország Kereskedelmi és Szolgáltató, Kft.	Mobility solutions	Hungary	2151 Fót, Akácos, East Gate Business park 0221/12 hrsz. D2. ép, Hungary	**100%**	100%
W.A.G. payment solutions IE LIMITED (liquidated)	Payment solutions	Ireland	6th Floor, 2 Grand Canal Square, D02 A342 Dublin 2, Ireland	**—**	100%
CONSORZIO EUROWAG S.C. A R.L	Payment solutions	Italy	Via Giovanni Giolitti 55, 10123 Torino, Italy	**100%**	100%
W.A.G. payment solutions IT S.R.L. UNIPERSONALE	Payment solutions	Italy	Via Savonarola 217, 35137 Padova, Italy	**100%**	100%
CVS Mobile s.r.l.	Mobility solutions	Italy	Via Battisti 2, 34125 Trieste, Italy	**95.81%**	—
SIA W.A.G. payment solutions LV	Payment solutions	Latvia	Bauskas street 58A, Riga, LV-1004, Latvia	**100%**	100%
W.A.G. payment solutions LT, UAB	Payment solutions	Lithuania	Lvivo g. 2509320 Vilnius, Lithuania	**100%**	100%
W.A.G. payment solutions LU S.à r.l.	Payment solutions	Luxembourg	19, rue de Bitbourg, L-1273 Luxembourg	**100%**	100%
CVS Mobile MK dooel	Mobility solutions	North Macedonia	16-ta Makedonska brigada 13b, 1000 Skopje, North Macedonia	**95.81%**	—
W.A.G. payment solutions NO AS	Payment solutions	Norway	C.J. Hambros Plass 2 C, 0164, Oslo, Norway	**100%**	100%
W.A.G. payment solutions PL, Sp. zoo	Payment solutions	Poland	ul. Prosta 69, 00-838 Warsaw, Poland	**100%**	100%
Webeye Polska sp. z.o.o.	Mobility solutions	Poland	30-663 Kraków (Poland), 250 Wielicka Str., Poland	**100%**	100%
Grupa Inelo S.A.	Mobility solutions	Poland	43-300 Bielsko-Biała, ul. Kaprapcka 24/B13, Poland	**100%**	—

Notes to the financial statements for the year ended 31 December 2023 continued

Name	Principal activities	Country of incorporation	Registered address	Effective economic interest 2023	2022
INELO Polska Sp. z o.o.	Mobility solutions	Poland	43-300 Bielsko-Biała, ul. Kaprapcka 24/U2b, Poland	**100%**	—
Marcos Bis Sp. z o.o.	Mobility solutions	Poland	ul. Powstańców 19, 40–039 Katowice, Poland	**100%**	—
FIRETMS.COM Sp. z o.o.	Mobility solutions	Poland	44-200 Rybnik, ul. 3 Maja 30, Poland	**81%**	—
Liserteco LDA	Mobility solutions	Portugal	Rua das Industrias, n° 236, 1°, Sala 104, Trofa, 4785–625, Portugal	**100%**	100%
W.A.G. payment solutions PT Unnipessoal, LDA	Payment solutions	Portugal	Torre de Monsanto, Rua Afonso Praça, Algés, 1495-061 Lisbon, Portugal	**100%**	100%
MYWEBEYE IBÉRIA, LDA	Mobility solutions	Portugal	Rua Francisco Pinto Júnior n 5 2690-390 Santa Iría da Azóia, Portugal	**100%**	100%
W.A.G. payment solutions RO, s.r.l.	Payment solutions	Romania	Strada Intrarea Nestorei nr. 1, complex River Plaza, Corp B, et. 6, sector 4, Bucuresti, Romania	**100%**	100%
WebEye International s.r.l.	Mobility solutions	Romania	Oradea, str. Nufărului nr. 28E, Județul Bihor, Romania	**100%**	100%
Eurowag d.o.o. Beograd-Stari Grad	Payment solutions	Serbia	Maksima Gorkog No 8, 1st floor, 26000 Pančevo, Serbia	**100%**	100%
CVS Mobile d.o.o.	Mobility solutions	Serbia	Ulica Španskih boraca 24V, 11070 Novi Beograd, Serbia	**95.81%**	—
Aldobec technologies, s.r.o.	Mobility solutions	Slovakia	Twin City C, Mlynské Nivy 16, 82109 Bratislava - mestská časť Ružinov, Slovakia	**100%**	100%
Klub Investorov T&G SK, s.r.o. (in liquidation)	Payment solutions	Slovakia	Hlavná 18, 90066 Vysoká pri Morave, Slovakia	**100%**	100%
W.A.G. payment solutions SK, s.r.o.	Payment solutions	Slovakia	Kukučínova 38/A, 83103 Bratislava, Slovakia	**100%**	100%
Sygic, a.s.	Mobility solutions	Slovakia	Twin City C, Mlynské Nivy 16, 82109 Bratislava - mestská časť Ružinov, Slovakia	**70%**	70%
KomTeS SK s.r.o.	Mobility solutions	Slovakia	Dopravná 7, 92101 Piešťany, Slovakia	**51%**	51%
WebEye Slovakia s.r.o	Mobility solutions	Slovakia	Sliačska 1E, 831 02 Bratislava, Slovakia	**100%**	100%
W.A.G., plačilne rešitve SI, d.o.o.	Payment solutions	Slovenia	Trg. Republike 3, 1000 Ljubljana, Slovenia	**100%**	100%
Webeye International d.o.o	Mobility solutions	Slovenia	Kidričeva ulica 13D, 1236 Trzin, Slovenia	**100%**	100%
Napredna telematika d.o.o.	Mobility solutions	Slovenia	Ulica Gradnikove brigade 11, 1000 Ljubljana, Slovenia	**100%**	—
CVS Mobile d.d.	Mobility solutions	Slovenia	Ulica Gradnikove brigade 11, 1000 Ljubljana, Slovenia	**95.81%**	—
Infotrans d.o.o.*	Mobility solutions	Slovenia	Ljubljanska cesta 24C, 4000 Kranj, Slovenia	**48.86%**	—
W.A.G. payment solutions Spain SLU.	Payment solutions	Spain	C/ Albeniz, 6, Polígono Industrial de Asparrena, San Román de San Millán, San Millán 01207 Araba/Álava, Spain	**100%**	100%
W.A.G. mobility solutions Iberia SL	Payment solutions	Spain	C/ Albeniz, 6, Polígono Industrial de Asparrena, San Román de San Millán, San Millán 01207 Araba/Álava, Spain	**100%**	100%
Arraia-Oil, S.L.	Payment solutions	Spain	C/ Albeniz, 6, Polígono Industrial de Asparrena, San Román de San Millán, San Millán 01207 Araba/Álava, Spain	**100%**	100%

Name	Principal activities	Country of incorporation	Registered address	Effective economic interest 2023	2022
Arraia Autopistas, SL (merged with Arraia-Oil, S.L.)	Payment solutions	Spain	C/ Deida 6, San Román San Millán Industrial Poligon, 01250 Araia Asparrena 01 Araba/Álava, Spain	**—**	100%
Liserteco 24 Horas, SL	Mobility solutions	Spain	C/ Deida 6, San Román San Millán Industrial Poligon, 01250 Araia Asparrena 01 Araba/Álava, Spain	**100%**	100%
Reivalsa Gestion, S.L. (merged with Arraia-Oil, S.L.)	Mobility solutions	Spain	C/ Deida 6, San Román San Millán Industrial Poligon, 01250 Araia Asparrena 01 Araba/Álava, Spain	**—**	100%
Tax Refund Consulting SL	Mobility solutions	Spain	Marques de Riscal 11 5a, Madrid 28010, Spain	**100%**	100%
Trofa Gestion, S.L. (merged with Arraia-Oil, S.L.)	Mobility solutions	Spain	C/ Deida 6, San Román San Millán Industrial Poligon, 01250 Araia Asparrena 01 Araba/Álava, Spain	**—**	100%
W.A.G. payment solutions Sweden AB	Payment solutions	Sweden	Östermalmstorg 1, 114 42 Stockholm, Sweden	**100%**	100%
W.A.G. payment solutions CH AG	Payment solutions	Switzerland	Flurstrasse 55, 8048 Zürich, Switzerland	**100%**	100%
W.A.G. payment solutions NL B.V.	Payment solutions	The Netherlands	De Cuserstraat 93, 1081 CN Amsterdam, yhe Netherlands	**100%**	100%
WAG Payment Solutions Turkey Ödeme Sistemleri Ticaret Limited Şirketi	Payment solutions	Turkey	FSM Mah. Poligon Cad. No: 8B Buyaka2 Sitesi, Kule 2 Kat 6, Daire: 25, 34771 Tepeüstü- Ümraniye- İstanbul, Turkey	**100%**	100%
ALŽIRIJA SPA CVS Mobile Algerie (associate acquired and liquidated in 2023)	Mobility solutions	Algeria	30 Rue Hassen Benamane les Vergers Bir Mourad Rais-Algiers	**—**	—
Threeforce B.V. (Last Mile Solutions)	Mobility solutions	the Netherlands	Zeemansstraat 11, 3016 CN in Rotterdam, the Netherlands	**27.75%**	27.75%
UAB "Tankita" (Drivitty)	Payment solutions	Lithuania	Žalgirio str. 96-103, Vilnius, Lithuania	**20%**	20%
JITPay GmbH	Payment solutions	Germany	Willy-Brandt-Platz 19, 38102 Braunschweig, Germany	**9.99%**	9.99%

The Company's directly held subsidiary is W.A.G. payment solutions, a.s. All other subsidiaries are indirectly held. All shares are ordinary shares unless stated otherwise.

* The Company, through its subsidiary W.A.G. payment solutions, a.s., has the same percentage voting rights as effective economic interest, directly or indirectly, in all the above listed subsidiaries except for Infotrans d.o.o. W.A.G. payment solutions, a.s. is controlling Infotrans d.o.o. through a chain of subsidiaries where it holds majority of voting rights.

W.A.G. payment solutions, a.s. has the following branches:

- W.A.G. payment solutions – Branch Bulgaria
- W.A.G. payment solutions, a.s. Spółka Akcyjna Oddział w Polsce
- W.A.G. payment solutions a.s Merkezi Çek Cumhuriyeti İstanbul Merkez Şubesi
- W.A.G. payment solutions, a.s. organizacná zložka

Notes to the financial statements for the year ended 31 December 2023 continued

8. Business combinations

The following acquisitions took place in 2023:

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

The acquisition of Inelo was completed on 15 March 2023.

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

There is also a contingent consideration, based on Inelo's EBITDA performance for the year to 31 December 2022, capped at EUR 12.5 million. The Group has assessed the performance conditions based on 2022 EBITDA and concluded it to be below the required target level. As at 31 December 2023, the Group estimates the contingent consideration to be nil (Note 6).

The acquisition included FIRETMS.COM put option redemption liability (Note 32) and forward contract to acquire NCI in Napredna telematika d.o.o. in the future (disclosed below).

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

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

The goodwill is attributable to expected synergies from combining operations, workforce and other unrecognisable intangible assets. It will not be deductible for tax purposes.

The gross contractual receivables acquired amounted to EUR 9,931 thousand. At the acquisition date, there were EUR 1,272 thousand of contractual cash flows not expected to be collected.

From the date of acquisition until 31 December 2023, Inelo's subsidiaries contributed EUR 37,680 thousand of revenue and EUR 7,883 thousand profit after tax.

If the acquisition had occurred on 1 January 2023, consolidated revenue and consolidated profit after tax of Inelo's entities for the year ended 31 December 2023 would have been EUR 47,260 thousand and EUR 9,846 thousand respectively. Excluding amortisation of acquired intangibles and Adjusting items the Adjusted profit after tax would have been EUR 18,785 thousand.

As deferred considerations paid were of short-term nature, no discounting has been applied to the amount payable.

Transaction costs are disclosed at the end of this note.

Pay-out of deferred consideration

On 27 April 2023, the Group paid the first part of deferred and contingent acquisition consideration of EUR 2,064 thousand related to the acquisition of WebEye.

On 17 May 2023, the Group paid the second part of deferred acquisition consideration of EUR 5,500 thousand related to the acquisition of WebEye.

On 11 August 2023, the Group paid the third part of deferred acquisition consideration of EUR 688 thousand related to the acquisition of WebEye.

JITpay GmbH ("JITpay") call option

As per the original agreement, the Group had a call option to acquire an additional 18.01% share, which was exercised on 4 July 2023 and was subject to approval by German Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), expected to complete in the first half of 2024. The Group entered a strategic partnership with JITpay on 27 September 2022, when it acquired a 9.99% stake for an initial consideration of EUR 14.3 million, of which EUR 3.5 million was used as primary capital. The investment was classified as a financial asset at fair value through other comprehensive income, see Notes 9 and 23 for further information. The investment is considered to be a strategic investment and is not held for trading.

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

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

As a result of the Inelo acquisition, the Group owned 89.3% interest in Napredna telematika d.o.o. and had a forward contract to acquire the remaining interest. On 7 September 2023, the Group acquired remaining 10.7% share in Napredna telematika d.o.o. for EUR 6,976 thousand. The impact of the acquisition on equity is disclosed in Note 28.

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

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

Sale of subsidiary Tripomatic s.r.o.

On 15 December 2023, the Group sold its subsidiary Tripomatic s.r.o. for EUR 150 thousand to non-controlling shareholders. Tripomatic s.r.o. was a subsidiary of Sygic, a.s., which represented a non-core investment of the Group, with its business based on consumer travel planning application. The result from the transaction is presented as net loss after tax from discontinued operations.

The following acquisitions took place in 2022:

Acquisition of WebEye Group

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

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

Notes to the financial statements for the year ended 31 December 2023 continued

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

EUR '000	Fair value recognised on acquisition of non-Hungarian Webeye subsidiaries	Fair value recognised on acquisition of Hungarian Webeye subsidiaries	Total
Assets			
Identifiable intangible assets	16,256	11,077	27,333
Property, plant and equipment	1,411	729	2,140
Right-of-use assets	357	1,598	1,955
Inventories	263	497	760
Trade receivables	1,308	1,058	2,366
Cash and cash equivalents	395	103	498
Other assets	10	—	10
Total assets	**20,000**	**15,062**	**35,062**
Deferred tax	1,810	986	2,796
Trade payables	714	883	1,597
Lease liabilities	357	1,598	1,955
Total liabilities	**2,881**	**3,467**	**6,348**
Total identifiable net assets at fair value	**17,119**	**11,595**	**28,714**
Goodwill arising on acquisition	**19,793**	**11,512**	**31,305**
Purchase consideration:			
Cash paid	23,319	19,891	43,210
Deferred and contingent consideration (discounted)	13,593	3,216	16,809
Total purchase consideration	**36,912**	**23,107**	**60,019**

The goodwill is attributable to expected synergies from combining operations. It will not be deductible for tax purposes.

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

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

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

Transaction costs are disclosed at the end of this note.

As at the date of acquisition, a discount rate of 2.00% was used to determine the present value of deferred and contingent consideration. As at 31 December 2022, the discount rate was increased to 3.90%. A reasonably possible change in the discount rate does not lead to a significant change in the present value of deferred and contingent consideration.

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

Acquisition of non-controlling interest in Sygic, a.s.

On 20 December 2022, the Group signed an agreement with non-controlling shareholders of Sygic, a.s. ("Sygic"), which will enable the Group to take full control of Sygic's resources. Consideration for the 30% equity interest of EUR 14.4 million is payable in April 2024, in line with the original option agreement. Ownership of the shares remains with non-controlling shareholders until April 2024; however, following the agreement with fixed price they are no longer exposed to variable returns from the investment (Note 28).

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

Pay-out of deferred consideration

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

Other disclosures

Net outflows of cash to acquire subsidiaries were as follows:

EUR '000	For the year ended 31 December 2023	2022
Cash consideration paid	**233,871**	43,210
Repayment of acquiree's debt	**53,677**	—
Cash acquired	**(3,271)**	(498)
Net outflow of cash–investing activities	**284,277**	42,712

Cost of acquisition of subsidiaries recognised in other operating expense and cash flows from operating activities:

EUR '000	For the year ended 31 December 2023	2022
Acquisition costs	**4,423**	7,941

Acquisition costs incurred in 2023 and 2022 mostly relate to the acquisition of Inelo.

9. 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 31 December 2023:

			Fair value measurement using			
EUR '000	Notes	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets measured at fair value						
Financial assets at fair value through other comprehensive income ("FVOCI")	23	31 December 2023	—	—	—	**—**
Derivative financial assets	26					
Interest rate swaps		31 December 2023	—	3,425	—	**3,425**
Financial liabilities measured at fair value						
Derivative financial liabilities	26					
Put options		31 December 2023	—	—	127	**127**
Interest rate swaps		31 December 2023	—	3,201	—	**3,201**

Notes to the financial statements for the year ended 31 December 2023 continued

Fair value measurement hierarchy for assets and liabilities as at 31 December 2022:

			Fair value measurement using			
EUR '000	Notes	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets measured at fair value						
Financial assets at fair value through other comprehensive income ("FVOCI")	23	31 December 2022	—	—	14,364	14,364
Derivative financial assets	26					
Foreign currency forwards		31 December 2022	—	1	—	1
Interest rate swaps		31 December 2022	—	6,943	—	6,943
Financial liabilities measured at fair value						
Derivative financial liabilities	26					
Foreign currency forwards		31 December 2022	—	17	—	17
Put options		31 December 2022	—	—	153	153
Interest rate swaps		31 December 2022	—	33	—	33

There have been no transfers between Level 1, Level 2 and Level 3 during the year ended 31 December 2023 and 2022.

Specific valuation techniques used to value financial instruments include:

- For interest rate swaps – the present value of the estimated future cash flows based on observable yield curves
- For foreign currency forwards – the present value of future cash flows based on the forward exchange rates at the balance sheet date
- For put options – option pricing models (Monte Carlo)
- FVOCI – income approach in 2023, discounted cash flow analysis in 2022
- For other financial instruments – discounted cash flow analysis

The Group engaged independent experts to perform the valuation of FVOCI. In 2022, the valuation was based on discounted cash flows. In 2023, the Group decided to use the income approach method with price/sales exit multiple, which is considered more relevant due to significant business changes of JITPay in the second half of 2023. The income approach valuation method was used also as at 30 June 2023, when the fair value measurement provided similar results to discounted cash flows as at 31 December 2022.

The main Level 3 inputs used are:

Level 3 input	2023	2022*
Average annual revenue growth	**67%**	140%
Market price/sales exit multiple	**6.4x**	7.9x
Target exit year	**2028**	2026
Required rate of return	**40%**	30%

* Similar results of income approach method to DCF.

Following negative changes to JITpay's liquidity, which were known to the Group at the end of 2023, the valuation output was risk adjusted based on the latest information, which resulted in a valuation of nil. Considering the liquidity situation as at 31 December 2023, a reasonably possible change in the above inputs does not lead to a significant change in the fair value of the financial asset.

Management assessed that the fair values of cash and cash equivalents, trade and other receivables and trade and other payables approximate 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 and the credit rating of the Company has not significantly changed since refinancing in September 2022.

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.

10. 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. 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 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 either subscription based or subsequently sold to customers using payment solutions products. The segment includes Tax refund, Fleet management solutions, Navigation, and other service offerings.

Net energy and services sales, contribution, contribution margin, EBITDA, and Adjusted EBITDA are non-GAAP measures, as detailed in Note 11.

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

Year ended 31 December 2023 EUR '000	Payment solutions	Mobility solutions	Total
Segment revenue	1,978,572	109,535	2,088,107
Net energy and services sales	146,995	109,535	256,530
Contribution	124,131	76,467	200,598
Contribution margin	84%	70%	78%
Corporate overhead and indirect costs before adjusting items			(91,898)
Adjusting items affecting Adjusted EBITDA			(78,862)
Depreciation and amortisation			(57,529)
Net finance costs and share of net loss of associates			(11,616)
Profit before tax			(39,307)

Year ended 31 December 2022 EUR '000	Payment solutions	Mobility solutions	Total
Segment revenue	2,312,242	56,010	2,368,252
Net energy and services sales	134,847	56,010	190,857
Contribution	118,157	40,807	158,964
Contribution margin	88%	73%	83%
Corporate overhead and indirect costs before adjusting items			(77,371)
Adjusting items affecting Adjusted EBITDA			(18,461)
Depreciation and amortisation			(30,393)
Net finance costs and share of net loss of associates			(4,763)
Profit before tax			27,976

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.

	For the year ended 31 December	
EUR '000	2023	2022
Czech Republic ("CZ")	428,272	484,055
Poland ("PL")	372,527	401,528
Central Cluster (excluding CZ and PL)	255,652	275,000
Portugal ("PT")	228,598	397,052
Western Cluster (excluding PT)	105,440	92,192
Romania ("RO")	293,708	317,518
Southern Cluster (excluding RO)	393,727	391,515
Not specified	10,183	9,392
Total	2,088,107	2,368,252

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

Notes to the financial statements for the year ended 31 December 2023 continued

Geographical split – net energy and services sales

EUR '000	For the year ended 31 December 2023	2022
Czech Republic ("CZ")	**38,157**	35,179
Poland ("PL")	**61,664**	30,485
Central Cluster (excluding CZ and PL)	**28,803**	26,715
Portugal ("PT")	**12,800**	16,362
Western Cluster (excluding PT)	**10,693**	7,787
Romania ("RO")	**35,043**	28,252
Southern Cluster (excluding RO)	**60,991**	38,339
Not specified	**8,379**	7,738
Total	**256,530**	190,857

The following table presents the Group's non-current assets, net of accumulated depreciation and amortisation, by country. Non-current assets for this purpose consist of property and equipment, right-of-use assets, intangible assets, investments in associates, financial assets and other non-current assets (excluding deferred tax assets and derivative assets).

EUR '000	For the year ended 31 December 2023	2022
Czech Republic	**168,582**	152,155
Spain	**56,356**	61,898
Poland	**230,784**	9,073
Other	**171,232**	128,589
Total	**626,954**	351,715

Timing of revenue recognition was as follows:

EUR '000	For the year ended 31 December 2023	2022
Payment solutions		
Goods and services transferred at a point in time	**1,947,937**	2,286,450
Services transferred over time	**30,635**	25,792
	1,978,572	2,312,242
Mobility solutions		
Goods and services transferred at a point in time	**21,442**	15,700
Services transferred over time	**88,093**	40,310
	109,535	56,010
Total segment revenue	**2,088,107**	2,368,252

11. Alternative performance measures ("APMs")

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

The Group uses 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 Note 6 under Principal versus agent considerations.

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 overheads.

The CODM reviews net energy and services sales and contribution to evaluate segment performance and allocate resources to the overall business (Note 10).

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.

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), the extent to which intangible assets are identifiable (affecting relative amortisation expense) and share of loss of associates.

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 allows better result comparability.
Strategic transformation expenses	Costs relating to broadening the skill bases of the Group's employees (including in respect of executive search and recruiting costs), costs related to transformation of key IT systems as well as Inelo integration costs	**Broadening the skill base** IPO and IT strategic transformation require different skill bases of the Group's employees. Expenses related to these strategic events were excluded as otherwise they would not be incurred. The expenses were not adjusted in 2023 and they will not be adjusted in the future. **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 and due to the fact that annual investments compared to Group's Net sales are significantly higher than regular investments of a technology company. The programme ends in 2023, with the exception of SAP implementation, which is expected to end in 2025. SAP implementation expense adjustment amounts to EUR 5.2 million in 2023, and the Group anticipates EUR 5.0 million in 2024 and EUR 3 million in 2025. The Group does not expect significant capitalisation related to SAP in 2024 and 2025. **Integration costs of Inelo** One-off costs relating to the transformation and integration of Inelo have been excluded for better result comparability. While the Group did not adjust integration costs in the past, the related activities and one-off costs are significantly higher than for previously completed acquisitions. The Group incurred EUR 1.8 million of integration costs in 2023 and expects to incur approximately EUR 1 million of integration costs in 2024.
Share-based compensation	Equity-settled and cash-settled compensation provided to the Group's management before IPO	Share options and cash-settled compensation were 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 20.7 million, from which EUR 1.3 million was a one-off in 2021 and EUR 19.4 million is amortised over three years. Although these costs were amortised over three years based on accounting policies, they were excluded as they relate to a one-off event. Amortised expenses amounted to EUR 5.1 million in 2021, EUR 5.3 million in 2022, EUR 6.5 million in 2023 and anticipated expense adjustment amounts to EUR 2.4 million in 2024. Share awards provided post-IPO (Performance share plan in Note 13) were not excluded as they represent non-cash element of annual remuneration package.
Impairment losses of non-financial assets	Goodwill impairment	The Group recognised a significant goodwill impairment of the Fleet management solutions CGU in 2023. Exclusion of these costs allows better result comparability.
Restructuring costs	Termination benefits of a significant restructuring programme	Following the acquisition of Inelo, the Group completed a major restructuring programme in 2023 to ensure the right size of the Group for the future. The programme incurred significant termination costs, which are considered non-recurring due to their size. The Group does not expect similar related costs to be incurred in 2024.

Notes to the financial statements for the year ended 31 December 2023 continued

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 year ended 31 December 2023	2022
Intangible assets amortisation (Note 19)	**43,398**	22,234
Tangible assets depreciation (Note 20)	**8,851**	4,790
Right-of-use depreciation (Note 21)	**5,280**	3,369
Depreciation and amortisation	**57,529**	30,393
Net finance costs and share of net loss of associates	**11,616**	4,763
(Loss)/Profit before income tax	**(39,307)**	27,976
EBITDA	**29,838**	63,132
M&A-related expenses (Note 8)	**4,423**	7,941
Strategic transformation expenses	**7,066**	5,209
Share-based compensation (Note 13)	**6,538**	5,311
Impairment losses of non-financial assets (Note 19)	**56,663**	—
Restructuring costs	**4,172**	—
Adjusting items	**78,862**	18,461
Adjusted EBITDA	**108,700**	81,593

Adjusted EBITDA margin

Adjusted EBITDA margin represents Adjusted EBITDA for the period divided by Net energy and services sales.

Adjusted earnings (net profit)

Adjusted earnings are defined as profit after tax from continuing operations before Adjusting items:

Adjusting item	Definition	Exclusion justification
Amortisation of acquired intangibles	Amortisation of assets recognised at the time of an acquisition (primarily ADS, Sygic, Webeye and Inelo)	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	The 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 the original and accelerated depreciation was excluded to allow period on period result comparability. The item adjusted in 2020-2022 represents assets replaced by strategic IT transformation by the end of 2022. No new items were identified in 2023.
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 year ended 31 December 2023	2022
(Loss)/Profit for the year from continuing operations	**(43,548)**	17,696
Amortisation of acquired intangibles	**17,166**	6,562
Amortisation due to transformational useful life changes	**—**	1,864
Adjusting items affecting Adjusted EBITDA	**78,862**	18,461
Tax effect	**(5,747)**	(3,029)
Adjusted earnings (net profit)	**46,733**	41,554

Adjusted basic earnings per share

Adjusted basic earnings per share is calculated by dividing the Adjusted net profit for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the period. See Note 29 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 18 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.

12. Employee expenses

Employee expenses for the respective periods consist of the following:

	For the year ended 31 December			
EUR '000	**2023 Total personnel**	2023 Key management*	**2022 Total personnel**	2022 Key management*
Wages and salaries	**85,440**	6,715	**58,895**	5,217
Social security costs	**17,890**	1,000	**13,930**	702
Option plans (Note 13)	**7,800**	7,538	**6,459**	5,890
Total employee expenses before capitalisation	**111,130**	15,253	**79,284**	11,809
Own work capitalised	**(14,337)**	—	**(12,072)**	—
Total employee expense	**96,793**	15,253	**67,212**	11,809

* Includes the members of the Board and Executive Committee of W.A.G payment solutions plc.

Termination benefits provided to key management amounted to EUR 772 thousand in 2023 (2022: EUR 873 thousand). Adjusting items in employee expenses amounted to EUR 11,658 thousand in 2023 (2022: EUR 7,424 thousand).

Information regarding the highest paid Director is included in the Directors' Remuneration Report on page 118.

The monthly average number of employees by category during the period was as follows:

	For the year ended 31 December 2023	2022
Sales and marketing	**315**	248
General and administrative	**311**	270
Technology, product and operative*	**1,160**	705
Total average number of employees	**1,786**	1,223

* Technology, product and operative category represents employees directly and indirectly related to product business units.

Notes to the financial statements for the year ended 31 December 2023 continued

13. Share-based payments

The Company currently operates the following share option plans:

Equity-settled share option plans

Pre-IPO option plans

In 2021, before Admission, the Group granted share options of W.A.G. payment solutions, a.s. to management, which must remain in service for a period of three years from the date of grant. Share options outstanding on Admission were converted into the performance share plan based on the same vesting value and vesting conditions following approval from the Remuneration Committee.

Performance share plan (post-IPO)

To provide discretionary share-based incentive awards to employees, the Company operates the Performance share plan ("PSP"). The operation of the plan is supervised by the Remuneration Committee. Any employee (including an Executive Director) of the Group is eligible to participate in the PSP at the discretion of the Remuneration Committee. The PSP awards granted in 2022 and 2023 are subject to Adjusted basic earnings per share targets (60% weighting) and relative total shareholder value vs FTSE 250 index targets (40% weighting). Standard vesting period is three years and employees must remain in service during this period.

Set out below are summaries of options granted under pre-IPO option plans and PSP:

	For the year ended 31 December 2023		For the year ended 31 December 2022	
	Average exercise price per share option (EUR)	Number of share options	Average exercise price per share option (EUR)	Number of share options
Opening	**0.01**	**7,325,684**	0.01	3,706,790
Granted during the period	**0.01**	**5,380,443**	0.01	4,979,758
Exercised during the period	**0.01**	**(560,204)**	—	–
Forfeited during the period	**0.01**	**(3,650,573)**	0.01	(1,360,864)
Closing	**0.01**	**8,495,350**	0.01	7,325,684
Vested and exercisable at the end of the period	**0.01**	**560,204**	—	—

Share options outstanding at the end of the period have the following expiry dates and exercise prices:

	31 December 2023		31 December 2022	
Exercise price (EUR)	Numbers of shares outstanding	Weighted average remaining life (years)	Numbers of shares outstanding	Weighted average remaining life (years)
0.01	**8,495,350**	**1.80**	7,325,684	2.07
Total	**8,495,350**		7,325,684	

The fair value of the options granted is determined using the Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the option.

The model inputs for options included:

	31 December 2023		31 December 2022	
	September 2023 grant	April 2023 grant	November 2022 grant	April 2022 grant
Share price at grant date	**0.915 GBP**	**0.945 GBP**	0.81 GBP	0.94 GBP
Exercise price	**0.01**	**0.01**	0.01	0.01
Expected price volatility of Company's shares	**48.8%**	**48.8%**	41.7%	52.8%
Risk-free interest rate	**4.25%**	**3.88%**	2.73%	2.69%

Cash-settled share option plans (pre-IPO)

In 2021, the shadow shares plan was introduced to provide long-term incentives for certain managers to deliver long-term shareholder returns. Shadow shares were granted for no consideration and carry no voting rights. Participants in the plan are entitled to equivalent dividend in case dividends are approved by shareholders of the Company. The fair value of shadow share options granted was estimated at the date of grant on the basis of estimated EBITDA growth in the next three years and remeasured at each reporting date.

The Group recognised the following liability in relation to the cash-settled option plan:

EUR '000	**31 December 2023**	31 December 2022
Cash-settled plan liability	**795**	765

Expenses arising from share-based payment transactions

EUR '000	For the year ended 31 December 2023	2022
Equity-settled plans (pre-IPO option plans)	**6,342**	5,247
Cash-settled plans (pre-IPO)	**196**	64
Total pre-IPO expenses (Note 11)	**6,538**	5,311
Equity-settled plans (PSP)	**1,262**	1,148
Total (Note 12)	**7,800**	6,459

For the year ended 31 December 2023, expenses related to equity-settled plans recognised in equity amount to EUR 7,604 thousand (2022: EUR 6,395 thousand).

14. Other operating expenses

Other operating expenses for the year ended 31 December were as follows:

EUR '000	For the year ended 31 December 2023	2022
Market research, consultancy	**7,973**	6,174
Facilities maintenance costs	**4,721**	4,871
Raw materials and energy consumed	**5,644**	3,482
Legal services	**1,986**	1,517
Accounting services	**5,335**	3,732
Costs of services provided	**9,971**	5,586
Insurance of receivables	**1,032**	956
Cost of acquisition of subsidiaries	**4,423**	7,941
Change in provisions	**395**	721
Deficits and damages	**517**	187
Repairs and maintenance	**1,185**	829
Travel costs	**1,858**	1,277
Representational costs	**2,931**	3,525
Telephone, internet services	**1,042**	563
Other	**6,497**	5,866
Total	**55,510**	47,227

Adjusting items in other operating expenses amounted to EUR 5,555 thousand in 2023 (2022: EUR 10,708 thousand), consisting mainly of acquisition related expenses.

15. Other operating income

Other operating income for the respective periods was as follows:

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

16. Finance income

Finance income for the respective periods was as follows:

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

Foreign exchange gain includes EUR 4 million gain impacted by change of functional currency of W.A.G. payment solutions, a.s. (Note 6).

17. Finance costs

Finance costs for the respective periods were as follows:

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

Notes to the financial statements for the year ended 31 December 2023 continued

18. Income tax

The corporate income tax for companies in the Czech Republic and United Kingdom for the year 2023 was 19% and 23.44% (changed on 5 April 2023 from 19% to 25%), respectively (2022: 19%).

WAG Iberia and WAG payment solutions Spain, together with all the Alava tax resident companies of ADS sub-group (Arraia Oil and Liserteco 24h), formed a consolidation tax group for CIT purposes beginning on 1 April 2019. Spanish corporate income tax is 24% (2022: 24%).

The Polish corporate income tax rate is 19% (2022: 19%).

During 2023, the government of the Czech Republic introduced changes in the Czech tax system which include corporate income tax rate increase from 19% to 21% for tax and accounting periods starting in 2024. The impact on the deferred tax as of 31 December 2023 is presented in the table below.

The Group has reviewed impact of OECD Pillar 2 legislation, which is effective in most countries as of 1 January 2024. Based on the analysis of the OECD model rules and modelling performed on the data for the year ending 31 December 2022, the Group should benefit in most countries from safe harbours as defined by OECD (de minimis, simplified effective tax rate) on the assumption that our Country by Country report for the year ending 31 December 2024 is qualifying. For the other most material countries, there might be additional top-up tax in Slovakia and Spain, but this is not expected to be material. Our assessment of substantively enacted legislation, including qualifying domestic minimum taxes, is ongoing. Management will further monitor OECD Pillar 2 tax position of the Group and implement all necessary steps for proper reporting in individual countries.

The structure of the income tax for the respective periods is as follows:

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

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

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

The adjusted effective tax rate is as follows:

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

* Adjusted effective tax rate in 2023 is mainly impacted by functional currency change (Note 6). Excluding this item, the 2023 adjusted effective tax rate would have been 25.0%.

Unused tax losses, for which no deferred tax asset has been recognised were as follows:

EUR '000	31 December 2023	31 December 2022
Unrecognised tax losses expiring by the end of:		
– 31 December 2023	—	210
– 31 December 2024	147	446
– 31 December 2025	45	45
– 31 December 2026 and after	1,257	749
– No expiry date	—	444
Total unrecognised tax losses	**1,449**	1,894
Potential tax benefit	**362**	360

The unused tax losses have arisen in dormant subsidiaries that are not likely to generate taxable income in the foreseeable future.

Deferred tax balances and movements:

EUR '000	1 January 2023	Business combinations	(Charged) credited to profit or loss	Charged to OCI	Translation differences	31 December 2023
Difference between net book value of fixed assets for accounting and tax purposes	(10,502)	(23,896)	4,735	—	(1,662)	**(31,325)**
Allowances to receivables	2,976	78	1,067	—	(98)	**4,023**
Provisions for liabilities and charges	1,585	472	355	—	(22)	**2,390**
Tax losses	345	—	(345)	—	—	**—**
Tax benefit from pre-acquisition reserves	5,943	—	(1,200)	—	—	**4,743**
Other	1,481	1	(842)	154	61	**855**
Net deferred tax asset/ (liability)	1,828	(23,345)	3,770	154	(1,721)	**(19,314)**
Recognised deferred tax asset	10,505	126	(1,433)	154	212	**9,564**
Recognised deferred tax liability	(8,677)	(23,471)	5,203	—	(1,933)	**(28,878)**

EUR '000	1 January 2022	Business combinations	(Charged) credited to profit or loss	Charged to OCI	Translation differences	31 December 2022
Difference between net book value of fixed assets for accounting and tax purposes	(7,522)	(2,747)	(243)	—	10	(10,502)
Allowances to receivables	1,638	—	1,273	—	65	2,976
Provisions for liabilities and charges	1,454	—	94	—	37	1,585
Tax losses	148	—	193	—	4	345
Tax benefit from pre-acquisition reserves	6,423	—	(480)	—	—	5,943
Other	6	(49)	1,526	—	(2)	1,481
Net deferred tax asset/(liability)	2,147	(2,796)	2,363	—	114	1,828
Recognised deferred tax asset	7,642	—	2,757	—	106	10,505
Recognised deferred tax liability	(5,495)	(2,796)	(394)	—	8	(8,677)

The tax benefit from pre-acquisition reserves relates to the ADS Group acquisition in 2019 and is being utilised against current period profits, similarly to tax losses.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Direct subsidiaries of the Company, W.A.G. payment solutions, a.s. and its subsidiaries, have undistributed earnings of EUR 204,801 thousand (2022: EUR 195,685 thousand) which, if paid out as dividends to the Company, would be subject to 5% withholding tax. An assessable temporary difference exists, but no deferred tax liability has been recognised as the Group is able to control the timing of distributions from this subsidiary and is not expected to distribute these profits in the foreseeable future.

Notes to the financial statements for the year ended 31 December 2023 continued

19. Intangible assets

Cost of intangible assets subject to amortisation:

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

Accumulated amortisation and impairment of intangible assets subject to amortisation:

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

Net book value:

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

Internal assets in progress consist of assets where the development phase has not yet been completed.

The table below presents the carrying amounts and remaining amortisation periods of individual intangible assets that are considered material to the Group's consolidated financial statements:

	As at 31 December 2023		As at 31 December 2022	
Individual asset name	**Net book value (in EUR '000)**	**Remaining useful life (in months)**	Net book value (in EUR '000)	Remaining useful life (in months)
Customer relationships - ADS	**5,845**	**48**	7,306	60
Customer relationships - Webeye	**18,403**	**101**	19,794	113
Customer relationships - INELO	**95,967**	**171**	—	—
Internal software - EETS toll platform	**17,790**	**74**	15,046	62
Internal software - SAP billing	**6,537**	**71**	6,658	83
Internal software - Webeye platform	**6,356**	**43**	6,265	55
Software (GBOX) – INELO	**6,910**	**51**	—	—

EETS stands for European Electronic Toll Service, an initiative from the European Union to create a simpler framework for paying toll in Europe by use of a single OBU for all toll systems within the EU. The Group developed a platform enabling its EETS-certified OBUs to make toll payments in multiple countries.

The Group capitalised employee expenses (Note 12)together with the cost of materials and services used or consumed in generating the intangible asset.

Notes to the financial statements for the year ended 31 December 2023 continued

Research and development costs that were not capitalised and are, therefore, recognised in the statement of profit and loss are as follows:

	For the year ended 31 December	
EUR '000	2023	2022
Expensed research and development costs	3,246	3,331

Impairment testing

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

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

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

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

Key assumptions used for impairment testing

The discounted cash flow model is based on the following key assumptions:

- Discount rate
- Net energy and services sales for Energy CGU; revenues for Navigation and Fleet management solutions CGUs
- Long-term revenue growth rate

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

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

The table below shows key assumptions used in the value-in-use calculations for material CGUs:

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

* Average over five-year period.

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

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

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

Management has also determined fair value less cost of disposal ("FVLCD") for Fleet management solutions CGU. The valuation is considered to be level 3 in the fair value hierarchy based on unobservable inputs used in the valuation. FVLCD was lower than value-in-use. FVLCD was calculated based on EBITDA multiple model. The model was based on 2023 EBITDA of the CGU, which was adjusted for 2023 OBUs additions to allow comparison of the CGU with peer groups that sell OBUs. The EBITDA multiple was estimated based on Group's experience with previous Fleet management solutions acquisitions and adjusted for synergies allocated to Energy CGU. Cost of disposal were assumed to be 8% of expected disposal proceeds and were based on Group's experience with previous Fleet management solutions acquisitions, considering all directly related internal and external costs paid by sellers.

Carrying amount under FVLCD model does not include deferred tax liabilities of EUR 24,889 thousand recognised on identifiable intangible assets and allocated to Fleet management solutions CGU. The Group is unable to benefit from deferred taxes recognised at acquisition and believes that no standard market participant could benefit from these acquisition-related deferred taxes.

The Group has considered the potential impact of climate change in impairment tests of the Navigation and Fleet management solutions CGUs. A combination of revenue decrease and operating and capital expenses increase was therefore included in base models. Sensitivities of discounted cash flows described below directly include the expected climate change impact, which would either lead to breakeven or to a significant impairment.

For the Energy CGU, additional sensitivities of discounted cash flows were modelled to determine breakeven increase in operating and capital expenses and a combination of revenue decrease and expense increase. Reasonably possible change in operating and capital expenses does not lead to any impairment; climate change impact on recoverable amounts and useful life of non-financial assets is thus not considered to be significant for the Energy CGU

Energy

The recoverable amount is estimated to exceed the carrying amount of the CGU at 31 December 2023 by EUR 288,532 thousand.

Discount rate used in the value-in-use calculation would have to increase to 16.1% for the recoverable amount to be equal to its carrying amount.

Average net energy and services growth rate over 5-year period used in the value-in-use calculation would have to decrease to (1.2)% for the recoverable amount to be equal to its carrying amount.

No reasonable change in long-term revenue growth rate would render recoverable amount equal to its carrying amount.

Navigation

The recoverable amount is estimated to exceed the carrying amount of the CGU at 31 December 2023 by EUR 13,661 thousand.

Discount rate used in the value-in-use calculation would have to increase to 13.0% for the recoverable amount to be equal to its carrying amount.

Average revenue growth rate over 5-year period used in the value-in-use calculation would have to decrease to 8.5% for the recoverable amount to be equal to its carrying amount.

Long-term revenue growth rate would have to decrease to (4.3)% for the recoverable amount to be equal to its carrying amount.

Fleet management solutions

Discount rate used in the value-in-use calculation would have to increase to 12.2% for a significant additional impairment to occur.

Average revenue growth rate over 5-year period used in the value-in-use calculation would have to decrease to 8.6% for a significant additional impairment to occur.

Long-term revenue growth rate would have to decrease to 1.9% for a significant additional impairment to occur.

EBITDA multiple used in FVLCD calculation would have to increase by 17.9% for a significantly lower impairment to occur.

Tax refund and toll CGUs

Impairment charge of EUR 4,446 thousand was recognised in these two CGUs with minor amounts of goodwill, which were mostly resulting from the 2019 ADS Group acquisition. In December 2023, the Group engaged independent experts to perform a valuation of toll and tax refund ADS businesses and concluded that their carrying amounts exceeded recoverable amounts. No class of assets other than goodwill was impaired.

Notes to the financial statements for the year ended 31 December 2023 continued

20. Property, plant and equipment

Cost of property, plant and equipment:

EUR '000	Lands and buildings	Leasehold improvements	Machinery and equipment	Vehicles, fixtures and fittings	Tangibles in progress	OBUs (On-board units)	Total
1 January 2022	**26,391**	**4,165**	**20,951**	**5,595**	**1,573**	**1,907**	**60,582**
Additions	1,551	380	1,610	184	2,073	1,803	7,601
Acquisition of a subsidiary	14	—	61	128	—	1,937	2,140
Disposals	—	(7)	(320)	(895)	(4)	(321)	(1,547)
Translation differences	238	99	367	135	(61)	—	778
31 December 2022	**28,194**	**4,637**	**22,669**	**5,147**	**3,581**	**5,326**	**69,554**
Additions	1,695	789	1,632	321	1,776	6,762	12,975
Acquisition of a subsidiary	3,364	—	379	573	100	7,516	11,932
Disposals	(322)	—	(2,818)	(919)	(339)	(1,924)	(6,322)
Translation differences	960	90	418	175	(105)	857	2,396
31 December 2023	**33,891**	**5,516**	**22,280**	**5,297**	**5,015**	**18,537**	**90,536**

Accumulated depreciation and impairment of property, plant and equipment:

EUR '000	Lands and buildings	Leasehold improvements	Machinery and equipment	Vehicles, fixtures and fittings	Tangibles in progress	OBUs (On-board units)	Total
1 January 2022	**(5,032)**	**(2,105)**	**(14,446)**	**(4,007)**	**—**	**(229)**	**(25,819)**
Depreciation charge	(834)	(724)	(1,005)	(735)	—	(1,492)	(4,789)
Disposals	—	2	456	729	—	170	1,357
Translation differences	(77)	(71)	(224)	(92)	—	(13)	(477)
31 December 2022	**(5,943)**	**(2,898)**	**(15,218)**	**(4,105)**	**—**	**(1,564)**	**(29,728)**
Depreciation charge	(835)	(979)	(1,964)	(765)	—	(4,308)	(8,851)
Disposals	5	—	2,797	884	—	1,007	4,693
Translation differences	(182)	(62)	(295)	44	—	(395)	(890)
31 December 2023	**(6,955)**	**(3,939)**	**(14,680)**	**(3,942)**	**—**	**(5,260)**	**(34,776)**

Net book value of property, plant and equipment:

EUR '000	Lands and buildings	Leasehold improvements	Machinery and equipment	Vehicles, fixtures and fittings	Tangibles in progress	OBUs (On-board units)	Total
Net book value at 31 December 2022	22,251	1,739	7,451	1,042	3,581	3,762	39,826
Net book value at 31 December 2023	**26,936**	**1,577**	**7,600**	**1,355**	**5,015**	**13,277**	**55,760**

Land, buildings and machinery and equipment are subject to pledge in respect of bank loans:

EUR '000	31 December 2023	31 December 2022
Pledged property, plant and equipment	**55,375**	39,467

21. Leases (Group as a lessee)

The Group leases assets including buildings, land and motor vehicles. The average lease term is four years. Leases comprise a larger number of various diversified lease contracts in different locations.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Right-of-use assets

EUR '000	31 December 2023	31 December 2022
Buildings	**18,288**	11,404
Lands	**416**	451
Vehicles and machinery	**3,522**	1,485
Total	**22,226**	13,340
Additions to the right-of-use assets	**14,385**	8,571

Depreciation charge of right-of-use assets

	For the year ended 31 December	
EUR '000	2023	2022
Buildings	**(4,183)**	(2,897)
Lands	**(38)**	(50)
Vehicles and machinery	**(1,059)**	(422)
Total	**(5,280)**	(3,369)

Lease liabilities

EUR '000	31 December 2023	31 December 2022
Long-term lease liabilities	**17,417**	9,510
Short-term lease liabilities	**4,909**	3,917
Total lease liabilities	**22,326**	13,427

EUR '000	31 December 2023	31 December 2022
Within one year	**4,909**	3,917
After one year but not more than five years	**13,140**	7,929
More than five years	**4,277**	1,581
Total lease liabilities	**22,326**	13,427

The discount rates used for new leases to calculate the liabilities was in the range of 3.90% – 5.67% (2022: 1.10% - 3.25%).

Leases in the statement of profit and loss

Leases are shown as follows in the statement of profit and loss:

	For the year ended 31 December	
EUR '000	2023	2022
Other operating income		
Terminated rent	**(2)**	(1)
Other operating expense		
Short-term lease expenses	**1,354**	914
Low-value lease expenses	**144**	105
Other lease expenses (additional costs)	**274**	235
Depreciation and impairment losses		
Depreciation of right-of-use assets	**5,280**	3,369
Net finance costs		
Interest expense on lease liabilities	**306**	261
Currency translation (gains)/losses on lease liabilities	**(120)**	(210)

Notes to the financial statements for the year ended 31 December 2023 continued

22. Investment in associates

Set out below are the associates of the Group:

Name	Measurement method	Registered office	Effective economic interest 2023	Effective economic interest 2022
Threeforce B.V. (Last Mile Solutions)	Equity method	The Netherlands	**27.75%**	27.75%
UAB "Tankita" (Drivitty)	Equity method	Lithuania	**20%**	20%

Both associates are private entities and their financial year ends on 31 December. No quoted prices are available. Drivitty is immaterial to the Group.

Share of net assets was as follows:

EUR '000	2023	2022
Opening balance at 1 January	**12,223**	12,934
Share of net loss	**(504)**	(711)
Closing balance at 31 December	**11,719**	12,223

Commitments and contingent liabilities in respect of associates

The remaining shares of Last Mile Solutions are subject to a put option, which may require the Group to acquire additional 62% shares of the associate. The put option is measured as a derivative instrument and will be settled at gross margin multiple in case it is exercised. As of 31 December 2023, the fair value of the put option is EUR 127 thousand (31 December 2022: EUR 153 thousand) (Note 26).

The Group had a call option to acquire the remaining shares of Drivitty, which expired in December 2023. In late 2023 a discussion of the extension of that option commenced but has not yet been finalised.

Summarised financial information

The following tables provide summarised financial information for Last Mile Solutions, which is considered material to the Group. The information disclosed reflects the amounts presented in the financial statements of the associate and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments. No significant differences in accounting policy have been identified by the Group.

Summarised balance sheet

	Threeforce B.V. (Last Mile Solutions)	
EUR '000	31 December 2023	31 December 2022
Current assets	**49,319**	30,656
Current liabilities	**51,898**	30,136
Current net assets	**(2,579)**	520
Non-current assets	**10,392**	9,085
Non-current liabilities	**303**	484
Non-current net assets	**10,089**	8,601
Net assets	**7,510**	9,121
Reconciliation to carrying amounts:		
Opening net assets	**9,121**	11,261
Loss for the period	**(1,610)**	(2 139)
Translation	**(1)**	(1)
Closing net assets	**7,510**	9,121
Group's share in %	**27.75%**	27.75%
Group's share in EUR '000	**2,084**	2,531
Goodwill	**7,442**	7,442
Carrying amount	**9,526**	9,973

Summarised statement of comprehensive income

	Threeforce B.V. (Last Mile Solutions)	
EUR '000	For the year ended 31 December 2023	For the year ended 31 December 2022
Revenue	**229,771**	102,019
Loss for the period	**(1,610)**	(2,139)
Total comprehensive income	**(1,610)**	(2,139)

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

Equity investments at FVOCI comprise the following individual investments:

EUR '000	31 December 2023	31 December 2022
Unlisted securities		
JITPay GmbH	—	14,364
Total	**—**	14,364

For more information please refer to Note 8.

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

Any related balance within FVOCI reserve will be reclassified to retained earnings on disposal of the equity investment. During the years 2023 and 2022, no related gains or losses were recognised in profit or loss.

Information about the methods and assumptions used in determining fair value is provided in Note 4.2 and Note 9.

24. Inventories

EUR '000	31 December 2023	31 December 2022
Raw materials*	**4,378**	6,652
Goods (excluding on-board units)	**7,447**	9,173
Finished products	**306**	197
On-board units	**2,772**	4,269
Total	**14,903**	20,291

* Represents primarily material for OBUs.

Write-downs of inventories to net realisable value were as follows:

	For the year ended 31 December	
EUR '000	2023	2022
Write-downs of inventories to net realisable value	**8**	183

Write-downs of inventories were recognised as an expense and were included in cost of energy sold in the statement of profit or loss. Goods recognised as an expense are presented in full under cost of energy sold.

Raw materials consumed were as follows:

	For the year ended 31 December	
EUR '000	2023	2022
Raw materials consumed (in other operating expense)	**243**	213

25. Trade and other receivables

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

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

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

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

As security to the Group's bank loans, W.A.G. payment solutions, a.s. has pledged its shares, which has the following impact on trade and other receivables:

EUR '000	31 December 2023	31 December 2022
Pledged receivables	**395,296**	377,044
Total	**395,296**	377,044

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets. The simplified approach adopted by the Group in 2020 uses elements from the general approach; the main difference is that no staging of financial assets is used.

Notes to the financial statements for the year ended 31 December 2023 continued

The carrying value of trade and other receivables approximates their fair value due to their short-term maturities.

On the basis described previously, the loss allowance was as follows:

31 December 2023

EUR '000	Current	Past due 1–90 days	Past due more than 90 days	Total
Gross value of receivables*	**281,454**	**74,287**	**26,042**	**381,783**
Expected credit loss	**235**	**4,292**	**21,932**	**26,459**

31 December 2022

EUR '000	Current	Past due 1–90 days	Past due more than 90 days	Total
Gross value of receivables*	282,947	51,183	24,530	358,660
Expected credit loss	557	2,806	20,709	24,072

* Gross value of receivables excludes receivables from tax authorities, advances granted, prepaid expense and accrued income and contract assets as these are non-financial assets.

Allowances against outstanding receivables that are considered doubtful were charged to the statement of profit or loss based on the analysis of their collectability.

EUR '000	Amount
Allowances at 1 January 2022	19,830
Acquisition of subsidiary	618
Charged	4,163
Utilised	(907)
Unused amounts reversed	(252)
Translation	620
Allowances at 31 December 2022	24,072
Acquisition of subsidiary	1,343
Charged	8,928
Utilised	(7,632)
Unused amounts reversed	(44)
Translation	(208)
Allowances at 31 December 2023	**26,459**

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Typically this is when the customer fails to engage in a repayment plan with the Group, when the customer has been placed under liquidation or has entered into bankruptcy proceedings.

26. Derivatives

The fair value of derivatives in the statement of financial position:

EUR '000	31 December 2023	31 December 2022
Derivative assets		
Foreign currency forwards – held for trading	**—**	1
Interest rate swaps – cash flow hedges	**3,425**	6,943
Total derivative assets at fair value	**3,425**	6,944
Current	**3,425**	3,851
Non-current	**—**	3,093
Derivative liabilities		
Foreign currency forwards – held for trading	**—**	17
Put options related to associates	**127**	153
Interest rate swaps – cash flow hedges	**3,201**	33
Total derivative liabilities at fair value	**3,328**	203
Current	**188**	17
Non-current	**3,140**	186

Put options redemption liability related to non-controlling interests is described in Note 32. Put options related to an associate, which is measured as a derivative instrument and its fair value is EUR 127 thousand as of 31 December 2023, is described in Note 22 (31 December 2022: EUR 153 thousand).

Cash flow hedges

Interest rate risk

The Group obtained club financing facilities (Note 30) with floating interest rates denominated in EUR. The interest rate risk management strategy of the Group requires minimisation of its exposure to changes in cash flow interest rate risk.

The Group concluded interest rate swaps, where the Group pays interest based on a fixed interest rate and receives interest based on a floating interest rate (based on 3M EURIBOR) derived from a principal amount in EUR. This instrument allows the Group to reduce its interest rate cash flow risk.

EUR '000	31 December 2023	31 December 2022
Carrying amount (current and non-current asset)	**3,425**	6,943
Carrying amount (current and non-current liabilities)	**3,201**	(33)
Nominal amount	**278,667**	150,000
Maturity date	**2024 and 2027**	2024 and 2027
Change in fair value of outstanding hedging instruments since 1 January	**(6,686)**	7,185
Change in value of hedged item used to determine hedge effectiveness	**6,686**	(7,185)
Average fixed rate of interest rate swaps	**1.98%**	0.62%

Hedging items

The Group used the following hedging instruments with nominal value:

EUR '000	31 December 2023	31 December 2022
Interest rate swaps	**278,667**	150,000
Total	**278,667**	150,000

Hedging effects to other comprehensive income in the respective periods were the following:

EUR '000	2023	2022
Revaluation interest rate swaps (existing)	**(6,686)**	7,185
Revaluation interest rate swaps (terminated)	**—**	3,865
Reclassification to profit or loss interest rate swaps	**(554)**	(3,311)
Translation	**101**	(137)
Other comprehensive (expense)/income	**(7,139)**	7,602

Net investment hedge

The investments of the Group are held by W.A.G. payment solutions, a.s. ("WAG PS"). Based on this fact, one of the Group's objectives in the area of currency risk management up to March 2023 was to minimise the exposure of W.A.G. PS, whose functional currency was CZK, to changes in the value of its investments arising from fluctuations in exchange rates. A foreign currency exposure arised from net investments in entities whose functional currency differs from CZK. To minimise its exposure to currency risk, W.A.G. PS used loans denominated in EUR to finance acquisitions of its foreign investments.

Following Inelo acquisition in March 2023, W.A.G. PS changed its functional currency to EUR and net investment hedge was discontinued as of this date.

EUR '000	31 December 2023	31 December 2022
Carrying amount (non-current borrowings)	**—**	45,112
Change in carrying amount of bank loan as a result of foreign currency movements since 1 January, recognised in OCI	**—**	(1,353)
Change in value of hedged item used to determine hedge effectiveness	**—**	1,401
Weighted average hedged rate for the year	**—**	24.559 CZK = 1 EUR

Notes to the financial statements for the year ended 31 December 2023 continued

27. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

EUR '000	31 December 2023	31 December 2022
Cash at banks	**90,309**	145,938
Cash on hand	**34**	65
Cash and cash equivalents presented in the statement of financial position	**90,343**	146,003
Bank overdrafts	**(1)**	(2)
Cash and cash equivalents presented in the statement of cash flows	**90,342**	146,001

Pledged cash at bank subject to security of bank loans:

EUR '000	31 December 2023	31 December 2022
Cash at banks pledged	**89,867**	144,259

The fair value of cash and cash equivalents approximates their carrying value due to their short-term maturities.

Credit quality of cash at banks and short-term deposits:

External rating scale

EUR '000	31 December 2023	31 December 2022
Aa	**—**	32
A	**14,747**	23,070
Baa	**63,908**	113,464
Ba	**9,459**	3,151
B	**852**	1,960
Caa	**1,036**	4,048
Unrated	**307**	213
Total	**90,309**	145,938

28. Equity

Shares authorised, issued and fully paid:

	Ordinary shares		Class B share			
	Number of shares	Share capital EUR '000	Number of shares	Share capital EUR '000	Share premium EUR '000	Merger reserve EUR '000
At 1 January 2022	**688,911,333**	**8,107**	**1**	**30,006**	**194,763**	**(25,963)**
Capital reduction[1]	—	—	(1)	(30,006)	(191,805)	—
At 31 December 2022	**688,911,333**	**8,107**	**—**	**—**	**2,958**	**(25,963)**
Share options exercised[2]	560 204	6	—	—	—	—
At 31 December 2023	**689,471,537**	**8,113**	**—**	**—**	**2,958**	**(25,963)**

1 On 13 December 2021, the PLC allotted from merger reserve one Class B share with no voting rights or rights to distributions or rights to the return of capital on winding up. The share has a nominal value of GBP 25,500 thousand (EUR 30,006 thousand). On 14 December 2021, the High Court of Justice in England and Wales made an order confirming the reduction of the share premium account by GBP 163 million (EUR 191.8 million) and the cancellation of the Class B share. However, the capital reduction was only registered by Companies House on 8 January 2022, which is the effective date for financial reporting. The distributable reserves arising from the capital reduction and the Class B share cancellation were transferred to retained earnings in 2022.

2 On 15 August 2023, 560,204 new ordinary shares of the Company were issued in relation to exercised share options. The nominal value of the shares was GBP 0.01 per share resulting in EUR 6 thousand share capital increase.

Share-based payments

The Group has a share option scheme under which options to subscribe for the Group's shares have been granted to management.

Refer to Note 13 for further details on these plans.

Other reserves

EUR '000	Note	Financial assets at FVOCI	Foreign currency translation reserve	Reserve funds	Cash-flow hedge reserve	Total
1 January 2022		**—**	**1,683**	**54**	**(272)**	**1,465**
Change in fair value of cash flow hedge recognised in equity	26	—	—	—	7,602	7,602
Exchange differences on translation of foreign operations (excluding NCI)		—	1,275	—	—	1,275
31 December 2022		**—**	**2,958**	**54**	**7,330**	**10,342**
Change in fair value of cash flow hedge recognised in equity	26	—	—	—	(7,139)	(7,139)
Revaluation – gross	23	(15,475)	—	—	—	(15,475)
Deferred tax		—	—	—	154	154
Exchange differences on translation of foreign operations (excluding NCI)		—	16,545	—	—	16,545
31 December 2023		**(15,475)**	**19,503**	**54**	**345**	**4,427**

Minor balances of reserve funds relate to selected subsidiaries, where the Group is obliged to make annual contributions from local profits.

Notes to the financial statements for the year ended 31 December 2023 continued

Business combinations equity adjustment

This reserve reflects corresponding charge related to the present value of the put options redemption amount (Note 32). Once the put option is exercised and the liability is settled the equivalent amount is transferred from the business combinations equity adjustment reserve to retained earnings. Refer to the Non-controlling interests section below for further details.

Non-controlling interests ("NCI")

In 2021, the Group acquired KomTes Group. As of 31 December 2023, non-controlling interests related to KomTes Group amount to EUR 4,993 thousand (31 December 2022: EUR 3,605 thousand). On 15 December 2023, the Group signed an agreement to acquire the NCI in 2024 (Note 8).

Following the agreement with Sygic non-controlling shareholders in December 2022 (Note 8), the NCI of EUR 5,644 thousand was transferred to business combination equity adjustment. In 2023, controlling shareholders have all the risks and rewards associated with ownership, therefore no profit was attributed to NCI from Sygic.

Following the agreement with Tripomatic s.r.o. non-controlling shareholders in December 2023 (Note 8), the controlling interest of 51% (31 December 2022: 51%) was sold to the non-controlling shareholders for a consideration of EUR 150 thousand. The value of NCI as of the date of the transaction was EUR 525 thousand (31 December 2022: EUR 678 thousand).

In 2023, the Group acquired CVS Group and two FIRETMS.COM subsidiaries with NCI as part of the Inelo acquisition (Note 8). As of 31 December 2023, the NCI relating to CVS Group amounts to EUR 1,053 thousand and the NCI relating to FIRETMS.COM amounts to EUR 335 thousand.

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

Summarised balance sheet

	Sygic		CVS Group	
EUR '000	**31 December 2023**	31 December 2022	**31 December 2023**	31 December 2022
Current assets	**—**	—	**6,224**	—
Current liabilities	**—**	—	**3,484**	—
Current net assets	**—**	—	**2,740**	—
Non-current assets	**—**	—	**5,762**	—
Non-current liabilities	**—**	—	**1,726**	—
Non-current net assets	**—**	—	**4,036**	—
Net assets	**—**	—	**6,776**	—
Accumulated NCI	**—**	—	**1,053**	—

Summarised statement of comprehensive income

	Sygic		CVS Group	
EUR '000	**2023**	2022	**2023**	2022
Revenues	**—**	16,476	**11,560**	—
Profit/(loss) for the period	**—**	228	**1,637**	—
Other comprehensive income	**—**	44	**143**	—
Total comprehensive income	**—**	272	**1,780**	—
Profit allocated to NCI	**—**	169	**85**	—
Other comprehensive income allocated to NCI	**—**	28	**—**	—
Dividends paid to NCI	**—**	56	**—**	—

Summarised cash flows

	Sygic		CVS Group	
EUR '000	**2023**	2022	**2023**	2022
Cash flows from operating activities	**—**	3,812	**2,657**	—
Cash flows from investing activities	**—**	(3,224)	**(1,978)**	—
Cash flows from financing activities	**—**	(314)	**(143)**	—
Net increase/(decrease) in cash and cash equivalents	**—**	274	**536**	—

In 2023, the Group acquired a NCI in CVS Group (Note 8). The effect on the equity attributable to the owners of the Group is summarised as follows:

EUR '000	31 December 2023	31 December 2022
Carrying amount of non-controlling interests acquired	2,512	—
Forward liability in the opening balance sheet	2,515	
Consideration paid to non-controlling interests	(6,976)	—
Excess of consideration paid recognised within retained earnings	(1,949)	—

29. Earnings per share

All ordinary shares have the same rights.

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

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

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

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

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

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

Adjusted earnings per share measures:

	For the year ended 31 December	
	2023	2022
Net (loss)/profit attributable to equity holders (EUR '000)	(45,637)	16,630
Loss after tax for the year from discontinued operations	489	—
Adjusting items affecting Adjusted EBITDA (Note 11)	78,862	18,461
Amortisation of acquired intangibles*	16,653	5,499
Amortisation due to transformational useful life changes	—	1,864
Tax impact of above adjustments*	(5,650)	(2,813)
Adjusted net profit attributable to equity holders (EUR '000)	44,717	39,641
Basic weighted average number of shares	689,126,206	688,911,333
Adjusted basic earnings per share (cents/share)	6.49	5.75
Effects of dilution from share options	2,629,512	816,306
Diluted weighted average number of shares	691,755,718	689,727,639
Adjusted diluted earnings per share (cents/share)	6.46	5.75

* Non-controlling interests impact was excluded.

Options

Options granted to employees under share-based payments are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share assuming the performance criteria would have been met based on the Group's performance up to the reporting date, and to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share as their performance conditions have not been met. Details relating to the options are set out in Note 13.

Notes to the financial statements for the year ended 31 December 2023 continued

30. Interest-bearing loans and borrowings

	Currency	Maturity	Interest rate	**31 December 2023** Total limit in currency	Amount in original currency	Amount in EUR '000	31 December 2022 Total limit in currency	Amount in original currency	Amount in EUR '000
Bank loans									
	EUR	2027/09	3M EURIBOR + margin	**45,000**	**37,865**	**37,865**	45,000	42,941	42,941
	EUR	2027/09	3M EURIBOR + margin	**68,000**	**52,642**	**52,642**	68,000	64,889	64,889
	EUR	2027/09	3M EURIBOR + margin	**37,000**	**34,303**	**34,303**	37,000	35,307	35,307
Multicurrency term and revolving facilities agreement*	EUR	2027/09	3M EURIBOR + margin	**120,000**	**99,364**	**99,364**	—	—	—
	EUR	2027/09	3M EURIBOR + margin	**60,000**	**49,683**	**49,683**	—	—	—
	EUR	2027/09	3M EURIBOR + margin	**50,000**	**44,739**	**44,739**	—	—	—
	EUR	2027/09	3M EURIBOR + margin	**33,500**	**32,850**	**32,850**	—	—	—
Other loans	CZK		fixed rate	**96**	**96**	**5**	393	393	17
Other loans	EUR		fixed rate	**25**	**25**	**25**	—	—	—
Financial liabilities to telecoms	PLN	36 months from the REPO transaction	Fixed rate – 6.29–16.86%	**10,825**	**10,825**	**2,495**	—	—	—
Other non-bank loans	PLN		3M WIBOR + 2%	**642**	**642**	**147**	—	—	—
Revolving facilities and overdrafts	—	—	—	**85,000**	**53,001**	**53,001**	—	2	2
Total	EUR					**407,119**			143,156
Current	EUR					**113,297**			21,884
Non-current	EUR					**293,822**			121,272

* On 21 September 2022, the Group signed a multicurrency term and revolving facilities agreement ("Club Finance facility") with following banks:

a. BNP Paribas S.A. acting through its branch BNP Paribas S.A., pobočka Česká republika
b. Citibank Europe plc acting through its branch Citibank Europe plc, organizační složka
c. Česká spořitelna, a.s.
d. Československá obchodní banka, a. s.
e. Komerční banka, a.s.
f. Raiffeisenbank a.s.
g. UniCredit Bank Czech Republic and Slovakia, a.s.
h. Powszechna Kasa Oszczednosci Bank Polski Spolka Akcyjna acting through PKO BP S.A., Czech branch
i. Česká exportní banka, a.s.

The Club Finance facility consists of four tranches:

- EUR 150 million committed facility A for the refinancing of all existing term loan indebtedness
- EUR 180 million committed facility B for permitted acquisitions and capital expenditure
- EUR 235 million committed auxiliary credit facility, of which EUR 85 million may be utilised by way of revolving loans, and EUR 150 million may be utilised by way of ancillary facilities in the form of bank guarantees, letters of credit, or an overdraft up to EUR 25 million
- EUR 150 million uncommitted incremental facility for permitted acquisitions, capital expenditure, and auxiliary credit facilities up to EUR 50 million of which not more than EUR 25 million can be utilised as revolving loans

The applicable interest rate base margin for the club financing facilities are determined according to the following margin grid and according to the so-called ESG adjustment detailed below:

Net leverage	**Facilities**
> 3.25	2.30% p.a.
≤ 3.25 ≥ 2.50	2.10% p.a.
< 2.50	1.90% p.a.

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

The interest expense relating to bank loans and borrowings is presented in Note 17.

Interest-bearing loans and borrowings are non-derivative financial liabilities carried at amortised cost.

On 10 March 2023, the Group received EUR 180 million through facility B of the Club Finance facility. The new loan was used to finance the Inelo acquisition (Note 8). Interest rate risk was managed by concluding new interest rate swaps.

On 26 May 2023, the Group received EUR 50 million through Incremental Facility I of the Club Finance facility. The purpose of the new drawdown was financing of the capital expenditures incurred or to be incurred. No interest rate swaps were concluded to cover the related interest rate risk. For more information refer to Note 35.

On 15 November 2023, the Group received EUR 33.5 million through Incremental Facility II of the Club Finance facility. The purpose of the new drawdown was financing of the acquisition related payments incurred or to be incurred. No interest rate swaps were concluded to cover the related interest rate risk. For more information refer to Note 35.

As at 31 December 2023 and 2022, the following pledges have been made as a security for aforementioned loans:

- Pledge of shares (mainly W.A.G payment solution, a.s.)
- Pledge of receivables (Note 25)
- Pledge of bank accounts (Note 27)
- Pledge of trademarks

The Group complied with all financial covenants under the Club Finance facility as of 31 December 2023 and 31 December 2022, and forecasts compliance for the going concern period based on the revised terms disclosed in Note 38.

Financial covenant terms of the Club Finance facility were as follows:

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

* The covenant shall not exceed 3.50 in 2025 and onwards.

For covenants calculations, alternative performance measures are defined differently by the Club Finance facility:

- Adjusted EBITDA represents full year Adjusted EBITDA of companies acquired during the period
- Net debt includes lease liabilities and derivative liabilities
- Adjusted net debt includes face amount of guarantees, bonds, standby or documentary letters of credit or any other instrument issued by a bank or financial institution in respect of any liability of the Group

Notes to the financial statements for the year ended 31 December 2023 continued

31. Reconciliation of liabilities arising from financing activities

The table below sets out an analysis of liabilities from financing activities and the movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those reported as financing in the statement of cash flows:

	Liabilities from financing activities		
EUR '000	Borrowings	Lease liabilities	Total
Liabilities from financing activities at 1 January 2022	162,463	8,574	171,037
Cash outflows	(15,014)	(3,112)	(18,126)
New leases	—	8,137	8,137
Foreign exchange adjustments	(159)	(32)	(191)
Other movements*	(4,134)	(140)	(4,274)
Liabilities from financing activities at 31 December 2022	143,156	13,427	156,583
Cash inflows	**356,886**	**—**	**356,886**
Cash outflows	**(97,283)**	**(5,352)**	**(102,635)**
Business combinations	**5,477**	**3,146**	**8,623**
New leases	**—**	**11,239**	**11,239**
Foreign exchange adjustments	**(2,816)**	**7**	**(2,809)**
Other movements*	**1,699**	**(141)**	**1,558**
Liabilities from financing activities at 31 December 2023	**407,119**	**22,326**	**429,445**

* "Other movements" in Borrowings represent effective interest rate adjustment from transaction costs and fair value impact of Inelo bank borrowings at acquisition. The Group classifies interest paid as cash flows from operating activities. The "Other movements" in Lease liabilities represent cancellation of lease liability in connection with premature termination of a lease.

32. Trade and other payables, other liabilities

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

Trade payables are non-interest bearing and are normally settled on 30-day terms. Trade and other payables are non-derivative financial liabilities carried at amortised cost. The fair value of current trade and other payables approximates their carrying value due to their short-term maturities.

Employee-related liabilities include liabilities from social security and health insurance, liabilities payable to employees for salaries and accrued employee vacation to be taken or compensated for in the following accounting period and cash-settled share-based payments.

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

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

Contract liabilities predominantly represent revenue deferred in line with navigation revenue recognition policy (Note 4.3). The movements of contract deferred revenue during the years are as follows:

EUR '000	2023	2022
Opening balance	**6,715**	4,893
Additions	**5,538**	4,988
Acquisition of a subsidiary	**2,497**	—
Release	**(4,426)**	(3,166)
Closing balance	**10,324**	6,715
Short term	**6,971**	4,439
Long term	**3,353**	2,276
Total	**10,324**	6,715

The total amount of deferred revenue is expected to be released in the statement of profit or loss with the following pattern:

Release to statement of profit or loss	1 year	2 years	3–5 years	Total
31 December 2023	**6,972**	**2,187**	**1,165**	**10,324**
31 December 2022	4,439	1,280	996	6,715

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

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

* presented as put option redemption liability as at 31 December 2022 (Note 8).

Put option redemption liability related to non-controlling interests represents present value of expected future settlement.

For explanations on the Group's liquidity risk management processes, refer to Note 35.

33. Provisions

EUR '000	Other provisions
1 January 2022	1,545
Additions	541
Utilised	(21)
Translation	59
31 December 2022	2,124
Additions	405
Utilised	(14)
Acquisition of a subsidiary	1,324
Translation	14
31 December 2023	**3,853**

The provisions mostly relate to unutilised customer credit limits disclosed in Note 35.

34. Contingent assets and liabilities

Off-balance sheet commitments are following:

EUR '000	31 December 2023	31 December 2022
Unutilised customer credit limits	**371,580**	411,859

Credit limits are further described in credit risk section of Note 35.

35. Financial risk management

The Group's classes of financial instruments correspond with the line items presented in the consolidated statement of financial position.

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

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management identifies financial risks that may have an adverse impact on the business objectives and through active risk management reduces these risks to an acceptable level.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

Notes to the financial statements for the year ended 31 December 2023 continued

The sensitivity analyses in the following sections relate to the position as at 31 December 2023 and 31 December 2022.

Sensitivity analyses have been prepared on the basis that net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on provisions and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2023 and 31 December 2022.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank loans and borrowings with floating interest rates.

The Group manages its interest rate risk by entering into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 December 2023, after taking into account the effect of interest rate swaps, the Group's borrowings of EUR 79,200 thousand were at a variable interest rate (excluding revolving facilities and overdrafts). Sensitivity to interest rate changes is disclosed in the table below. As at 31 December 2022, after taking into account the effect of interest rate swaps, the total amount of Group's borrowings was at a fixed rate of interest. The average fixed rate of interest rate swaps is 1.98% at 31 December 2023 (31 December 2022: 0.62%).

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant, the Group's (loss)/profit before tax is affected through the impact on floating rate borrowings as follows:

EUR '000	31 December 2023	31 December 2022
Increase by 50 basis points	**(396)**	—
Decrease by 50 basis points	**396**	—

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group invoices mainly in EUR. However, there are transactional currency exposures that arise from sales and purchases also in other currencies, in particular CZK, PLN, and HUF.

Financial assets and liabilities include cash and cash equivalents, trade and other receivables, interest-bearing loans and borrowings and trade and other payables. All remaining assets and liabilities in foreign currencies are immaterial or not subject to exchange rate exposure (such as property, plant and equipment).

The table below presents the sensitivity of the (loss)/profit before tax to a hypothetical change in EUR, CZK, PLN and other currencies and the impact on financial assets and liabilities of the Group. The sensitivity analysis is prepared under the assumption all the other variables are constant.

Effect of the change in exchange rates between functional currency of each entity and EUR, CZK, PLN and other currencies on (loss)/profit before tax:

EUR '000	% change in rate	31 December 2023	31 December 2022
EUR	+/- 10%	**+/- 17,341**	+/- 7,022
PLN	+/- 10%	**+/- 261**	+/- 429
CZK	+/- 10%	**+/- 8,361**	+/- 379
Others	+/- 10%	**+/- 164**	+/- 2,157

The increase in exposure to EUR mainly relates to the acquisition of Inelo. The exposure would have been higher by additional EUR 14,797 thousand without the change in functional currency of W.A.G. payment solutions, a.s. from CZK to EUR (Note 6).

The Group manages its foreign currency risk by using foreign currency forwards and swaps, the impact of which is as disclosed in Notes 15 and 17. The above effect on (loss)/profit before tax is not adjusted for the impact of derivatives.

Credit risk

Credit risk is the risk a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables). The risk is managed on a Group basis and individual customer credit risk limits are set based on internal ratings. Refer to Note 34 for unutilised customer credit limits.

The outstanding balances of trade receivables and compliance with credit limits are monitored on a regular basis. Group management seeks to minimise exposure of credit risk to single counterparty or group of similar counterparties when possible. As at 31 December 2023 and 31 December 2022, there was no significant concentration of credit risk as there were no individually significant customers.

The Group insures eligible receivables and accepts bank guarantees and collateral pledges to mitigate credit risk.

The Group does not use credit derivatives to mitigate credit risk.

The ageing of receivables is regularly monitored by the Group's management.

Refer to Note 25 for further details.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Group treasury maintains flexibility in funding by maintaining availability under committed credit lines. The Group performs regular monitoring of its liquidity position to keep sufficient financial resources to settle its liabilities and commitments.

The Group's current ratio (current assets divided by current liabilities) is:

	31 December 2023	31 December 2022
Current ratio	**0.97**	1.27

Excluding deferred acquisition considerations and put option redemption liabilities (Note 32), the current ratio would be 1.04 as at 31 December 2023 (31 December 2022: 1.39).

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (EUR '000):

31 December 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Non-derivatives						
Interest-bearing loans and borrowings	**—**	**75,360**	**67,962**	**315,652**	**—**	**458,974**
Lease liabilities	**—**	**1,325**	**4,397**	**14,614**	**5,118**	**25,454**
Trade and other payables*	**—**	**337,145**	**27,244**	**5,883**	**—**	**370,272**
Total non-derivatives	**—**	**413,830**	**99,603**	**336,149**	**5,118**	**854,700**
Derivatives						
Trading derivatives	**—**	**—**	**—**	**—**	**—**	**—**
Total derivatives	**—**	**—**	**—**	**—**	**—**	**—**

31 December 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Non-derivatives						
Interest-bearing loans and borrowings	—	7,550	22,789	142,411	—	172,750
Lease liabilities	—	1,179	2,969	7,959	2,020	14,127
Trade and other payables*	—	354,545	10,911	26,197	—	391,653
Total non-derivatives	—	363,274	36,669	176,567	2,020	578,530
Derivatives						
Trading derivatives	—	17	—	—	—	17
Total derivatives	—	17	—	—	—	17

* Trade and other payables exclude tax payables, advances received and contract liabilities as these are non-financial liabilities.

Notes to the financial statements for the year ended 31 December 2023 continued

36. Capital management

The primary objective of the Group's capital management is to ensure it has the capital required to operate and grow the business at a reasonable cost of capital without incurring undue financial risks. For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the Company. In addition, the Board considers the management of debt to be an important element in controlling the capital structure of the Group. The Group utilises long-term debt to fund investments and acquisitions and has arranged debt facilities to allow for fluctuations in working capital requirements.

The primary objective of the Group's capital management is to maximise the shareholder value. The Group's capital allocation principles include:

- Investment in technology and capabilities for organic growth
- Investment in value-accretive strategic acquisitions
- Maintaining a robust balance sheet and financial strength to provide strategic flexibility
- Prioritising growth over dividends with no intention to declare dividends in the near term

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using the gearing ratio:

EUR '000	31 December 2023	31 December 2022
Interest bearing loans	**407,119**	143,156
Cash and cash equivalents	**(90,343)**	(146,003)
Net indebtedness	**316,776**	(2,847)
Total equity attributable to Company	**256,455**	312,280
Gearing ratio	**123.52%**	(0.91)%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. The Group has secured an allowed net leverage spike of half a turn of total net debt to Adjusted EBITDA for two consecutive reporting periods in the Club Finance facility. Further details are disclosed in Note 30.

No changes were made in the objectives, policies or processes for managing capital during the above period.

37. Related party disclosures

Company

The Company controlling the Group is disclosed in Note 1.

Subsidiaries

Interests in subsidiaries are set out in Note 7.

Key management personnel compensation

Key management personnel compensation is disclosed in Note 12.

Ultimate controlling party

The Company is the ultimate parent entity of the Group and it is considered that there is no ultimate controlling party. Decision making is made collectively by the Board of Directors or by Board sub-committees on behalf of the Board. The Board is the first to approve many of the items brought to vote at the Annual General Meeting (e.g. Directors' appointments and resignations, authority to allot shares, annual accounts approval, appointment of auditors). Mr Vohánka does not control either the Board of Directors or its sub-committees.

Paid dividends

Paid dividends are disclosed in consolidated statement of changes in shareholders' equity.

Transactions with other related parties

	For the year ended 31 December	
EUR '000	2023	2022
Sale of goods to key management personnel	**1**	1
Sale of fixed assets (vehicles) to key management personnel	**3**	29
Purchases of various goods and services from key management personnel	**—**	3
Purchases of various goods and services from entities controlled by the Company's shareholders	**—**	11
Purchases of various goods and services from entities controlled by key management personnel*	**1,730**	16
Purchases of various goods and services from associates	**6**	—
Payment made to Company's shareholders in relation to share capital	**—**	58
Sale of W.A.G. payments solutions, a.s. shares to key management personnel	**—**	—
Sale of W.A.G payments solutions PLC shares to key management personnel	**6**	—

* The Group acquired the following goods and services from entities that are controlled by members of the Group's key management personnel: software development, marketing research, consultancy, taxi services.

Outstanding balances arising from sales/purchases of goods and services

EUR '000	31 December 2023	31 December 2022
Trade payables to entities controlled by key management personnel	138	—

In December 2023, an agreement for purchasing of the remaining 49% interest in KomTes Chrudim, s.r.o. was entered into with two minority shareholders, Jiří Daněk and Daniel Říha. As they were both Directors of KomTes Group subsidiaries during 2023, the transaction is considered a related party transaction. Under UK Listing Rules, the two combined KomTes subsidiaries were classified as an insignificant subsidiary undertaking. After signing the agreement, they were replaced in their positions as KomTes Group Directors as of 1 January 2024. For more information on the transaction, please refer to Note 8.

During 2022, an agreement for purchasing the remaining 30% interest in Sygic was entered into with various minority shareholders, including QQ Capital SE (investors include Michal Stencl), Pasanote Capital (investors include Jan Sameliak) and others. As Michal Stencl and Jan Sameliak were both Directors of Sygic during 2022, the transaction is considered a related party transaction. After signing the agreement, Michal Stencl and Jan Sameliak were replaced in their positions as Sygic's Directors. For more information on the transaction, please refer to Note 8.

As at 31 December 2023 and 2022, the Group had no outstanding loans, credit, security or other benefits in either monetary or in-kind form with persons who are the governing body or to members of governing or other management and supervisory bodies, including former officers and members of those bodies.

Selected employees benefit from the private use of the Group cars.

Terms and conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders. Goods were sold during the year based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

38. Subsequent events

Pay-out of deferred consideration

On 2 January 2024, the Group paid deferred acquisition consideration of EUR 5,000 thousand related to the acquisition of WebEye.

Acquisition of 4.19% interest in CVS Mobile d.d.

On 7 February 2024, the Group acquired the remaining 4.19% interest in CVS mobile d.d. through its subsidiary Napredna telematika d.o.o. for a consideration of EUR 760 thousand.

Amendment to the Club Finance facility

On 14 March 2024, the Group signed an amendment to the Club Finance facility, which increased share of revolving loans within uncommitted incremental facility up to EUR 40 million (previously up to EUR 25 million in Note 30). The total amount of uncommitted incremental facility remains unchanged.

The amendment also removes the interest cover covenant for the six months ended 30 June 2024.

JITpay GmbH insolvency

On 22 March 2024 District Court of Braunschweig appointed provisional insolvency administrator of JITpay GmbH, a holding company of JITpay group. The Group continues discussions with the other stakeholders to determine the impact on our investment, which had a valuation of nil as at 31 December 2023 (Note 9).

Company statement of financial position (EUR '000)

	Notes	As at 31 December 2023	As at 31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment		**380**	359
Right-of-use assets		**556**	741
Investments in subsidiaries	6	**191,270**	126,306
Financial assets at amortised costs	7	**79,814**	—
Deferred tax assets		**—**	236
Other non-current assets		**512**	511
Total non-current assets		**272,532**	128,153
Current assets			
Trade and other receivables	9	**968**	147,999
Cash and cash equivalents	10	**476**	1,744
Total current assets		**1,444**	149,743
TOTAL ASSETS		**273,976**	277,896
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	11	**8,113**	8,107
Share premium	11	**2,958**	2,958
Merger reserve	11	**42,035**	42,035
Retained earnings		**218,160**	217,856
Total equity		**271,266**	270,956
Non-current liabilities			
Lease liabilities		**385**	613
Total non-current liabilities		**385**	613
Current liabilities			
Trade and other payables	12	**2,171**	6,124
Lease liabilities		**154**	203
Total current liabilities		**2,325**	6,327
TOTAL EQUITY AND LIABILITIES		**273,976**	277,896

As permitted by section 408 of Companies Act 2006, a separate statement of comprehensive income for W.A.G. payment solutions plc has not been included in these financial statements. Total comprehensive loss for the year amounted to EUR 2.0 million (financial year ended 31 December 2022: EUR 3.5 million).

The notes on pages 196 to 200 are an integral part of these financial statements.

The financial statements on pages 194 to 195 were approved by the Board of Directors and authorised for issue on 26 March 2024. They were signed on its behalf by:

Paul Manduca
Chairman

Oskar Zahn
Chief Financial Officer

Company No. 13544823

Company statement of changes in shareholders' equity (EUR '000)

	Notes	Share capital	Share premium	Merger reserves	(Accumulated losses)/Retained earnings	Total equity
At 1 January 2022	11	38,113	194,763	42,035	(1,398)	273,513
Loss for the period		—	—	—	(3,506)	(3,506)
Total comprehensive income		—	—	—	(3,506)	(3,506)
Transactions with owners in their capacity as owners:						
Capital reduction	11	(30,006)	(191,805)	—	221,811	—
Share-based payments	11	—	—	—	949	949
At 31 December 2022		8,107	2,958	42,035	217,856	270,956
Loss for the period		—	—	—	(2,029)	(2,029)
Total comprehensive income		—	—	—	(2,029)	(2,029)
Transactions with owners in their capacity as owners:						
Issue of share capital	11	6	—	—	—	6
Share-based payments					2,333	2,333
At 31 December 2023		**8,113**	**2,958**	**42,035**	**218,160**	**271,266**

Notes to the Company financial statements

1. Corporate information

W.A.G payment solutions plc (the "Company") 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 trade on the London Stock Exchange plc's main market for listed securities on 13 October 2021.

The Company was incorporated on 3 August 2021.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The financial statements are presented in EUR and all values are rounded to the nearest thousand (EUR '000), except where otherwise indicated.

The Company's fiscal year begins on 1 January and ends on 31 December.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows)
  - 16 (statement of compliance with all IFRS)
  - 38A (requirement for minimum of two primary statements, including cash flow statements)
  - 38B-D (additional comparative information)
  - 111 (statement of cash flows information)
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group

Going concern

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

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

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

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

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

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

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

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

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

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

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

3. Summary of significant accounting policies

The accounting policies used in preparing the Company financial statements are set out below. These accounting policies have been consistently applied in all material respects to all periods presented.

3.1. Share-based payments

The Company operates an equity-settled share-based compensation plan ("PSP"), under which subsidiaries receive services from employees as consideration for equity instruments (options) of the Company. The cost related to the subsidiaries' employees service is treated as investment value in subsidiaries. The awards represent capital contribution to the subsidiaries as no payment (except nominal value of ordinary shares) is expected for the equity-settled share-based payment awarded to their employees.

3.2. Investment in subsidiaries

Investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid.

The cost related to the subsidiaries' employees service is treated as investment value in subsidiaries. The awards represent capital contribution to the subsidiaries as no payment is expected for the equity-settled share-based payment awarded to their employees.

Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Investments that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.3. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Trade and other receivables

Trade and other receivables are carried at original invoice amount less an allowance for impairment of these receivables.

For intercompany loans repayable on demand, expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. The borrower situation is assessed whether it has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date or, if the borrower could not repay the loan if demanded at the reporting date, the Company considers expected manner of recovery to measure expected credit losses.

Notes to the Company financial statements continued

Trade and other payables

Trade payables are recognised at their nominal value, which is deemed to be materially the same as the fair value.

3.4. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks.

3.5. Foreign currency transactions

The functional currency of the Company is EUR.

Transactions in foreign currencies are initially recorded by the Company at its functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange valid at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the profit or loss account as finance income and expenses. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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 2023:

- IFRS 17, Insurance Contracts
- Amendments to IAS 8 - Definition of accounting estimates
- Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies
- International Tax Reform – Pillar Two Model Rules – amendments to IAS 12

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

5. Significant accounting judgements, estimates and assumptions

There are no significant accounting judgements or estimates applicable to Company's financial statements.

6. Investments in subsidiaries

EUR '000	2023	2022
Opening value	**126,306**	79,398
Capital contribution to W.A.G payment solutions, a.s.	**63,500**	45,959
Share-based payments	**1,464**	949
As at 31 December	**191,270**	126,306

On 1 July 2022, the Company signed an agreement on voluntary surcharge outside of register capital with its subsidiary W.A.G payment solutions, a.s amounting to EUR 45,959 thousand. The surcharge was set off against part of the intercompany loan in Note 7 and 9.

In 2023, there was another surcharge amounting to EUR 63,500 thousand, set off against the intercompany loan.

The capital contribution relating to share-based payments relates to share-based payments issued to employees of subsidiary undertakings in the Group. For full details of the Group's share-based payments, refer to Note 13 to the consolidated financial statements.

7. Financial assets at amortised costs

EUR '000	31 December 2023	31 December 2022
Intercompany loans	**79,814**	—
Total	**79,814**	—

As of 28 June 2023, the Company signed an amended intercompany loan agreement with an interest rate of 5.23% p.a. and the borrower shall repay all or any part of the loan together with accrued interest on a date to be determined by mutual agreement of both contractual parties, but no later than 30 November 2026. The balance of the loan is therefore classified as non-current asset.

8. Share-based payments

Certain Group employees have been granted options over the shares in the Company. Refer to the accounting of the investment for details on the awards granted and the related accounting (Note 3).

Share options outstanding at the end of the year are the same as per the consolidated financial statements. Therefore, we refer to Note 13 to the consolidated financial statements.

9. Trade and other receivables

EUR '000	31 December 2023	31 December 2022
Intercompany receivables	—	147,127
Receivables from tax authorities	259	395
Advances granted	461	358
Prepaid expenses	248	119
Total	**968**	147,999

As of 3 December 2021, the Company entered into loan agreement with W.A.G. payment solutions, a.s. Under the agreement, the Company provided a loan facility up to EUR 190 million repayable on demand, but no later than 30 November 2026. Interest rate up to 30 June 2022 was 1.02 % p.a. On 1 July 2022 following subordination of the intercompany loan to club financing banks in the consolidated financial statements Note 30, the interest rate was amended to 12M EURIBOR + margin.

Trade and other receivables are non-derivative financial assets carried at amortised cost. The carrying value of trade and other receivables approximates their fair value due to their short-term maturities.

10. Cash and cash equivalents

EUR '000	31 December 2023	31 December 2022
Cash at banks	476	1,744
Cash and cash equivalents	**476**	1,744

The fair value of cash and cash equivalents approximates their carrying value due to their short-term maturities.

11. Equity

Shares authorised, issued and fully paid:

	Ordinary shares		Class B share			
	Number of shares	Share capital EUR '000	Number of shares	Share capital EUR '000	Share premium EUR '000	Merger reserve EUR '000
As at 1 January 2022	688,911,333	8,107	1	30,006	194,763	42,035
Capital reduction[1]	—	—	(1)	(30,006)	(191,805)	—
At 31 December 2022	688,911,333	8,107	—	—	2,958	42,035
Issue of share capital[2]	560,204	6	—	—	—	—
At 31 December 2023	**689,471,537**	**8,113**	**—**	**—**	**2,958**	**42,035**

Notes:

1 On 13 December 2021, the Company allotted from merger reserve one Class B share with no voting rights or rights to distributions or rights to the return of capital on winding up. The share has a nominal value of GBP 25,500 thousand (EUR 30,006 thousand). On 14 December 2021, the High Court of Justice in England and Wales made an order confirming the reduction of the share premium account by GBP 163 million (EUR 191.8 million) and the cancellation of the Class B share. However, the capital reduction was only registered by Companies House on 8 January 2022, which is the effective date for financial reporting. The distributable reserves arising from the capital reduction and the Class B share cancellation were transferred to retained earnings in 2022.

2 On 15 August 2023, 560,204 new ordinary shares of the Company were issued in relation to exercised option plan. The nominal value of the shares was GBP 0.01 per share resulting in EUR 6 thousand share capital increase.

Merger reserve

Merger reserve includes a reserve for the share for share exchange transaction that qualified for merger relief in accordance with section 612 of the Companies Act 2006. The difference between the investment in W.A.G payment solutions, a.s. and the share capital issued during Group reorganisation was recognised as a merger reserve. The merger reserve is non-distributable.

Notes to the Company financial statements continued

12. Trade and other payables

EUR '000	31 December 2023	31 December 2022
Trade payables	**1,478**	5,004
Employee related liabilities	**583**	168
Intercompany payable	**110**	952
Total	**2,171**	6,124

Trade payables are non-interest bearing and are normally settled on 30-day terms. As at 31 December 2022, trade payables were mostly related to the acquisition of Inelo.

Trade and other payables are non-derivative financial liabilities carried at amortised cost. The fair value of current trade and other payables approximates their carrying value due to their short-term maturities.

13. Employee expenses

Employee expenses of the Company consist of the following:

	For the period ended 31 December	
EUR '000	2023	2022
Wages and salaries	**2,992**	1,264
Social security and health insurance	**390**	186
Share-based payments	**869**	—
Total employee expense	**4,251**	1,450

Information regarding Directors is included in the Directors' Remuneration Report on page 118.

The monthly average number of employees by category during the period was as follows:

	For the period ended 31 December 2023	For the period ended 31 December 2022
General and administrative	**12**	9
Total average number of employees	**12**	9

14. Contingent liabilities

The Company has guaranteed Webeye acquisition disclosed in Note 8 to the consolidated financial statements. The Company has assessed the probability of loss under this guarantee as remote.

15. Information included in the notes to consolidated financial statements

Some of the information included in the Notes to the consolidated financial statements is directly relevant to the financial statements of the Company.

Please refer to the following:

- Note 2 – Auditors' remuneration
- Note 7 – Subsidiaries
- Note 12 – Key management personnel
- Note 13 – Share-based payments
- Note 37 – Related parties
- Note 38 – Subsequent events

Glossary

Glossary

AGM – Annual General Meeting

CDP – Carbon Disclosure Project

CEE – Central and Eastern Europe

CFD – Climate-related Financial Disclosure requirements

CGU – Cash Generating Unit

CNG – compressed natural gas

CRT – Commercial Road Transport

CSR – Corporate Social Responsibility

CSRD – Corporate Sustainability Reporting Directive

DCF – Discounted Cash Flow

DSO – Days Sales Outstanding

EETS – European Electronic Toll Service

eNPS – Employee Net Promoter Score

ERP – Enterprise Resource Planning

ESG – Environmental, Social and Governance

EVA – Enhanced Vehicle Assistant

FCA – Financial Conduct Authority

FRC – Financial Reporting Council

GDP – Gross Domestic Product

GHG – Greenhouse Gas Emissions

HVO – hydrotreated vegetable oil

IoT – Internet of Things

LNG – liquefied natural gas

NCI – Non-Controlling Interest

NPS – Net Promoter Score

OBU – On-Board Unit

OEM – Original Equipment Manufacturer

SaaS – Software as a Service

SLA – Service-Level Agreement

SME – Small and Medium-sized Enterprise

TCFD – Task Force on Climate-related Financial Disclosures

TCO – Total Cost of Ownership

Company information

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Produced by
designportfolio

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