

19 January 2023

EUROWAG

Trading Update

Continued positive trading momentum; net revenue growth for the full year in-line with medium term guidance

W.A.G payment solutions plc ("Eurowag", or the "Group") a leading pan-European integrated payments & mobility platform focused on the Commercial Road Transportation ("CRT") industry, today announces an unaudited trading update for the 12 months period ending 31 December 2022.

Financial highlights¹

- Net revenue for the full year is expected to be at least €189m (FY 2021: €153m). This represents a year-on-year growth rate of approximately 24%, demonstrating the resilience of our business model and the importance of our mission critical solutions to the CRT industry, despite the challenging macroeconomic environment.
- Organic net revenue, excluding the acquisition of Webeye, is expected to be at least €181m, representing year-on-year growth of approximately 18%, in-line with medium term guidance.

	Net revenue (€m)		Year-on-year growth (%)	Organic revenue ² (€m)	Organic year-on-year growth (%)
	Unaudited FY 2022	Audited FY 2021		Unaudited FY 2022	
Payment solutions	134	113	19	133	18
Mobility solutions	55	40	38	48	20
Total	189	153	24	181	18

Operational highlights¹

- The Group's solid financial performance was underpinned by strong operational performance. At the end of FY 2022:
 - The average number of payment solutions active customers rose year-on-year by 13% to 16,900 (FY 2021: 15,020);
 - The average number of payment solutions active trucks rose 7% to 88,100 (2021: 82,640).

Notes:

- Please note the numbers are unaudited and are therefore preliminary. Final 2022 audited results for the Group are expected to be published on 16 March 2023.
- Organic revenue excludes net revenues from our Webeye acquisition.

Strategic highlights

Update on the proposed acquisition of Inelo

In October 2022, the Group reached an agreement for W.A.G. payment solutions a.s., a wholly-owned subsidiary of Eurowag, to acquire 100% of the share capital of Inelo for up to €306 million (subject to certain closing adjustments). Inelo is a leading fleet management solutions provider with mission critical Working Time Management software in Poland, the largest CRT market in Europe, with critical mass in Slovenia, Croatia and Serbia. Along with a larger geographic footprint, the proposed acquisition would also roughly double Eurowag's number of connected trucks, adding approximately 87,000³ connected trucks to Eurowag's platform.

Following the announcement, the Company has subsequently received foreign direct investment regulatory and antitrust approval from the relevant authorities in Poland, North Macedonia and Slovenia. The shareholder circular and Notice of General Meeting is expected to be sent to shareholders in early 2023, following the approval of the FCA, with completion expected in Q1 2023.

Updated agreement with Sygic a.s.

In December 2022, the Group entered into an agreement to acquire the remaining 30% equity interest in Sygic a. s. ("Sygic") for a total consideration of €14.4 million. The consideration and ownership of the 30% equity interest is to be payable and transferred in April 2024, in line with the original option agreement. Having full control of Sygic's resources will allow the Group to fully utilise Sygic's digital expertise and people capabilities, which will enable us to accelerate our digital sales channel and integrated product initiatives.

Outlook

1. The Group's medium term guidance is based on the assumption that the Group will achieve a year-on-year revenue growth of approximately 20% over the next three years.

Looking ahead, there continues to be elevated risks and uncertainty with respect to the future of the European economy. That being said, as a result of Eurowag's compelling strategy and resilient business model, the Board continues to expect over the medium-term to deliver annual organic net revenue growth of between high-teens and low-twenties percent. Following the completion of the proposed Inelo acquisition the change in revenue mix may impact the pace of adjusted EBITDA margin trending from mid-forties into the high-forties over the medium-term. However, the revenue contribution from the mobility solutions segment is expected to increase substantially, strengthening the Group's subscription-based revenues.

Martin Vohánka, CEO and Founder said:

"I am pleased to announce that we have ended the year with another strong quarter, maintaining the positive momentum we saw in the first nine months of the year. This performance once again demonstrates the resilience of our business model, as well as the mission critical nature of the solutions we provide to the CRT industry across Europe. Whilst it's been a challenging year with the war in Ukraine and supply chain disruptions, I would like to thank all our colleagues for their hard work for helping our customers stay on the road throughout 2022.

We made excellent progress towards achieving our strategic ambitions in 2022, which focus on both organic and inorganic growth. In the year, we expanded our customer base, customer solutions and geographic presence with the new strategic partnership with JItpay, the acquisition of WebEye and the proposed acquisition of Inelo. Together with the progress we made in developing our own digital capabilities, takes us one step closer to achieving our vision of creating a fully integrated digital end-to-end platform for our customers. Despite the challenging macroeconomic conditions, it is clear that our platform has the potential to transform the CRT industry for the better, and so we enter 2023 with confidence."

³ Inelo connected trucks represent the number of medium and heavy commercial vehicles over 3.5 tonnes that have an Inelo on-board unit installed within the vehicle.

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About Eurowag

Eurowag was founded in 1995 and is a leading pan-European integrated payments & mobility platform focused on the Commercial Road Transportation ("CRT") industry. Eurowag's innovative solutions makes life simpler for small and medium businesses in the CRT industry across Europe through its unique combination of payments solutions, seamless technology, a data-driven digital ecosystem and high-quality customer service.

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