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W.A.G payment solutions plc ("Eurowag" or the "Group")

Interim results for the six months ended 30 June 2023

Robust growth despite macro pressures, large-scale digital transformation continues

W.A.G payment solutions plc ("Eurowag" or the "Group"), today announces its interim results for the six-month period ended 30 June 2023.

H1 financial highlights

- Net revenue[1] up 36.9% year-on-year to €119.1m, with organic growth[2] of 14.4%.
  - Payment solutions revenue[1] grew by 14.1% year-on-year to €72.4m, with organic growth[2] of 12.5%. Economic headwinds have impacted the Commercial Road Transport ("CRT") industry, with fewer kilometres driven.
  - Mobility solutions revenue[1] grew 98.6% year-on-year to €46.7m, with organic growth[2] of 19.9%; reflecting strong sales across all our mobility products.
- Adjusted EBITDA[1] up 43.5% year-on-year to €50.2m, with margin[1] of 42.2%, reflecting the impact of acquisitions. Organic adjusted EBITDA[1] up 21.6% to €42.6m, with margins at 43.3% (H1 2022: 40.7%); Excluding the benefit from the foreign exchange gain as a result of our prudent currency risk management[3], organic adjusted EBITDA was €36.6m.
- Transformational capex of €11.7m and ordinary capex of €12.9m, with our transformational programme on track to finish at the end of the year, in-line with guidance.
- On a statutory basis, profit before tax was €8.5m, a decrease of 36.7% year-on-year; due to higher depreciation from our transformational capital expenditure programme, the inclusion of our new acquisitions, and higher interest costs following the acquisition of Grupa Inelo S.A. ("Inelo").
- Net debt position of €300.9m (H1 2022: cash position of €28.7m); leverage increased as expected to 2.9x net debt to adjusted EBITDA[4].

Martin Vohánka, Founder and CEO, commented:

"We delivered strong double-digit organic growth in the first half of the year. This was in spite of the macroeconomic headwinds across Europe which are impacting the CRT industry through a notable slowdown in freight demand, in turn delivering a reduction in kilometres driven. Our performance against this backdrop continues to demonstrate the resilience of our business model which delivers significant growth through the cycle and that our products are truly mission critical to our customers.

This year we have entered a new transformation phase. Our priority is the integration of our newly acquired businesses to ensure we fully capture the synergies and cross sell opportunities, as well as deliver on our vision of providing the industry's first end-to-end digital platform next year. Our transformational capex programme, which remains on track to finish at the end of this year, has allowed us to develop and expand our product and service capabilities, strengthen our business operations, and build a unique and scalable technology platform, which we look forward to discussing further at our Capital Markets Day in October.

There is still a lot of work to do, but I am pleased with the progress made so far this year. We have moved closer to the launch of our integrated platform, which, together with the integration of our acquisitions, gives me confidence that we can unlock further value for both our customers and our shareholders."

H1 financials

Key statutory financials	**H1 2023**	**H1 2022**	**YoY growth (%)**
Revenue from contracts with customers (€m)	1,017.6	1,160.8	(12.3)%
Profit before tax (€m)	8.5	13.4	(36.7)%
Basic EPS (cents/share)	0.76	1.29	(41.1)%

Alternative performance measures [1]	**H1 2023**	**H1 2022**	**YoY growth (%)**	**H1 2023 organic**[2]	**Organic YoY growth (%)**
Net revenue (€m)	119.1	87.0	36.9%	98.3	14.4%
Payment solutions revenue (€m)	72.4	63.5	14.1%	71.4	12.5%
Mobility solutions revenue (€m)	46.7	23.5	98.6%	26.9	19.9%
Adjusted EBITDA (€m)	50.2	35.0	43.5%	42.6	21.6%
Adjusted EBITDA margin (%)	42.2	40.2	+1.9pp	43.3	+2.5pp
Adjusted basic EPS (cents/share)	2.90	2.35	23.1%	1.80	(23.7)%

H1 operational highlights

H1 operational highlights

	H1 2023	H1 2022	YoY growth (%)
Average active payment solutions customers[5]	18,053	16,523	9.3%
Average active payment solutions trucks[5]	91,864	87,626	4.8%
Payment solutions transactions[6]	18.4m	17.7m	4.1%

H1 strategic highlights

- M&A strategy adding key capabilities and services:
    - Completed the acquisition of Inelo in March;
    - JITpay GmbH's ("JITPay") call option exercised in July to buy an additional 18.01%, taking total ownership to 28% once completed.
- Integration of WebEye Telematics Zrt. ("Webeye") and Inelo:
    - Webeye organisation integrated, including moving their sales force into Eurowag as one agile sales team;
    - Inelo integration workstreams in place to ensure seamless transition, focus on cross-sell initiatives.
- Grow core services:
    - European Electronic Toll Service ("EETS") certification in the Czech Republic and Hungary.
- Expand platform capability:
    - Improving customer self-care portal to support end-to-end digital user experience;
    - Continue to develop our financial platform capability, for e-wallet launch in FY 2024;
    - Good progress made on data lake to improve data analytics and reporting governance.

Outlook and update to medium term guidance

Eurowag entered 2023 in a strong position and continues to grow, in spite of the macroeconomic environment currently impacting the CRT industry across Europe. This includes high inflation and interest rates, and a slowdown of product manufacturing which has led to a notable slowdown in freight demand and therefore fewer kilometres driven by our customers. Anticipated challenges have arisen from our decision taken last year, following the Russian invasion of Ukraine, to adapt our business operations to a level beyond the restrictions the sanctions imposed and withdrew all operations and fuel purchases with any exposure to Russia, which has impacted fuel pricing in some of our markets. Our robust results in the first half are therefore a reflection of the strength of our business model in that we have a loyal and growing customer base and provide truly mission-critical products and services. With the combination of market headwinds and the transformative programme we are undergoing, we expect in the near-term net revenue percentage growth to be around mid-teens. In the medium-term, we expect revenue percentage growth to return to high-teens, reflecting the value creation from our platform through the growth in customers, the cross-sell opportunities and the full extraction of acquisition synergies.

In the first half, excluding a favourable foreign exchange gain, organic adjusted EBITDA grew 4.6% with margins of 37.2%. Organic adjusted EBITDA margins were impacted in the first half due to our cost increases being ahead of net revenue growth, with net revenues expected to be second half weighted due to our usual seasonality. Along with the net revenue weighting in the second half and cost actions already proactively taken through headcount reduction in anticipation of integrating Webeye and Inelo into our organisational structure, we expect margin levels to be in-line with FY 2022, at around 43%. We still expect our margin in the medium-term to move to high-forties as operational leverage and acquisition synergies are realised.

We expect to finalise our transformational capex programme at the end of the year, on time and in budget, having invested significantly in the last few years in developing the industry's first digitally integrated end-to-end platform. We will continue to invest in the business through ordinary capex. Following the acquisition of Inelo and Webeye, we expect ordinary capex to move just above 10 percent of net revenues for the end of this financial year. Inelo and Webeye have historically invested a higher percentage of net revenues, with Inelo spending half of its capex on hardware. As results of these acquisitions, we are updating our medium-term ordinary capex guidance to be around 10 percent of net revenues. We do anticipate reducing duplications across IT, hardware, and technology over time through a combination of integration and the transition to a single technology platform.

With the recent acquisition of Inelo, our leverage ratio at the half year increased as expected to 2.9x net debt to adjusted EBITDA. It is still a priority to return to within our targeted leverage ratio range of 1.5x to 2.5x.

The next two years are important to us, with the delivery of the integrated platform as well as the transformation of the business, including the integration of those businesses we have acquired recently. With further growth opportunities through cross-sell and geographic expansion, and the value we see being unlocked for customers through the new platform, we are confident that we can continue to deliver strong growth for all stakeholders.

The Board's expectations for the full year remain unchanged.

Notes:

1. Please refer to the section Explanation of Alternative Performance Measures for a definition and see note 9.
2. Organic growth excludes Webeye and Inelo performance and recurring Inelo integration expenses.
3. We use forward currency contracts to mitigate any Euro foreign exchange fluctuations.
4. Net debt includes lease liabilities and derivative liabilities.
5. An active customer or truck is defined as using the Group's payment solutions products at least once in a given month.
6. 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.

Investor and analyst presentation today

Martin Vohánka (CEO) and Oskar Zahn (CFO) will host a virtual presentation and a Q&A session for investors and analysts today, 07 September 2023, at 9.00am BST. The presentation and webcast details are available on the Group's website at https://investors.eurowag.com

Please register to attend the investor presentation via the following link: https://www.lsegissuerservices.com/spark/WAGPAYMENTSOLUTIONS/events/1f78cd93-d600-4b62-9427-d827694c8ded

Should you want to ask questions at the end of the presentation, please use the following link: https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=7451850&linkSecurityString=1306449012

We are hosting our **Capital Markets Day on 11 October 2023 from 8.30 to 13.00 in London.** Please contact the investor relations team (investors@eurowag.com) if you would like to register to attend in person, or for those who are not based in London, we can provide a video link for the event. We would encourage investors and analysts to attend in person, as you will have the opportunity to meet the Executive team and you will be able to interact with some of our colleagues who will be showcasing some of our products and services.

ENQUIRIES

Eurowag
Carla Bloom
Head of Investor Relations and Communications
+44 (0) 789 109 4542
investors@eurowag.com

Instinctif Partners
Tim McCall, Galyna Kulachek, Bryn Woodward
IR and international media
+44 (0)20 7457 2020
eurowag@instinctif.com

About Eurowag

Eurowag was founded in 1995 and is a leading pan-European integrated payments and mobility platform focused on the CRT industry. Eurowag's innovative solutions makes life simpler for small and medium businesses in the CRT industry across Europe through its unique combination of payments solutions, seamless technology, a data-driven digital ecosystem and high-quality customer service. https://investors.eurowag.com

Chief Executive Officer's Review

Eurowag's purpose has always been about driving change within the CRT industry, helping it to become clean, fair, and efficient. The only way to achieve this is by digitising the industry through a digitally integrated solution. Today, the industry is still heavily reliant on analogue solutions and has a highly fragmented product and services eco-system. Eurowag has been innovating for three decades, evolving with its customers' needs and expanding its suite of missional critical products and services to keep them on the road. To help digitise the industry, Eurowag has more recently acquired or developed data solutions which our customers rely on to do their job. Innovation and M&A has accelerated Eurowag's transformation from a domestic fuel card provider to a pan-European integrated payments and mobility platform. Whilst Eurowag has integrated its legacy solutions, such as fuel cards, tolls and VAT refund solutions, its recent acquisitions still require integration, including people, technology, and products. The ambition of launching an integrated digital end-to-end platform has evolved with every new acquisition, and the first application is expected to launch in FY 2024. We will provide more details on our Capital Markets Day, on 11 October.

With the evolution of the business and change of revenue mix, a new strategic framework was set out at the start of the year, with the following strategic priorities:

1) **Be in every truck** *(attract)*
   - We have signed our third OEM partnership, which will install the Eurowag app in every new truck produced. The three OEM partnerships cover around 45% of the European truck market today;
   - Integration plans are on track, with Webeye sales teams integrated into agile sales teams.

2) **Drive customer centricity** *(engage)*
   - We have improved our customer self-care portal, further supporting an end-to-end digital user experience;
   - Mobile payments roll-out doubled, and we now have 800 acceptance points ready for self-authorisation.

3) **Grow core services** (*monetise*)
   - We have expanded our EETS certification in the Czech Republic and Hungary;
   - We have maintained strong net average revenue retention, at over 110%.

4) **Expand platform capability** *(retain)*
   - We have continued to develop our financial platform capability, in preparation of our e-wallet launch;
   - Our ERP implementation is on track for launch in the first quarter of 2024; this will bring significant operational efficiencies.

Operational Review

Payment solutions

The Payment solutions business segment currently represents the largest part of our ecosystem, and in the first half of 2023, contributed 61% of total net revenues, a figure we expect to reduce to approximately 55% with the full annualisation of the Inelo acquisition into our mobility segment. Payment solutions includes energy payments through pre- or post-paid fuel cards and toll payments. This is often the first introduction customers have to our services.

Energy payments
During the first half of the year, we have added 1,030 locations to our acceptance network ('POS'), taking our total active POS at the end of June to 12,000 stations across 23 European countries. During the first half, we have also completed the termination of a co-branded card scheme with WEX, which provided access to 5,450 sites. This long-term strategic move enabled us to arrange direct relationships with merchants, and streamline our network access to core international routes, which many of these sites were not. As a consequence, we maintain the strength and relevance of our network, and managed to overall improve user experience and security. In the first half, we also focused our efforts on opening more acceptance points in Germany, following our expansion into the DACH region last year, which supports our efforts to establish an important presence in one of Europe's vital trucking markets as well as cover the hotspots our customers' travel. In the second half of the year, we are focused on POS rollouts in Portugal, where a recent regulatory change to fuel prices facilitated expansion in this market.

We continue to focus on reducing carbon emissions and supporting our customers in the transition to alternative fuels; our liquefied natural gas[1] (LNG) acceptance network currently comprises 398 contracted stations (representing more than 50% of the European market), while our compressed natural gas[2] (CNG) acceptance network has 212 contracted stations. We recently opened two Eurowag-owned LNG bunkering stations in the Czech Republic, and we have seen positive momentum in both: in June of this year, 11% of our LNG sales were completed in these locations, compared to 2% in January. The majority of customers fuelling through these stations are from the Czech Republic and Slovakia, and more recently from Poland.

Notes:

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

Toll payments
Following the EETS certification received in the Czech Republic at the beginning of the year, we have also expanded to Hungary, where we now offer post-paid toll services. Both the Czech Republic and Hungary provide us with a solid foundation to continue our cross-selling efforts. As a consequence of this, in the first half of the year, we have seen a 46% increase in EVA onboarding units ("OBUs") sold, compared to the first half of 2022. We are also working on finalising the implementation of our direct relationship with toll chargers in Spain and Portugal and expect to be operational in these countries in the second half of the year.

We are in the final EETS certification phase in Slovakia, who will eventually turn off their national toll system. This means that Slovakia will be the first country in Europe to be serviced by certified EETS providers. As Eurowag will be among the first providers to be certified, we are well placed to sustain and potentially grow our current market share.

We have additional tailwinds in our toll business, with more European countries starting to implement mandatory CO_2 reduction regulations, creating a favourable impact on our revenues.

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. In the first half of 2023, the mobility business segment represented 39% of total net revenue, a figure we expect to grow to approximately 45% with the full annualisation of the Inelo acquisition. Mobility solutions revenue is largely subscription based, representing a resilient and predictable revenue stream.

SaaS mobility solutions
Fleet management
Our fleet management services provide dispatchers and truck drivers with an enhanced understanding of their vehicles, through monitoring maintenance schedules, tracking fuel usage, driving times, loads and other important metrics, resulting in efficiency improvements and material cost and emissions reduction.

In the first half of the year, we have enhanced the Eurowag mobile application and introduced Cold Chain monitoring. This feature allows the safe transportation of fresh and frozen food products, medicine, and cosmetics.

Work time management
Inelo's work time management is a proprietary software enabling analysis and settlement of drivers' working time. Some of its key functionalities include downloading, archiving, and analysing data sourced from record sheets, driver cards, and digital tachographs. This allows for preparation of driver work hours settlements, while also detecting any potential manipulations.

Through work time management, enforcement authorities responsible for checking drivers' time can ensure that users stay up to date with any regulation. The software is used by over 4,500 inspectors in 25 EU countries.

Transport management
Inelo's transport management software is all about profitability management, as it allows automation and control of profitability over a single transport order. It covers transportation route planning, delivery coordination and driver controlling, supporting the entire order processing workflow. The software streamlines end-to-end order management, through order acceptance, monitoring delivery, and settlement and reporting, while also automating all logistics processes by allowing users to store data on all shippers, suppliers, carriers and end customers.

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

During the first half of the year, we have continued to add improvements and updates to our Sygic Navigation app: truck drivers can now see fuel prices directly on the map, for ease of decision making. Sygic GPS Navigation is now available on Visteon's AllGo app store. Sygic's Road Lords application has been downloaded over 200,000 times in the first half of the year, with daily active users of just over 27,000.

In the first half of 2023 we signed a third contract with a European truck manufacturer; from next year, they will install Eurowag's application into every new dashboard before sale.

Tax refund services
During the first half of the year, we expanded our array of services to provide VAT refunds for Croatian customers and we have enhanced the user interface to optimise the experience for our customers.

Post-acquisition integrations

Following the acquisitions of Webeye (in mid-2022) and Inelo (in early 2023), the first half of the year was focused on integrating the new businesses both on an operational and personnel level whilst pursuing the first level of cross-sell opportunities stemming from the merged sales organisations.

At Webeye, several integration and consolidation workstreams have been created, to ensure a seamless transition. The Webeye and Eurowag sales teams are already working as one under agile, multi-competency sales teams, with ongoing lead generation campaigns, enabling cross-sell opportunities in both product portfolios. Webeye's core functions have been integrated within Eurowag's organisational structure, with further unification required in IT and HR processes.

While Inelo was acquired more recently, integration workstreams have been deployed. Inelo's management team are now reporting to the Eurowag executive team. The sales teams have seen good momentum on early cross-sell initiatives and continue to work on full integration into Agile sales teams by January 2024. Further levers for cross-sell are expected, following the introduction of the new platform during FY 2024.

Sustainability

Our sustainability plan underpins our strategy and is focused on four areas: climate action, customer success and well-being, company governance, and culture and community impact. Eurowag's purpose is to make the CRT industry clean, fair, and efficient.

Aligning to our internal targets of reducing emissions, in the first half of 2023, we have switched the Prague office to renewable energy, saving nearly 500 tonnes of CO_2 emissions.

As part of our ESG targets, our solutions also help our customers to reduce their own emissions. Our SME customers are often unaware of the CO_2 from their use of fuel, and as a result we have launched a free CO_2 calculator to help them understand their carbon footprint.

As a way to further support our drivers, our integration with Inelo brings working time management capabilities

As a way to further support our drivers, our integration with Inelo brings working time management capabilities, ensuring the well-being of drivers and compliance of drivers' pay with labour regulations across Europe. Together with the Inelo team, we drew on their experience with road enforcement agencies to train and inform our customers about changes in EU Transport legislation.

As the integration of Webeye and Inelo continues, we have gained more data and more vehicles, and thus greater insights, helping our customers understand the impact of driving behaviour and load utilisation on fuel costs, emissions, and fleet maintenance.

At Eurowag, we recognise that diversity and inclusion are key pillars of achieving a rich culture, where people from all backgrounds are celebrated and together, they contribute to our success. We have recently evolved our People and Culture Ambassadors network, a community of Eurowag employees that is helping to drive improvement in our culture and employee engagement and experience. We have also launched our Women at Eurowag network, fostering a supportive community for personal and professional growth for our colleagues that identify as female.

We have also just concluded our 2023 Philanthropy & You programme for employee-led charitable donations and have over 1,000 employees engaged, supporting over 200 causes in over 14 countries.

Financial Review

In the face of challenging market and macro-economic conditions in Europe, Eurowag delivered a robust performance in the first half of 2023, demonstrating once again the inherent resilience of our business model and the mission critical nature of our services.

In the first half of 2023, at a headline level, net revenues grew by 36.9%, with payment solutions up 14.1% and mobility solutions up 98.6%. Adjusted EBITDA grew 43.5%. This strong growth was driven by robust underlying growth and contribution from recent acquisitions.

In the first half of 2023, organic net revenue growth was 14.4%, with organic payment solutions net revenue up 12.5%, and organic mobility solutions net revenue up 19.9%. Economic headwinds have impacted the CRT industry, with fewer kilometres driven and a slowdown in freight demand.

In the first half of 2023, our adjusted EBITDA increased by 43.5% to €50.2m (H1 2022: €35.0m) with adjusted EBITDA margin of 42.2% (H1 2022: 40.2%). Organic adjusted EBITDA was up 21.6% to €42.6m, with margins at 43.3% (H1 2022: 40.7%). Excluding the benefit from our currency risk management, organic adjusted EBITDA growth was 4.6%. The organic cost increases were mainly driven by employee expenses, of which half was from salary inflation increases, and technology expenses.

On a statutory basis, profit before tax decreased by 36.7% year-on-year to €8.5m (H1 2022: €13.4m), mainly as a result of higher adjusting items, depreciation and amortisation and interest. Basic EPS decreased by 41.1% to 0.76 cents per share (H1 2022: 1.29 cents). Adjusted basic EPS increased year-on-year to 2.90 cents per share (H1 2022: 2.35 cents) driven mainly by profit of Inelo acquisition.

Net debt at the end of the reporting period was €300.9m (H1 2022: cash position of €28.7m). Our net leverage ratio, as expected, increased to 2.9x net debt to adjusted EBITDA.

In the first half of 2023, our transformational capital expenditure totalled €11.7m, while investments in our subsidiaries, associates, and financial investments amounted to €273.5m, which consists of the Inelo (€265.7m), Webeye (€7.6m), and JITPay (€0.2m) acquisitions.

Performance review

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

Segments

	H1 2023 (€m)	H1 2022 (€m)	YoY (€m)	YoY %
Segment revenue total	1,017.6	1,160.8	(143.2)	(12.3)%
Payment solutions	970.9	1,137.3	(166.4)	(14.6)%
Mobility solutions	46.7	23.5	23.2	98.7%
Net energy and services sales total	**119.1**	**87.0**	**32.1**	**36.9%**
Payment solutions	72.4	63.5	8.9	14.1%
Mobility solutions	46.7	23.5	23.2	98.6%
Expenses included in Contribution	26.4	15.1	11.3	75.6%
Contribution total[1]	**92.6**	**71.9**	**20.7**	**28.8%**
Payment solutions	61.0	54.9	6.1	11.0%
Mobility solutions	31.6	17.0	14.6	86.3%
Contribution margin total[1]	**78%**	**83%**		
Payment solutions	84%	87%		
Mobility solutions	68%	72%		
Corporate overhead and indirect costs before adjusting items	(42.4)	(36.9)	5.5	14.9%
Adjusted EBITDA	**50.2**	**35.0**	**15.2**	**43.5%**
Adjusting items affecting Adjusted EBITDA	(10.0)	(5.5)	4.5	82.3%
EBITDA	**40.2**	**29.5**	**10.7**	**36.3%**
Depreciation and amortisation	25.7	12.4	13.3	106.8%
Operating profit	**14.5**	**17.1**	**(2.6)**	**(15.2%)**

Note:

1. Please refer to the section Explanation of Alternative Performance Measures for a definition and see note 9.

The Group's total revenues decreased by 12.3% year-on-year to €1,017.6m, driven by lower energy prices compared to the comparative period and lower volume of energy sales. Lower volumes of energy sales were driven by overall economic headwinds and the regulatory changes in Portugal. Despite the drop in energy sales prices, overall energy margin levels enabled the Group to grow net energy sales in the Payment solutions segment.

The Group delivered double-digit net revenue growth and strong contribution margins in both segments. Growth in organic net revenue was 14.4%, while the overall net revenue increased by 36.9% year-on-year, which includes €7.4m contribution from Webeye and €13.3m from Inelo.

Payment solutions net revenue grew by 14.1% year-on-year. This increase reflects strong new customer and truck acquisitions, underpinned by strong average net revenue retention. Our underlying organic payments solution business was impacted by economic headwinds and changes in fuel regulation in Portugal.

Mobility solutions net revenue grew by 98.6% year-on-year, and organic mobility solutions net revenue was up 19.9%. This strong growth is the result of effective cross-selling, as well as sales to automotive partners and Webeye and Inelo consolidation.

Corporate expenses

	H1 2023 (€m)	H1 2022 (€m)	YoY (€m)	YoY %
Expenses included in Contribution	26.4	15.1	11.3	75.6%
Corporate overhead and indirect costs before adjusting items	42.4	36.9	5.5	14.9%
Adjusting items affecting Adjusted EBITDA	10.0	5.5	4.5	82.3%
Depreciation and amortisation	25.7	12.4	13.3	106.8%
Total	**104.5**	**69.9**	**34.6**	**49.5%**

The table above is from the segmental review, while the table below summarises corporate expenses based on statutory financial categories.

	H1 2023 (€m)	H1 2022 (€m)	YoY (€m)	YoY %
Employee expenses	46.4	32.8	13.7	41.7%
Technology expenses	8.7	3.9	4.8	123.6%
Impairment losses of financial assets	4.2	2.7	1.5	53.4%
Other operating income	(6.8)	(0.2)	(6.6)	273.8%
Other operating expenses	26.4	18.3	8.0	44.3%
Depreciation and amortisation	25.7	12.4	13.3	106.8%
Total	**104.5**	**69.9**	**34.6**	**49.5%**

Employee expenses increased by 41.7% year-on-year to €46.4m; excluding our acquisitions and adjusting items, organic employee expenses increased by 18.9% This growth was driven by salary increases communicated at the start of the year, as well as hiring the right people to support the business through the next phase of our transformation. Adjusting items included in employee expenses amounted to €4.8m for H1 2023 (H1 2022: €4.2m) and included pre-IPO share based remunerations (H1 2023: €3.7m and H1 2022: €3.3m).

Technology expenses increased by 123.6% year-on-year to €8.7m (H1 2022: €3.9m); excluding our acquisitions, organic technology expenses increased by 58.4%. This increase reflects the Group's focus on technology transformation, cloud transition, and expenses related to the new generation ERP system. Adjusting items included in technology expenses amounted to €1.9m in H1 2023 (H1 2022: €0.2m).

Impairment losses of financial assets amounted to €4.2m (H1 2022: €2.7m). The increase is connected primarily with our key markets, such as Poland, Romania, and Portugal, where the credit loss ratio increased slightly from 0.2% last year to 0.3% at the end of June 2023. Nevertheless, our overall receivables portfolio and cash collection remained robust.

Other operating expenses increased by 44.3% year-on-year to €26.4m (H1 2022: €18.3m), mainly due to acquisition-related expenses, with Webeye consolidation adding €1.4m and Inelo acquisition adding €3.9m. Adjusting items included in other operating expenses amounted to €3.3m for H1 2023 (H1 2022: €1.1m) and included expenses related to acquisitions of €2.2m (H1 2022: €0.5m) and strategic transformation costs of €1.1m (H1 2022: €0.5m).

Other operating income increased by 273.8% year-on-year to €6.8m (H1 2022: €0.2m), mainly driven by a favourable foreign exchange gain of €6.0m, as a result of our prudent currency risk management.

Depreciation and amortisation grew by 106.8% year-on-year to €25.7m (H1 2022: €12.4m) primarily due to the amortisation of acquired assets of Inelo and Webeye and partly due to transformational technology being put into production. Adjusting items included in depreciation and amortisation amounted to €6.8m for H1 2023 (H1 2022: €3.4m).

Net finance expense

Net finance expense in the first half of 2023 amounted to €5.7m (H1 2022: €3.3m). The increase mainly reflects higher factoring fees related to higher average factoring limits utilisation throughout the year, as well as higher interest costs related to increased borrowings.

Taxation

The Group tax charge of €2.9m (H1 2022: €4.3m) represents an effective tax rate of 34.2% (H1 2022: 31.7%). The tax charge in the first half of 2023 was influenced positively by lower profit for the six months period, lower taxes paid in respect of prior years and negatively by tax non-deductibility of adjusting items (mainly M&A related expenses and equity-settled share-based payments). Adjusted effective tax rate decreased to 18.3% (2022: 24.4%) largely due to lower taxes paid in respect of prior years. Adjusted effective tax rate calculation is presented in Note 13 of the condensed interim financial statements.

Corporate income tax for companies in the Czech Republic in 2022-2023 was 19%, in the UK the rate was 19% in 2022 and 25% in 2023, while in Spain it was set at 24%. These represent the major tax regimes in which the Group operates.

We adopted a prudent approach to our tax affairs, aligned with business transactions and economic activity. We have a constructive and good working relationship with the tax authorities in the countries in which we operate. There are outstanding tax audits in Italy, Bulgaria, Poland, and Romania, where no significant issues are expected.

EPS

Basic EPS for the first half of 2023 was 0.76 cents per share, a 41.1% year-on-year decrease. This was due to lower profit for the six months' period, with increased EBITDA reduced by higher depreciation and amortisation and increased finance expenses.

Adjusted basic EPS for the reporting period was 2.90 cents per share, which is an increase relative to the corresponding period last year. Weighted average number of ordinary shares in issue amounted to 688,911,333 in both H1 2023 and H1 2022, while diluted weighted average number of ordinary shares was 691,208,069 in H1 2023 (H1 2022: 689,429,273). After accounting for the impact of PSP, adjusted diluted earnings per share was 2.89 cents per share. Adjusting items are as described below in the Alternative performance measures section.

Investments in subsidiaries and associates

Acquisition of Inelo

Further to the subsequent events described in the 2022 Annual Report and Accounts, the acquisition of Inelo was completed on 15 March 2023.

The Group paid €215.3m in cash upon the acquisition of 100% of the share capital of Inelo on 15 March 2023 and repaid Inelo's bank borrowings of €53.6m on 16 March 2023. In addition, the Group will pay an additional consideration of €8.4m related to the final price adjustment to Inelo's acquisition of FireUp TMS subsidiary and €2.1m 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 €12.5m, which will (if applicable) become payable in the second half of 2023, following approval of the audited consolidated financial statements of Inelo. Full amount of contingent consideration was recognised as of 30 June 2023. The Group will either pay €12.5m or no consideration is payable.

Given the short period of time between the acquisition and preparation of the condensed interim financial statements, the amounts recorded below for the acquisition are provisional. Purchase price allocation activities are ongoing, and the preliminary fair value of assets and liabilities will be further revised.

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

EUR '000	**Preliminary fair value recognised on acquisition of Inelo**
Assets	
Property, plant, and equipment	11,206
Identifiable intangible assets	102,066
Right of use assets	3,060
Trade receivables	8,540
Cash and cash equivalents	3,270
Inventories	1,674
Income tax receivables	943
Other non-current assets	124
Total assets	**130,883**
Liabilities	
Interest-bearing loans and borrowings	59,136
Trade payables	13,138
Lease liabilities	3,146
Other non-current liabilities	418
Income tax liabilities	467
Deferred tax	18,063
Total liabilities	**94,368**
Total identifiable net assets as fair value	**36,515**
Non-controlling interest measured at % of net assets	**(3,343)**
Goodwill arising on acquisition	**205,123**
Purchase consideration	
Cash paid	215,288
Deferred and contingent consideration	23,006
Total purchase consideration	**238,294**

From the date of acquisition until 30 June 2023, Inelo's subsidiaries contributed €13.3m of revenue and €3.5m 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 half year ended 30 June 2023 would have been €21.0m and €3.8m respectively. Excluding amortisation of acquired intangibles and adjusting items, the adjusted profit after tax would have been €7.1m.

Pay-out of deferred consideration

On 27 April 2023, the Group paid a contingent acquisition consideration of €2.1m related to the acquisition of Webeye. The consideration was subject to achievement of integration related milestones.

Further, on 17 May 2023, the Group paid a deferred acquisition consideration of €5.5m related to the acquisition of Webeye.

JITpay call option

On 4 July 2023, the Group announced it exercised its call option to acquire an additional 18.01% stake in JITpay's share capital from its founders, management, and Volksbank eG Braunschweig Wolfsburg, on a pro rata basis. The proceeds from the primary capital will be used to fund JITpay's further expansion.

The Group entered a strategic partnership with JITpay on 27 September 2022, when it acquired a 9.99% stake for an initial consideration of €14.3m, of which €3.5m was used as primary capital. As per the original agreement, the Group had a call option to acquire an additional 18.01% share, which could be exercised by 3 July 2023 for a consideration of €25.7m, of which €6.5m will be used as primary capital.

The purchase of the additional 18.01% stake in JITpay will be funded from existing funds and the transaction is subject to customary closing conditions, including clearance by the German Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), and is expected to complete in the first half of 2024. The Transaction constitutes a Class 2 transaction for the purposes of the UK Financial Conduct Authority's Listing Rules. Following receipt of the German authorities' clearance, the investment in JITpay would change to an associate (28% equity interest).

The remaining 72% stake will continue to be held by existing shareholders. There are Call and Put arrangements in place that give the Group the option to acquire the remaining 72% stake of JITpay's share capital from 2025 onwards. The price of the Put or Call payable by the Group for the remainder of JITpay's share capital will be based on a multiple of 10x of the average of JITpay's profit before tax over the twelve-month period to 31 December 2024 and 31 December 2025 with the Put being subject to a cap of €129.3m.

Pay-out of deferred consideration related to Inelo

On 31 August 2023, the Group paid a deferred acquisition consideration of €8.4m related to the final price adjustment to Inelo's acquisition of FireUp TMS subsidiary.

Balance sheet

Net assets of the Group increased by 3.4% to €327.4m, mainly reflecting profit for 2023 and share-based payments impact.

Intangible assets of the Group excluding goodwill increased by €105.9m to €236.9m in the reporting period, predominantly due to the Inelo acquisition and investments in strategic technology transformation.

Goodwill comprises mainly CGU Energy of €40.2m, CGU Navigation of €34.6m and CGU Fleet management solutions (excluding Inelo) of €59.4m. Provisionally determined goodwill arising on the acquisition of Inelo is €205.1m. Goodwill is tested for impairment on an annual basis; as at 30 June 2023, the Group performed impairment test for the CGU Fleet management systems (excluding Inelo) as the recoverable amount of this CGU was closer to the carrying amount than all other CGUs as at 31 December 2022, no impairment was posted in the first half of 2023 (H1 2022: no impairment posted).

Inventories decreased by €1.3m to €19.0m, mainly due to lower value of energy stock corresponding to lower energy prices.

Trade and other receivables increased by €15.1m to €393.2m. Out of this, €6.0m is attributable to the Inelo acquisition, and the remaining increase is mainly due to seasonality, with December being our quietest month.

Trade and other payables increased by €28.5m to €426.7m, primarily due to deferred acquisition consideration either related to a new transaction in the first half of 2023 or to previous transactions which became payable in less than 12 months. There was a further impact of consolidating Inelo as at 30 June 2023 (€16.9m).

Cash performance

	H1 2023 (€m)	**H1 2022 (€m)**	**YoY (€m)**	**YoY Change %**
Net cash generated from operating activities	1.5	16.4	(14.9)	(90.9%)
Net cash used in investing activities	(297.0)	(47.5)	(249.5)	525.4%
Net cash used in financing activities	200.0	(11.5)	211.5	(1,839.3%)
Net decrease in cash and cash equivalents	**(95.5)**	**(42.6)**	**(52.9)**	**124.2%**
Cash and cash equivalents at beginning of period	146.0	224.2	(78.2)	(34.9%)
Cash and cash equivalents at end of				

period (presented in statement of cash flows)	**50.5**	**181.5**	**(131.0)**	**(72.2%)**
Bank overdrafts	29.9	0.0	29.9	
Cash and cash equivalents at end of period (presented in statement of financial position)	**80.4**	**181.5**	**(101.1)**	**(55.7%)**
Interest-bearing loans and borrowings	381.3	152.8	228.5	149.5%
Net (debt)/ cash	**(300.9)**	**28.7**	**(329.6)**	**(1,148.3%)**

As at 30 June 2023, the Group's net debt position stood at €300.9m, compared with net cash position of €28.7m as at 30 June 2022.

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

Net cash flows from operating activities decreased to €1.5m from €16.4m in H1 2023, primarily due to working capital movement. The impact related to Adjusting items in the reporting period amounted to an outflow of €7.4m (H1 2022: €7.7m) and included €5.0m for acquisitions related expenses and €2.4m for strategic transformation expenses.

Interest paid increased to €7.6m (H1 2022: €2.3m), driven by a higher level of borrowings in the first half of 2023.

Tax paid increased to €4.0m (H1 2022: €3.2m), which also includes an impact of the Inelo consolidation of €0.8m.

Net cash used in investing activities increased by €249.5m to €297.0m, largely due to the outflows in connection with investment in acquisitions and investments in transformational technology and asset base.

Net cash from financing activities amounted to an inflow of €200.0m in the reporting period, representing the drawdowns of borrowings partially offset by borrowings repayments and lease payments.

Capital expenditure

Capital expenditure in the first half of 2023 amounted to €24.7m (H1 2022: €19.9m), of which €11.7m was spend relating to our transformational capex programme and €5.6m relating to the capital investment in Inelo and Webeye, which drove the year-on-year increase.

The Group's ordinary capital expenditure was €12.9m (H1 2022: €6.6m), including the €5.6m capex investment in Inelo and Webeye. Both businesses have historically invested a higher percentage of net revenues, with Inelo spending half of its capex on hardware, and therefore our ordinary capital expenditure as a percent of net revenue increased to 10.9%.

The Group's transformational investment programme was €11.7m (H1 2022: €13.3m) and continued to focus on enhancing our sales and customer touchpoint channels, expanding our product capabilities, and building a cloud-based data system for the Group. This year we continued to improve our EETS product offering and continue to enhance our financing capabilities, enabling further automation and real-time finance management. We are also investing in building a cloud-base data system, which will encapsulate the large volumes of customer information we receive from all our products and services, allowing us to better utilise this data for both our business processes and customers.

With regards to our ERP implementation, which is being delivered in stages, the first stage launched last year and included energy billing, pricing, sales, and purchases, while the second stage is still on track to launch in Q1 2024 and includes improving our capabilities in our general ledger and group reporting processes.

We expect to finalise our transformational capex programme at the end of the year, on time and in budget. We will continue to invest in the business through ordinary capex, which we expect to be around 10 percent of net revenues, given the slightly higher capex ratio Inelo operates at. Through a combination of integration and the transition to a single technology platform, we expect to reduce duplications across IT, hardware, and technology processes over time.

Alternative performance measures

The Group has identified certain Alternative Performance Measures ("APMs") that it believes provide additional usefulinformation to the readers of Consolidated Financial Statements and enhance the understanding of the Group's performance. These APMs are not defined within IFRS and are not considered tobe 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.

	H1 2023 (€m)	**H1 2022 (€m)**	**YoY (€m)**	**YoY change %**
Profit before tax	8.5	13.4	(4.9)	(36.7)%
Net finance expense and share of net loss of associates	6.0	3.7	2.3	65.1%
Depreciation and amortisation	25.7	12.4	13.3	106.8%
EBITDA	**40.2**	**29.5**	**10.7**	**36.3%**
M&A-related expenses	2.7	0.5	2.2	418.9%
Strategic transformation expenses	3.6	1.7	1.9	118.2%
Share-based compensation	3.7	3.3	0.4	11.1%

Adjusting items	**10.0**	**5.5**	**4.5**	**82.3%**
Adjusted EBITDA	**50.2**	**35.0**	**15.2**	**43.5%**

	H1 2023 (€m)	H1 2022 (€m)	YoY (€m)	YoY change
Profit for the year	**5.6**	**9.2**	**(3.6)**	**(39.1)%**
Amortisation of acquired intangibles	6.8	2.8	4.0	144.7%
Amortisation due to transformational useful life changes	0	0.7	(0.7)	(100.0)%
Adjusting items affecting Adjusted EBITDA	10.0	5.5	4.5	82.3%
Tax effect	(1.7)	(1.3)	(0.4)	44.5%
Adjusted earnings (net profit)	**20.7**	**16.9**	**3.8**	**22.2%**

	H1 2023	H1 2022	YoY	YoY change
Adjusted net profit attributable to equity holders (€m)	19.9	16.2	3.7	23.1%
Basic weighted average number of shares	688,911,333	688,911,333	-	-
Adjusted basic EPS (cents/share)	**2.90**	**2.35**	**0.6**	**23.1%**

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

Strategic transformation expenses are costs relating to broadening the skill bases of the Group's employees (including executive search and recruiting costs, and were relevant for H1 2022), as well as costs relating to transformation of key IT systems. In 2023, Inelo integration costs were also included.

In addition, adjustment has been made for the compensation provided to the Group's management before the IPO. These legacy incentives comprise a combination of cash and share-based payments, and those that have not yet vested will vest across each of the subsequent financial years ending 31 December 2024. The Group believes that it is appropriate to treat these costs as an adjusting item as they relate to a one-off award, designed and implemented whilst the Group was under private ownership (and are reasonably typical of that market and appropriate in that context). The Group now operates in a new environment and the Remuneration Committee has applied the Remuneration Policy in a listed- company context; hence, similar awards are not expected in future. For clarity, where share-based payment charges arise as a consequence of the operation of the Group's post-IPO Remuneration Policy, these are not treated as adjusting items as they represent a non-cash element of the annual remuneration package. This includes costs of €2.0m in the first half of 2023 relating to grants in connection with the awards vesting in 2024 and 2025.

Amortisation of acquired intangibles represents amortisation of assets recognised at the time of an acquisition (primarily ADS, Sygic, Webeye and Inelo). It is prone to movement from period-to-period depending on the level of M&A activity.

Amortisation due to transformational useful-life changes represents accelerated amortisation of assets being replaced by the strategic transformation of the Group. No such adjustment was relevant for the first half of 2023.

Capital allocation

Our priority will continue to be organic and inorganic investment to drive long term sustainable growth. Our transformational capital expenditure of €50m, during 2022 and 2023, to develop our integrated end-to-end digital platform, remains on track to complete at the end of this year. We will continue to invest in the platform in parallel with integrating the businesses we acquired, which will require ordinary capital expenditure of around 10 percent of net revenues. With the delivery of the platform next year, along with integrating the technologies and products of our acquired businesses, we expect to reduce duplications across IT, hardware, and technology processes over time.

With the recent acquisition of Inelo, our leverage ratio, as expected, has exceeded the top end of our medium-term guidance range of 1.5x to 2.5x net debt to adjusted EBITDA, to 2.9x at the end of the period. Our priority is to return to within the target range. M&A is still important to us, and we will continue to consider value-accretive M&A opportunities in our current and adjacent markets, and in product and technologies that will accelerate growth. However, we remain disciplined and want to maintain our strong and robust balance sheet. As set out in our financial guidance, the Group does not intend to pay dividends, as we continue to prioritise investment in growth.

Treasury management

As part of the refinancing project last September for our new Multicurrency Term and Revolving Facilities Agreement, we have agreed with the lenders to incorporate some of our medium term ESG targets within the KPIs. These include reduction of GHG emissions for us and our customers and increased female leadership in the organisation. Under the terms of the agreement, applicable margin adjustments relating to our committed facilities will be contingent on meeting our ESG targets. The first applicable year will be from FY 2024, based on FY 2023 results. This commitment will further drive incentivisation across our organization to ensure we meet our targets and shows our commitment to making the industry clean, fair, and efficient.

In May 2023, the Group utilised €50m under the uncommitted Incremental Facility, which was secured as part of the refinancing last year, and supported capital expenditure initiatives.

The maturity period for all term loan facilities and for the revolving credit facility is 5 years. Facility A of €150m and B of €180m will amortise in quarterly repayments starting on 31 March 2023, with a €45m and €54m balloon respectively. Incremental Facility I of €50m will amortise in quarterly repayments, starting on 30 September 2023, with a €15m balloon.

The new club financing agreement contains financial covenants at the Group level. Financial covenants are governed by financial definitions under the agreement. Financial covenants are tested semi-annually based on announced financials.

Covenant	Calculation	Target	Actual 30 June 2023
Interest cover	the ratio of adjusted EBITDA to finance charges	Min 4.00	7.52
Net leverage	the ratio of total net debt to adjusted EBITDA	Max 4.00[1]	2.87
Adjusted net leverage	the ratio of the adjusted total net debt to adjusted EBITDA	Max 6.50	4.24

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

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. Incremental Facility I has not been hedged. This strategic approach demonstrates the Group's proactive risk management practices and commitment to financial stability.

With respect to Facility A, interest rate swaps executed in 2019 for the amount of €120.0m (unamortised) have an effective payable fixed rate of 0.1% and are expected to expire in 2024. Interest rate swaps executed in 2022 but effective in 2023 for the amount of €30.0m (amortised) have an effective payable fixed rate of 2.7% and are expected to expire in 2027. The latter have a complementary amortizing 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 €173.0m (amortised) have an effective payable fixed rate between 3.2% and 3.5% and are expected to 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 €124m and average utilisation of 77.8% (H1 2022: €97.6m and 58.1% respectively). This demonstrates the Group's proactive approach to maintaining a strong financial position, and its ability to optimise working capital.

Directors' responsibility statement

We confirm that to the best of our knowledge:
The unaudited condensed consolidated financial statements have been prepared in accordance with UK-adopted IAS 34 Interim Financial Reporting.

The interim management report includes a fair review of the information required by:
(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report in the Financial statements dated 16 March 2023 that could do so.

On behalf of the Board of Directors

Martin Vohánka
Chief Executive Officer

Financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(EUR '000)

	Notes	For the six months ended 30 June	
		2023 (unaudited)	2022 (unaudited)
Revenue from contracts with customers	7	**1,017,586**	**1,160,815**
Costs of energy sold		(898,503)	(1,073,837)
Net energy and services sales	7	**119,083**	**86,978**
Other operating income	8	6,781	221
Employee expenses	10	(46,423)	(32,768)
Impairment losses of financial assets		(4,171)	(2,719)
Technology expenses		(8,680)	(3,882)
Other operating expenses		(26,374)	(18,325)
Operating profit before depreciation and amortisation (EBITDA)		**40,216**	**29,505**
Analysed as:			

Adjusting items	9	10,025	5,498
Adjusted EBITDA	9	50,241	35,003
Depreciation and amortisation	9	(25,708)	(12,431)
Operating profit		**14,508**	**17,074**
Finance income	12	5,262	1,275
Finance costs	11	(10,960)	(4,553)
Share of net loss of associates		(298)	(353)
Profit before tax		**8,512**	**13,443**
Income tax expense	13	(2,914)	(4,256)
PROFIT FOR THE YEAR		**5,597**	**9,187**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Change in fair value of cash flow hedge recognised in equity		(92)	4,976
Exchange differences on translation of foreign operations		2,390	302
Deferred tax related to other comprehensive income		-	-
TOTAL OTHER COMPREHENSIVE INCOME		**2,298**	**5,278**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**7,895**	**14,465**
Total profit for the financial year attributable to equity holders of the Company		5,245	8,902
Total profit for the financial year attributable to non-controlling interests		353	285
Total comprehensive income for the financial year attributable to equity holders of the Company		7,538	14,137
Total comprehensive income for the financial year attributable to non-controlling interests		357	328
Earnings per share (in cents per share):	**18**		
Basic earnings per share		0.76	1.29
Diluted earnings per share		0.76	1.29

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(EUR '000)

	Notes	30 June 2023 (unaudited)	As at 31 December 2022
ASSETS			
Non-current assets			
Intangible assets	14	579,605	268,171
Property, plant and equipment	14	52,217	39,826
Right-of-use assets		16,491	13,340
Investments in associates		11,925	12,223
Financial assets at fair value through other comprehensive income		14,579	14,364
Deferred tax assets		10,748	10,505
Derivative assets	6	1,415	3,093
Other non-current assets		4,296	3,791
Total non-current assets		**691,276**	**365,313**
Current assets			
Inventories	15	19,037	20,291
Trade and other receivables	16	393,207	378,152
Income tax receivables		2,591	1,800
Derivative assets	6	7,835	3,851
Cash and cash equivalents	17	80,444	146,003
Total current assets		**503,114**	**550,097**
TOTAL ASSETS		**1,194,390**	**915,410**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		8,107	8,107
Share premium		2,958	2,958
Merger reserve		(25,963)	(25,963)
Other reserves		12,635	10,342
Business combinations equity adjustment		(18,372)	(12,526)
Retained earnings		340,094	329,362
Equity attributable to equity holders of the Company		**319,459**	**312,280**
Non-controlling interests		7,983	4,283
Total equity		**327,442**	**316,563**
Non-current liabilities			
Interest-bearing loans and borrowings	19	290,692	121,272
Lease liabilities		11,949	9,510
Deferred tax liabilities		27,009	8,677
Derivative liabilities	6	153	186
Other non-current liabilities	20	8,504	27,376
Total non-current liabilities		**338,307**	**167,021**
Current liabilities			

	Notes		
Current liabilities			
Trade and other payables	20	426,725	398,235
Interest-bearing loans and borrowings	19	90,616	21,884
Lease liabilities		4,580	3,917
Provisions		2,131	2,124
Income tax liabilities		4,579	5,649
Derivative liabilities	6	10	17
Total current liabilities		**528,542**	**431,826**
TOTAL EQUITY AND LIABILITIES		**1,194,390**	**915,410**

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

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

	Notes	Share capital	Share premium	Other reserves	Merger reserve	Business combinations equity adjustment	Retained earnings	Total equity attributable to equity holders of the parent	Nor controllin interest
At 1 January 2022		**38,113**	**194,763**	**1,465**	**(25,963)**	**(17,046)**	**84,526**	**275,858**	**8,88**
Profit for the year		-	-	-	-	-	8,902	**8,902**	28
Other comprehensive income		-	-	5,235	-	-	-	**5,235**	4
Total comprehensive income		**-**	**-**	**5,235**	**-**	**-**	**8,902**	**14,137**	**32**
Capital reduction		(30,006)	(191,805)	-	-	-	221,811	**-**	
Dividends paid		-	-	-	-	-	-	**-**	(57
Share-based payments		-	-	-	-	-	3,618	**3,618**	
Put options held by non-controlling interests		-	-	-	-	(174)	-	**(174)**	
At 30 June 2022		**8,107**	**2,958**	**6,700**	**(25,963)**	**(17,220)**	**318,857**	**293,439**	**9,16**
At 1 January 2023		**8,107**	**2,958**	**10,342**	**(25,963)**	**(12,526)**	**329,362**	**312,280**	**4,28**
Profit for the year		-	-	-	-	-	5,245	**5,245**	35
Other comprehensive income		-	-	2,293	-	-	-	**2,293**	
Total comprehensive income		**-**	**-**	**2,293**	**-**	**-**	**5,245**	**7,538**	**35**
Acquisition of subsidiaries	5	-	-	-	-	(5,809)	-	**(5,809)**	**3,34**
Share-based payments	10	-	-	-	-	-	5,487	**5,487**	
Put options held by non-controlling interests		-	-	-	-	(37)	-	**(37)**	
At 30 June 2023		**8,107**	**2,958**	**12,635**	**(25,963)**	**(18,372)**	**340,094**	**319,459**	**7,98**

CONSOLIDATED STATEMENT OF CASH FLOWS
(EUR '000)

	Notes	For the six months ended 30 June 2023 (unaudited)	2022 (unaudited)
Cash flows from operating activities			
Profit before tax for the period		**8,512**	**13,443**
Non-cash adjustments:			
Depreciation and amortisation	14	25,708	12,431
Gain on disposal of non-current assets		(200)	(51)
Interest income		(133)	(79)
Interest expense		8,278	2,650
Movements in provisions		7	17
Impairment losses of financial assets		4,171	2,719
Movements in allowances for inventories		4	-
Foreign currency exchange rate differences		(1,611)	39
Fair value revaluation of derivatives		(1,745)	457
Share-based payments		5,487	3,618
Other non-cash items		462	423
Working capital adjustments:			
(Increase)/decrease in trade and other receivables and prepayments		(11,288)	(134,596)
(Increase)/decrease in inventories		2,960	(9,302)
Increase in trade and other payables		(27,684)	130,046
Interest received		133	79
Interest paid		(7,555)	(2,261)
Income tax paid		(4,005)	(3,207)
Net cash flows (used in)/generated from operating activities		**1,501**	**16,417**
Cash flows from investing activities			

Proceeds from sale of property, plant and equipment		1,442	144
Purchase of property, plant and equipment		(5,681)	(3,664)
Purchase of intangible assets		(19,331)	(18,104)
Purchase of financial instruments		(215)	-
Payments for acquisition of subsidiaries, net of cash acquired		(273,259)	(22,924)
Investment in associates		-	(3,000)
Net cash used in investing activities		**(297,044)**	**(47,548)**
Cash flows from financing activities			
Payment of principal elements of lease liabilities		(2,381)	(1,415)
Proceeds from borrowings		228,391	-
Repayment of borrowings		(25,991)	(10,012)
Dividend payments		-	(57)
Net cash (used in) / generated from financing activities		**200,019**	**(11,484)**
Net (decrease)/increase in cash and cash equivalents		(95,524)	(42,614)
Effect of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		146,001	224,154
Cash and cash equivalents at end of period	**17**	**50,477**	**181,540**

1. CORPORATE INFORMATION

W.A.G payment solutions plc (the "Company" or the "Parent") is a public limited company incorporated and domiciled in the United Kingdom and registered under the laws of England & Wales under company number 13544823 with its registered address at Third Floor (East), Albemarle House, 1 Albemarle Street, London W1S 4HA. The ordinary shares of the Company were admitted to the premium listing segment of the Official List of the UK Financial Conduct Authority and have traded on the London Stock Exchange plc's main market for listed securities on 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 unified way of electronic toll payments on a number of European road networks for fleets of professional transport and forwarding companies;
- Recovery of VAT refunds and excise duty from European countries;
- Creating an automated journey book and optimising traffic with the use of integrated digital maps;
- Combine advanced solutions in the field of electronics, software engineering and applied mathematics;
- Sale of navigation licenses; and
- Other services.

These condensed interim financial statements were approved for issue on 7 September 2023 and have been neither reviewed nor audited.

These condensed interim financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2022 were approved by the board of directors on 16 March 2023 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

2. BASIS OF PREPARATION

The condensed interim financial statements for the six-months ended 30 June 2023 have been prepared in accordance with UK-adopted IAS 34 Interim Financial Reporting and the Disclosure and Transparency Rules of the Financial Conduct Authority. The condensed interim financial statements should be read in conjunction with the Annual Report and Consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with UK-adopted International Accounting Standards (UK-adopted IFRS).

The condensed interim financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The interim condensed financial statements are presented in EUR and all values are rounded to the nearest thousand (EUR '000), except where otherwise indicated.

These unaudited condensed interim financial statements have been prepared on the going concern basis. The Board has considered the financial prospects of the Company and Group for the foreseeable future, over the period to 31 December 2024, and made an assessment of the Company's and Group's ability to continue as a going concern. The Board's assessment included consideration of the availability of the Company's and Group's credit facilities, cash flow forecasts and stress test scenarios. Stress test scenarios applied in the Going Concern statement are in line with scenarios covered in the Viability statement. The Board is satisfied that the Company and Group have the resources to continue operating the business for the foreseeable future, and furthermore are not aware of any material uncertainties that may cast significant doubt upon the Company's and Group's ability to continue as a going concern and the Board considers it is appropriate to adopt the going concern basis of accounting in preparing the condensed interim financial statements.

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

The condensed interim financial statements are prepared for the six months beginning on 1 January and ending on 30 June 2023.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted, as well as significant judgements and key estimates applied, are consistent with those in the annual financial statements for the year ended 31 December 2022, as described in those financial statements, except as described below:

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

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:

- IFRS17 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.

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 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 condensed interim financial statements.

5. BUSINESS COMBINATION

As of 30 June 2023, the following acquisitions took place:

Acquisition of Inelo

Further to the subsequent events described in the 2022 Annual Report and Accounts, the acquisition of Inelo was completed on 15 March 2023.

The Group paid €215.3m in cash upon the acquisition of 100% of the share capital of Inelo on 15 March 2023 and repaid Inelo's bank borrowings of €53.6m on 16 March 2023. In addition, the Group will pay an additional consideration of €8.4m related to the final price adjustment to Inelo's acquisition of FireUp TMS subsidiary and €2.1m 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 €12.5m, which will (if applicable) become payable in the second half of 2023, following approval of the audited consolidated financial statements of Inelo. Full amount of contingent consideration was recognised as of 30 June 2023. The Group will either pay €12.5m or no consideration is payable.

Given the short period of time between the acquisition and preparation of these condensed interim financial statements, the amounts recorded below for the acquisition are provisional. Purchase price allocation activities are ongoing, and the preliminary fair value of assets and liabilities will be further revised.

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

EUR '000	Preliminary fair value recognized on acquisition of Inelo
Assets	
Property, plant and equipment	11,206

Identifiable intangible assets	102,066
Right of use assets	3,060
Other non-current assets	124
Trade receivables	8,540
Inventories	1,674
Income tax receivables	943
Cash and cash equivalents	3,270
Total Assets	**130,883**
Liabilities	
Interest-bearing loans and borrowings	59,136
Trade payables	13,138
Lease liabilities	3,146
Other non-current liabilities	418
Income tax liabilities	467
Deferred tax	18,063
Total Liabilities	**94,368**
Total identifiable net assets at fair value	**36,515**
Non-controlling interest measured at % of net assets	**(3,343)**
Goodwill arising on acquisition	**205,123**
Purchase consideration:	
Cash paid	215,288
Deferred and contingent consideration	23,006
Total purchase consideration	**238,294**

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 €9,931 thousand. At acquisition date, there were €1,272 thousand of contractual cash flows not expected to be collected.

From the date of acquisition until 30 June 2023, Inelo's subsidiaries contributed €13,291 thousand of revenue and €3,500 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 half year ended 30 June 2023 would have been €20,965 thousand and €3,811 thousand respectively. Excluding amortisation of acquired intangibles and adjusting items the adjusted profit after tax would have been €7,113 thousand.

As the deferred consideration is 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 first part of deferred and contingent acquisition consideration of €2,064 thousand related to acquisition of Webeye.

Further, on 17 May 2023, the Group paid second part of deferred acquisition consideration of €5,500 thousand related to acquisition of Webeye.

Other disclosures

Net outflows of cash to acquire subsidiaries were as follows:

EUR '000	30 June 2023 (unaudited)	30 June 2022 (unaudited)
Cash consideration paid	222,852	23,319
Repayment of acquiree's debt	53,676	-
Cash acquired	(3,270)	(395)
Net outflow of cash - investing activities	**273,259**	**22,924**

Cost of acquisition of subsidiaries recognised in other operating expense:

EUR '000	For the six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Acquisition costs	2,719	524

6. FAIR VALUE MEASUREMENT

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

Fair value measurement hierarchy for assets and liabilities as at 30 June 2023 (unaudited):

			Fair value measurement using			
EUR '000	**Note**	**Date of valuation**	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	**Total**
Assets measured at fair value						
Financial assets at fair value through other comprehensive income (FVTOCI)		30 June 2023	-	-	14,579	**14,579**
Derivative financial assets						
Foreign currency forwards		30 June 2023	-	2,329	-	**2,329**
Interest rate swaps		30 June 2023	-	6,921	-	**6,921**
Liabilities measured at fair value						
Derivative financial liabilities						
Foreign currency forwards		30 June 2023	-	5	-	**5**
Put options		30 June 2023	-	-	153	**153**
Interest rate swaps		30 June 2023	-	5	-	**5**

As of 30 June 2023, fair value measurement of financial assets at FVTOCI was performed by an independent valuator. The carrying value as of 31 December 2022 falls within the range of the valuation as of 30 June 2023, with a midpoint being higher than the carrying amount. Therefore, we decided to be prudent and keep the value as it was as of 31 December 2022.

There have been no transfers between Level 1, Level 2 and Level 3 during the six months ended 30 June 2023.

Fair value measurement hierarchy for assets and liabilities as at 31 December 2022:

			Fair value measurement using			
EUR '000	**Note**	**Date of valuation**	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	**Total**
Assets measured at fair value						
Financial assets at fair value through other comprehensive income (FVTOCI)		31 December 2022	-	-	14,364	**14,364**
Derivative financial assets						
Foreign currency forwards		31 December 2022	-	1	-	**1**
Interest rate swaps		31 December 2022	-	6,943	-	**6,943**
Liabilities measured at fair value						
Derivative financial liabilities						
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 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); and
- for other financial instruments - discounted cash flow analysis.

The Group engaged independent experts to perform valuation of FVTOCI based on discounted cash-flows. The main level 3 inputs used are:

- discount rate;
- revenue growth rate.

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 approximates their carrying amounts largely due to the short-term maturities of these instruments. Interest-bearing loans and borrowings are at floating rates with margin corresponding to market margins and 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.

7. SEGMENTAL ANALYSIS

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

For management purposes and based on internal reporting information, the Group is organised in two operating segments: Payment solutions and Mobility solutions. Payment solutions represent 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, see Note 9.

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

Six months ended 30 June 2023 (unaudited) EUR '000	**Payment solutions**	**Mobility solutions**	**Total**
Segment revenue	970,921	46,665	**1,017,586**
Net energy and services sales	72,418	46,665	**119,083**
Contribution	61,004	31,621	**92,624**
Contribution margin	84%	68%	**78%**
Corporate overhead and indirect costs before adjusting items			**(42,383)**
Adjusting items affecting Adjusted EBITDA			**(10,025)**
Depreciation and amortisation			**(25,708)**
Net finance costs and share of net loss of associates			**(5,996)**
Profit before tax			**8,512**

Six months ended 30 June 2022 (unaudited) EUR '000	**Payment solutions**	**Mobility solutions**	**Total**
Segment revenue	1,137,314	23,501	**1,160,815**
Net energy and services sales	63,477	23,501	**86,978**
Contribution	54,938	16,971	**71,909**
Contribution margin	87%	72%	**83%**
Corporate overhead and indirect costs before adjusting items			**(36,906)**
Adjusting items affecting Adjusted EBITDA			**(5,498)**
Depreciation and amortisation			**(12,431)**
Net finance costs and share of net loss of associates			**(3,631)**
Profit before tax			**13,443**

Geographical split - segment revenue from contracts with customers

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

EUR '000	**For the six months ended 30 June**	
	2023	**2022**

	(unaudited)	(unaudited)
Czech Republic ("CZ")	219,845	242,813
Poland ("PL")	180,975	199,284
Central Cluster (excluding CZ and PL)	124,998	133,417
Portugal ("PT")	109,201	205,110
Western Cluster (excluding PT)	50,003	38,117
Romania ("RO")	144,905	153,735
Southern Cluster (excluding RO)	183,210	183,556
Not specified	4,449	4,783
Total	**1,017,586**	**1,160,815**

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

Geographical split - net energy and services sales

EUR '000	For the six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Czech Republic	18,928	15,861
Poland	25,554	15,323
Central Cluster (excluding CZ and PL)	15,048	12,120
Portugal	5,576	8,638
Western Cluster (excluding PT)	4,627	3,492
Romania	16,890	12,570
Southern Cluster (excluding RO)	28,860	15,559
Not specified	3,600	3,415
Total	**119,083**	**86,978**

Timing of revenue recognition was as follows:

EUR '000	For the six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Payment solutions		
Goods and services transferred at a point in time	952,248	1,125,804
Services transferred over time	18,672	11,510
	970,920	**1,137,314**
Mobility solutions		
Goods and services transferred at a point in time	8,242	6,357
Services transferred over time	38,424	17,144
	46,666	**23,501**
Total segment revenue	**1,017,586**	**1,160,815**

8. OTHER OPERATING INCOME

EUR '000	For the six months ended 30 June	
	2023	**2022**
Revaluation of foreign currency forwards	5,953	-
Other income	828	221
Total	**6,781**	**221**

9. ALTERNATIVE PERFORMANCE MEASURES

To supplement its consolidated financial statements, which are prepared and presented in accordance with IFRS, the Group uses the following non-GAAP financial measures that are not defined or recognised under IFRS: Net energy and services sales, Contribution, Contribution margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted earnings, Adjusted earnings per share, Adjusted effective tax rate, Net debt/cash, and Transformational capital expenditure.

The Group uses Alternative Performance Measures ("APMs") to provide additional information to investors and to enhance their understanding of its results. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS. Moreover, these metrics may be defined or calculated differently by other companies, and, as a result, they may not be comparable to similar metrics calculated by the Group's peers.

Net energy and services sales

Net energy and services sales is an alternative performance measure, which is calculated as total revenues from contracts

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

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

Contribution

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

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

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 allow 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	<u>Broadening the skill base</u> IPO and IT strategic transformation requires different skill base of the Group's employees. Expenses related to these strategic events were excluded as otherwise they would not be incurred. The expenses are not expected to be adjusted in 2023. <u>Transformation of key IT systems</u> 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. Strategic transformation programme is expected to end in 2023 except for SAP implementation, which is expected to end in 2024. Anticipated IT transformation expense adjustment amounts to €4.1m in 2023 and €3.3m in 2024. The Group does not expect significant capitalisation related to SAP in 2024. <u>Integration costs of Inelo</u> In 2023 and 2024, the Group expects to adjust one-off costs related to transformation and integration of Inelo. While the Group did not adjust integration costs in the past, the related activities and one-off costs are expected to be significantly higher than for previously completed acquisitions. Exclusion of these costs will allow better result comparability. The Group currently estimates approximately €2m of integration costs in 2023.
Share-based compensation	Equity-settled and cash-settled compensation provided to the Group's management before IPO	Share options and cash-settled compensation have been provided to management and certain employees in connection with the IPO. Total share-based payment charge to be excluded in period 2021-2024 amounts to €20.7m, from which €1.3m was a one-off in 2021 and €19.4m is amortised over three years. Although these costs will be amortised over the next three years based on accounting policies, they were excluded as they relate to a one-off event. Amortised expenses amounted to €5.1m in 2021 and €5.3m in 2022 and anticipated expense adjustment amounts to €6.5m in 2023 and €2.5m in 2024. Share awards provided post-IPO were not excluded as they represent non-cash element of annual remuneration package.

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

Adjusted EBITDA reconciliation

EUR '000	For the six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Intangible assets amortisation (Note 14)	19,310	8,830
Tangible assets depreciation (Note 14)	3,949	2,176
Right of use depreciation	2,449	1,425
Depreciation and amortization	25,708	12,431
Net finance costs and share of net loss of associates	5,996	3,631
Profit before tax	8,512	13,443
EBITDA	**40,216**	**29,505**
M&A-related expenses *	2,719	524
Strategic transformation expenses	3,624	1,661
Share-based compensation	3,682	3,313
Adjusting items	**10,025**	**5,498**
Adjusted EBITDA	**50,241**	**35,003**

** Primarily related to Inelo acquisition.*

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 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	Strategic IT transformation programme of the Group is replacing selected software before their originally estimated useful life. This may also include early fixed asset write-offs. Amortisation of such assets has been accelerated and abnormally high difference between original and accelerated depreciation was excluded to allow period on period result comparability. The item adjusted in 2020-2022 represents assets replaced by strategic IT transformation by the end of 2022, however, decisions may be taken as the Group continues with its strategic IT transformation in 2023, which may lead to new assets being replaced and either accelerated or written-off. The Group expects this adjustment to be relevant until 2024, although, no significant costs are currently expected to be adjusted in 2023 and 2024.
Adjusting items affecting Adjusted EBITDA	Items recognised in the preceding table, which reconciles EBITDA to Adjusted EBITDA	Justifications for each item are listed in the preceding table.
Tax effect	Decrease in tax expense as a result of above adjustments	Tax effect of above adjustments is excluded to adjust the impact on after tax profit.

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

Adjusted earnings reconciliation

EUR '000	For the six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Profit for the year	**5,597**	**9,187**
Amortisation of acquired intangibles	6,756	2,761
Amortisation due to transformational useful life changes	-	651
Adjusting items affecting Adjusted EBITDA	10,025	5,498
Tax effect	(1,717)	(1,188)
Adjusted earnings (net profit)	**20,661**	**16,909**

Adjusted earnings per share

Adjusted earnings per share is calculated by dividing the adjusted net profit for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the period. See Note 18 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 13 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.

10. EMPLOYEE EXPENSES

Employee expenses for the respective periods consist of the following:

EUR '000	For the six months ended 30 June			
	2023 (unaudited)		2022 (unaudited)	
	Total personnel	**Key management***	**Total personnel**	**Key management***
Wages and salaries	39,114	3,360	27,034	2,408
Social security costs	9,107	593	6,797	349
Option plans	5,654	5,074	3,807	3,421
Own work capitalised	(7,451)	-	(4,870)	-
Total employee expense	**46,424**	**9,027**	**32,768**	**6,178**

**Includes the members of the Board and Executive Committee of W.A.G payment solutions PLC.*

Expenses arising from share-based payment transactions

EUR '000	For the six months ended 30 June	
	2023 (unaudited)	**2022 (unaudited)**
Equity-settled plans (pre-IPO option plans)	3,518	3,124
Cash-settled plans (pre-IPO)	164	189
Total pre-IPO expenses (Note 9)	**3,682**	**3,313**
Equity-settled plans (PSP)	1,971	494
Total	**5,653**	**3,807**

11. FINANCE COSTS

Finance costs for the respective periods were as follows:

EUR '000	For the six months ended 30 June	
	2023 (unaudited)	**2022 (unaudited)**
Bank guarantees fee	673	430
Interest expense	8,257	2,729
Factoring fee	1,956	417
Foreign exchange loss	-	975
Other	74	1
Total	**10,960**	**4,553**

The Group manages its foreign currency risk by using foreign currency forwards and swaps.

12. FINANCE INCOME

Finance income for the respective periods was as follows:

EUR '000	For the six months ended 30 June	
	2023 (unaudited)	**2022 (unaudited)**
Gain from foreign currency exchange rate differences	3,451	-
Gain from the revaluation of securities and derivatives	1,667	1,117
Interest income	133	81

Other	11	77
Total	**5,262**	**1,275**

13. INCOME TAX

The taxation charge for the interim period has been calculated based on estimated effective tax rate for the full year of 34.2% (six months ended 30 June 2022: 31.7%).

The tax rate is higher in 2023 mainly due to equity-settled share-based payments of €5,489 thousand (six months ended 30 June 2022: €3,618 thousand) and tax non-deductible M&A expenses €1,384 thousand (six months ended 30 June 2022: €524 thousand) offset by positive impact of 2022 CIT assessment of €404 thousand (six months ended 30 June 2022: negative impact of €309 thousand). Related tax impact amounts to €930 thousand in the six months ended 30 June 2023, which represents 10.9 percentage points of the effective tax rate (six months ended 30 June 2021: €1,096 thousand, which represented 8.1 percentage point of the effective tax rate).

In May 2023, the government of the Czech Republic suggested changes in the Czech tax system which include corporate income tax rate increase from 19% to 21%. According to the government's proposal, the new tax rate will be applicable for tax and accounting periods starting in 2024. The changes have not yet been enacted as of the date of preparation of these condensed interim financial statements. If enacted, the impact on the deferred tax as of 30 June 2023 would not be material (approx. €677 thousand increase of deferred tax asset and €1 thousand increase of deferred tax liability).

The Group is currently analysing impact of OECD Pillar II legislation, which is effective from 1 January 2024. Although the analysis has not yet been completed, the new legislation may have an impact on the Group. The management is taking all necessary actions to minimize the impact.

Adjusted effective tax rate is as follows:

EUR '000	For the six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Accounting profit before tax	8,512	13,443
Adjusting items affecting adjusted EBITDA	10,025	5,498
Amortisation of acquired intangibles	6,756	2,761
Amortisation due to transformational useful life changes	-	651
Adjusted profit before tax (A)	25,292	22,353
Accounting tax expense	2,914	4,256
Tax effect of above adjustments	1,717	1,188
Adjusted tax expense (B)	4,632	5,444
Adjusted earnings (A-B)	**20,661**	**16,909**
Adjusted effective tax rate (B/A)	**18.31%**	**24.35%**

14. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

EUR '000	Intangible assets	Property, plant and equipment
Cost		
Opening balance as at 1 January 2023	342,614	69,555
Acquisition of a subsidiary	307,188	11,212
Additions	19,708	4,952
Disposals	(347)	(3,924)
Translation differences	5,219	2,099
Closing balance at 30 June 2023 (unaudited)	**674,382**	**83,894**
Accumulated amortisation / depreciation		
Opening balance as at 1 January 2023	(74,444)	(29,729)
Amortisation / depreciation	(19,310)	(3,949)
Impairment	-	(120)
Disposals	38	2,972
Translation differences	(1,061)	(851)
Closing balance at 30 June 2023 (unaudited)	**(94,777)**	**(31,677)**
Net book value		
As at 1 January 2023	268,171	39,826
As at 30 June 2023 (unaudited)	**579,605**	**52,217**

Impairment testing

The Group has tested the intangible assets with an indefinite useful life for impairment as at 31 December 2022. As at 30

June 2023, the Group performed impairment test for the CGU Fleet management (FMS) (excluding Inelo) as the recoverable amount of this CGU was closer to the carrying amount than all other CGUs as at 31 December 2022.

Carrying amount of goodwill allocated to FMS CGU as at 30 June 2023 was €59,408 thousand. The recoverable amount of the CGU has been determined based on a value-in-use calculation using cash flow projections from financial forecast covering a five-year period. The Group has considered the potential impact of climate change in impairment tests and a combination of revenue decrease and operating and capital expenses increase was included in the FMS CGU base model. Sensitivities of discounted cash-flows described below directly include the expected climate change impact.

Discounted cash flow model is based on the following key assumptions:

- Discount rate;
- Revenues;
- Long-term revenue growth rate.

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 and was set at 13.0% as at 30 June 2023 (12.0% in year ended 31 December 2022).

The recoverable amount is estimated to exceed the carrying amount of the CGU at 30 June 2023 by €5,216 thousand.

Discount rate used in the value-in-use calculation would have to increase to 13.4% for the recoverable amount to be equal to its carrying amount.

Revenue used in the value-in-use calculation would have to decrease by 1.7% for the recoverable amount to be equal to its carrying amount.

Long-term revenue growth rate would have to decrease to 2.1% for the recoverable amount to be equal to its carrying amount.

15. INVENTORIES

EUR '000	30 June 2023 (unaudited)	31 December 2022
Raw materials*	7,028	6,652
Goods (excluding on-board units)	6,293	9,173
Finished products	181	197
On-board units	5,535	4,269
Total	**19,037**	**20,291**

*Represents primarily material for On-board units.

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

16. TRADE AND OTHER RECEIVABLES

EUR '000	30 June 2023 (unaudited)	31 December 2022
Trade receivables	268,313	240,788
Receivables from tax authorities	22,378	24,528
Advances granted	12,432	12,059
Unbilled revenue	4,240	9,728
Miscellaneous receivables	65	4,798
Tax refund receivables	77,188	79,274
Prepaid expenses and accrued income	4,745	3,976
Contract assets	3,846	3,001
Total	**393,207**	**378,152**

17. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

EUR '000	30 June (unaudited)	31 December 2022
Cash at banks	80,382	145,938
Cash on hand	62	65
Cash and cash equivalents presented in the statement of financial position	**80,444**	**146,003**

Bank overdrafts	(29,967)	(2)
Cash and cash equivalents presented in the statement of cash flows	**50,477**	**146,001**

18. EARNINGS PER SHARE

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

Basic EPS is calculated by dividing the net profit for the period attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit for the period attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of shares that would be issued if all dilutive potential ordinary shares were converted into ordinary shares.

Adjusted 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.

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

	For the six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Net profit attributable to equity holders (EUR'000)	**5,245**	**8,902**
Basic weighted average number of shares	688,911,333	688,911,333
Effects of dilution from share options	2,296,736	517,940
Total number of shares used in computing dilutive earnings per share	691,208,069	689,429,273
Basic earnings per share (cents/share)	**0.76**	**1.29**
Diluted earnings per share (cents/share)	**0.76**	**1.29**

Adjusted earnings per share measures:

	For the six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Net profit attributable to equity holders (EUR'000)	**5,245**	**8,902**
Adjusting items affecting Adjusted EBITDA (Note 9)	10,025	5,498
Amortisation of acquired intangibles*	6,310	2,229
Amortisation due to transformational useful life changes	-	651
Tax impact of above adjustments*	(1,633)	(1,080)
Adjusted net profit attributable to equity holders (EUR'000)	**19,948**	**16,200**
Basic weighted average number of shares	688,911,333	688,911,333
Adjusted basic earnings per share (cents/share)	**2.90**	**2.35**
Diluted weighted average number of shares	691,208,069	689,429,273
Adjusted dilutive earnings per share (cents/share)	**2.89**	**2.35**

*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 if the required performance criteria would have been met based on the Group's performance up to the reporting date, and to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share as their performance conditions have not been met.

19. INTEREST BEARING LOANS AND BORROWINGS

				30 June 2023 (unaudited)			31 December 2022		
	Currency	Maturity	Interest rate	Total limit in currency	Amount in original currency	Amount in EUR'000	Total limit in currency	Amount in original currency	Amount in EUR'000
Bank loans									
Multicurrency term and revolving facilities agreement**	EUR	2027/09	3M EURIBOR + margin	45,000	40,733	40,733	45,000	42,941	42,941
Multicurrency term and revolving facilities agreement**	EUR	2027/09	3M EURIBOR + margin	68,000	59,687	59,687	68,000	64,889	64,889
Multicurrency term and revolving facilities agreement**	EUR	2027/09	3M EURIBOR + margin	37,000	35,308	35,308	37,000	35,307	35,307
Multicurrency term and revolving facilities	EUR	2027/09	3M EURIBOR +	120,000	108,566	108,566	-	-	-

agreement**			margin						
Multicurrency term and revolving facilities agreement**	EUR	2027/09	3M EURIBOR + margin	60,000	54,283	54,283	-	-	-
Multicurrency term and revolving facilities agreement**	EUR	2027/09	3M EURIBOR + margin	50,000	49,051	49,051	-	-	-
Other loans	CZK		fixed rate	271	271	11	393	393	17
Financial liabilities to telecoms	PLN	36 months from the REPO transaction	Fixed rate - 6.29-16.86%	15,512	15,512	3,486	-	-	-
Other non-bank loans	PLN, EUR		3M WIBOR + 2%	-	-	216	-	-	-
Revolving facilities and overdrafts	-	-	-	55,000	29,967	29,967	-	2	2
Total	**EUR**					**381,308**			**143,156**
Current	EUR					90,616			21,884
Non-current	EUR					290,692			121,272

**On 27 May 2019, the Group signed senior multicurrency term and revolving facilities agreements ("old club financing agreement") 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. *HSBC Bank plc acting through its branch HSBC Bank plc - pobočka Praha,*
f. *Komerční banka, a.s.,*
g. *Raiffeisenbank a.s.,*
h. *UniCredit Bank Czech Republic and Slovakia, a.s.*

Under this financing, up to €60m was available for the Group for revolving facilities and overdraft accounts, and up to €113m for bank guarantees.

***On 22 September 2022, the Group signed a new multicurrency term and revolving facilities agreement ("new club financing agreement") with the 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 new club financing agreement consists of four tranches:

- *€150m committed facility A for the refinancing of all existing term loan indebtedness;*
- *€180m committed facility B for permitted acquisitions and capital expenditure;*
- *€235m committed auxiliary credit facility, of which €85m may be utilised by way of revolving loans, and €150m may be utilised by way of ancillary facilities in the form of bank guarantees, letters of credit, or an overdraft up to €25m; and*
- *€150m uncommitted incremental facility for permitted acquisitions, capital expenditure, and auxiliary credit facilities up to €50m of which not more than €25m can be utilised as revolving loans.*

The applicable interest rate margin for the new club financing shall be determined according to the following margin grid:

Net leverage	Facility A and B
> 3.25	2.30% p.a.
≤ 3.25 ≥ 2.50	2.10% p.a.
< 2.50	1.90% p.a.

The interest expense relating to bank loans and borrowings is presented in Note 11.

Interest bearing loans and borrowings are non-derivative financial liabilities carried at amortised cost.

On 10 March 2023, the Group received €180m through facility B of the new club financing. The new loan was used to finance the Inelo acquisition above. Interest rate risk was managed by concluding new interest rate swaps.

On 25 May 2023, the Group received €50m through Incremental Facility I of the new club financing. The purpose of the new drawdown is financing of the capital expenditures incurred or to be incurred.

20. TRADE AND OTHER PAYABLES, OTHER LIABILITIES

EUR '000	30 June 2023 (unaudited)	31 December 2022
Current		
Trade payables	305,972	332,676
Employee related liabilities	10,048	9,243
Advances received	13,849	15,325
Miscellaneous payables	10,821	9,790
Payables to tax authorities	19,904	12,734
Contract liabilities	7,928	4,439
Refund liabilities	3,928	2,822
Put option redemption liability	4,473	-
Deferred acquisition consideration	49,801	11,206
Total Trade and other payables	**426,725**	**398,235**
Non-current		
Put option redemption liability	1,182	4,435
Contract liabilities	3,044	2,276
Employee related liabilities	72	765
Deferred acquisition consideration	4,204	19,898
Other liabilities	2	2
Total Other non-current liabilities	**8,504**	**27,376**

21. FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks including foreign currency risk, fair value interest rate risk, credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2022. There have been no changes in any risk management policies since the year end.

22. RELATED PARTY DISCLOSURES

Company

The Company controlling the Group is disclosed in Note 1.

Subsidiaries

As at 30 June 2023, there were the following changes in the Group's subsidiaries:

Name	Principal activities	Country of incorporation	Registered address	Effective economic interest 2023	2022
ALŽIRIJA SPA CVS Mobile Algerie (acquired and liquidated in 2023)	Mobility solutions	Algeria	30 Rue Hassen Benamane les Vergers Bir Mourad Rais-Algiers	-	-
CVS Mobile d.o.o.	Mobility solutions	Bosnia and Herzegovina	Ulica Petrovdanska bb 79240, Kozarska Dubica, Bosnia-Herzegovina	85.56%	-
CVS Mobile d.o.o.	Mobility solutions	Croatia	Jankomir 25 10090 Zagreb, Croatia	85.56%	-
FireTMS.com GmbH	Mobility solutions	Germany	Geschäftsanschrift: Stresemannstraße 123, 10963 Berlin, Germany	81.00%	-
CVS Mobile GmbH	Mobility solutions	Germany	Sckellstraße 1/II, 81667 München, Germany	85.56%	-
CVS Mobile s.r.l.	Mobility solutions	Italy	Via Battisti 2, 34125 Trieste, Italy	85.56%	-
CVS Mobile MK dooel	Mobility solutions	North Macedonia	16-ta Makedonska brigada 13b, 1000 Skopje, North Macedonia	85.56%	-
Grupa Inelo S.A.	*Mobility solutions*	Poland	43-300 Bielsko-Biała, ul. Kaprapcka 24/B13, Poland	100.00%	-
INELO Polska Sp. z o.o.	*Mobility solutions*	Poland	43-300 Bielsko-Biała, ul. Kaprapcka 24/U2b, Poland	100.00%	-
Marcos Bis Sp. z o.o.	*Mobility solutions*	Poland	ul. Powstańców 19, 40 - 039 Katowice, Poland	100.00%	-
FIRETMS.COM Sp. z o.o.	*Mobility solutions*	Poland	44-200 Rybnik, ul. 3 Maja 30, Poland	81.00%	-
CVS Mobile d.o.o.	*Mobility solutions*	Serbia	Ulica Španskih boraca 24V, 11070 Novi Beograd, Serbia	85.56%	-

Name	Principal activities	Country of incorporation	Registered address	Effective economic interest 2023	2022
Napredna telematika d.o.o.	Mobility solutions	Slovenia	Ulica Gradnikove brigade 11, 1000 Ljubljana, Slovenia	85.56%	-
CVS Mobile d.d.	Mobility solutions	Slovenia	Ulica Gradnikove brigade 11, 1000 Ljubljana, Slovenia	85.56%	-
Infotrans d.o.o.*	Mobility solutions	Slovenia	Ljubljanska cesta 24C, 4000 Kranj, Slovenia	43.63%	-

* 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 listed above 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.

Further, for the following entities liquidation process has been ongoing as of 30 June 2023:

- Klub investorov T&G SK, s. r. o.;
- W.A.G. AT GmbH;
- W.A.G. payment solutions IE Limited.

Key management personnel compensation

Key management personnel compensation is disclosed in Note 10.

Paid dividends

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

Transactions with other related parties

EUR '000	For the six months ended 30 June 2023 (unaudited)	2022 (unaudited)
Sale of fixed assets (vehicles) to key management personnel	1	-
Sale of property to key management personnel	28	
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*	16	-
Purchases of various goods and services from associates	6	-

* *The Group acquired the following goods and services from entities that are controlled by members of the Group's key management personnel: marketing research, consultancy, taxi services, rent of commercial property*

23. SUBSEQUENT EVENTS

JITPay call option

On 4 July 2023, the Group announced it exercised its call option to acquire an additional 18.01% stake in JITpay's share capital from its founders, management and Volksbank eG Braunschweig Wolfsburg on a pro rata basis. The proceeds from the primary capital will be used to fund JITpay's further expansion. The Group entered a strategic partnership with JITpay on 27 September 2022, when it acquired a 9.99% stake for an initial consideration of €14.3m, of which €3.5m was used as primary capital. As per the original agreement, the Group had a call option to acquire an additional 18.01% share, which could be exercised by 3 July 2023 for a consideration of €25.7m, of which €6.5m will be used as primary capital.

The purchase of the additional 18.01% stake in JITpay will be funded from existing funds and the transaction is subject to customary closing conditions, including clearance by the German Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), and is expected to complete in the first half of 2024. The Transaction constitutes a Class 2 transaction for the purposes of the UK Financial Conduct Authority's Listing Rules. Following receipt of the German authorities' clearance, the investment in JITpay would change to an associate (28% equity interest).

The remaining 72% stake will continue to be held by existing shareholders. There are Call and Put arrangements in place that give the Group the option to acquire the remaining 72% stake of JITpay's share capital from 2025 onwards. The price of the Put or Call payable by the Group for the remainder of JITpay's share capital will be based on a multiple of 10x of the average of JITpay's profit before tax over the twelve-month period to 31 December 2024 and 31 December 2025 with the Put being subject to a cap of €129.3m.

Issued shares

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 £0.01 per share resulting in €5 thousand share capital increase.

Pay-out of deferred consideration

On 31 August 2023, the Group paid a deferred acquisition consideration of €8,377 thousand related to the final price adjustment to Inelo's acquisition of FireUp TMS subsidiary.

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