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

Interim results for the six months ended 30 June 2024

Strong growth, on-track for Q4 phased rollout of integrated platform

W.A.G payment solutions plc ("Eurowag" or the "Group"), today announces its interim results for the six-month period ended 30 June 2024.

H1 financial highlights

Continued strong growth from our business-critical products and services

- Total net revenue[1] +18.4% to €141.0m (H1 2023: €119.1m).
  - Payment solutions revenue[1] +10.2% to €79.8m, supported by growth from toll revenues and 11.8% growth in active payment solutions trucks .
  - Mobility solutions revenue[1] +31.3% to €61.3m, as a result of the annualisation of Inelo and continued growth across all our products.
- Adjusted EBITDA[1] +18.2% to €59.4m (H1 2023: €50.2m), with a margin[1] of 42.1% (H1 2023: 42.2%).
- Adjusted profit before tax[1] €21.6m (H1 2023: €25.3m). Statutory profit before tax of €4.2m (H1 2023: €8.5m), a result of higher amortisation from acquired intangibles and interest costs relating to increased leverage, as well as higher depreciation as a result of our transformational capital expenditure programme, which is now complete.
- Capital expenditure spend of €20.5m (H1 2023: €24.7m), including the final €3.0m from our transformational programme.
- Net debt[1] position of €302.4m (FY 2023: €316.8m); a marked improvement with Net leverage[2] at 2.6x. Renegotiated credit facilities; extended maturity to 2029 reducing annual amortisation payments and extended revolving facility.

Early adopters already onboarded; on-track for phased rollout of industry-first integrated platform in Q4 2024

- New platform unifies all Eurowag brands and services into a single data ecosystem, providing a one-stop-shop to deliver increased growth and efficiencies for customers.
- Early adopters already onboarded; phased migration of existing customers onto the Eurowag Office application for live-user testing. The platform will be ready for new customers in Q4 2024.

Outlook

- While the Board is mindful of macroeconomic challenges across the industry, Eurowag is well positioned and trading in-line with the Board's expectations.
- Furthermore, the Board remains confident in the value creation from the new integrated platform and therefore our medium-term guidance remains unchanged.

Martin Vohánka, Founder and CEO, commented:

"We continue to deliver strong double-digit growth, despite the economic headwinds impacting the Commercial Road Transport ("CRT") industry across Europe. Our resolute focus on providing mission-critical products to our customers has allowed us to create a highly resilient business model, giving us the capacity to enhance our services, scale and innovate.

I am pleased with our strong performance and progress in the first half of 2024, having successfully integrated certain functions of our recently acquired businesses - bringing together new colleagues and teams - and laid the groundwork for the phased rollout of our industry's first integrated digital platform in Q4 this year.

The new digital one-stop-shop will be transformational. For the first time, the industry will have access to a single data-driven ecosystem, solving the complexity and fragmentation challenge that has held the sector back for far too long. For us, the new platform will deepen customer relationships and unlock further opportunities, and this gives me real confidence in our near and medium term guidance."

H1 financials

Key statutory financials	H1 2024	H1 2023	YoY growth (%)
Revenue from contracts with customers (€m)	1,149.7	1,017.6	13.0%
Profit before tax (€m)	4.2	8.5	(50.6)%
Basic EPS (cents/share)	0.35	0.76	(53.9)%

Alternative performance measures [1]	H1 2024	H1 2023	YoY growth (%)
Net revenue (€m)	141.0	119.1	18.4%
Payment solutions revenue (€m)	79.8	72.4	10.2%
Mobility solutions revenue (€m)	61.3	46.7	31.3%
Adjusted EBITDA (€m)	59.4	50.2	18.2%
Adjusted EBITDA margin (%)	42.1%	42.2%	(0.1)pp
Adjusted basic EPS (cents/share)	2.51	2.90	(13.4)%

H1 operational highlights

	H1 2024	H1 2023	YoY growth (%)
Average active payment solutions customers[3]	19,723	18,053	9.3%
Average active payment solutions trucks[3]	102,667	91,864	11.8%
Payment solutions transactions[4]	22.4m	18.4m	21.5%

Notes:
1. Please refer to the section Alternative Performance Measures for a definition and see Note 6 of the condensed interim financial statements.
2. Net debt includes lease liabilities and derivative liabilities.
3. An active customer or truck is defined as using the Group's payment solutions products at least once in a given month.
4. 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.

Outlook, near and medium-term guidance unchanged

Eurowag continues to see pressures in the CRT industry, impacting loads and kilometres driven which places higher pressures on the financial stability of smaller businesses, evidenced by a higher rate of insolvencies across some of our markets. Looking ahead, we are starting to see some signs of economic recovery with the load spot market improving, which will benefit small to medium size trucking companies with increased revenues and cash flows. These early indications in the load spot market gives us confidence in delivering in-line with near-term expectations.

With our transformational capital expenditure programme completed, we still expect our ordinary capex to move to around 10% of net revenues. As a result of several deferred consideration payments of circa €35m from past acquisitions to payout in FY 2024, we expect our net debt to adjusted EBITDA to be moderately above our target range of 1.5x -2.5x, with a priority to return within the range in FY 2025.

The delivery of our platform underpins the Group's confidence in delivering mid-teens net revenue growth in the near and medium-term. With further integration work still to take place in respect of recent acquisitions, Adjusted EBITDA margins are expected to grow over the medium-term. The Board is confident in delivering strong growth in-line with expectations, and medium-term financial guidance remains unchanged.

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, 05 September 2024, 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://sparklive.lseg.com/WAGPAYMENTSOLUTIONS/events/7ecd3467-86d9-4cc9-9403-3534849bd8b0/eurowag-2024-half-year-results-announcement-w-a-g-payments-solutions-plc

To view the webcast, you will need to register with SparkLive, which should only take a moment.

Should you want to ask questions at the end of the presentation, please use the following link:
https://eurowag-2024-half-year-results-announcement-september2024.open-exchange.net/registration

ENQUIRIES

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About Eurowag

Eurowag was founded in 1995 and is a leading technology company and an important partner to Europe's CRT industry, with a purpose to make it clean, fair and efficient. Eurowag enables trucking companies to successfully transition to a low carbon, digital future by harnessing all mission critical data, insights and payment and financing transactions into a single ecosystem and connects their operations seamless before a journey, on the road and post-delivery. https://investors.eurowag.com

Chief Executive Officer's Review

The first half of 2024 has been a dynamic period for the European CRT industry, marked by regulatory changes, persisting macroeconomic volatility, including fluctuating fuel prices, and a continued shift towards digitalisation.

We have remained focused on our strategic priorities, with significant progress made in each area, as we prepare for the phased rollout of our digital platform in Q4 2024. Progress in the first half of the year includes:

1) **Be in every truck** *(attract)*
   - 11.8% increase in the number of active payment solutions trucks, to 102,667.
   - Launched Eurowag Prime - a collection of 70 strategically placed fuel stations along the major transit corridors in 16 countries, that offer optimised prices, superior service standards and infrastructure.
   - Launched sales omnichannel pilot in Poland, end-to-end digital sales and onboarding process with a bundled offer.
   - Investment in digital sales, growth in converted digital leads +37% year on year.

2) **Drive customer centricity** *(engage)*
   - Eurowag app evolving as part of the new platform, monthly active users +12% to c.36k (FY 2023: c.32k)
   - Increased the number of mobile acceptance points to 1,500 (FY 2023: 800).

3) **Grow core services** (*monetise*)
   - Total number of acceptance points now 13,900 (FY 2023: 13,000), in 23 countries.
   - Received European Electronic Toll System ("EETS") certification in Slovakia, and we are now certified in 11 countries across Europe. Toll domains ordered on EVA tripled compared to H1 2023.
   - Year-on-year more than doubled the number of OBU devices sold.
   - Continued development of Decarbonisation-as-a-Service ("DaaS"), established the first HVO corridor in Central and Eastern Europe, connecting Austria, Slovakia and Czech Republic.
   - Became the first eMobility Service Provider for the CRT sector.

4) **Expand platform capability** *(retain)*
   - Ongoing implementation of ERP system with next phase focussing on billing.
   - E-wallet development continued, on track to launch in FY 2024.
   - Development of our new digital integrated platform on track, with groups of users already migrated; on track for the phased rollout to new customers in Q4 2024.

Integration and transformation of our core products and services

Eurowag has been focused on growing both organically and inorganically and is currently navigating through a heavy transformation phase. After starting out as a local fuel card provider, it is now close to delivering an industry-first integrated digital platform.

Before the phased rollout of the digital platform to new customers, we are starting to migrate existing customers onto the platform so we can pilot and test their user experience. The RoadLords users were the first customers to be migrated to the new application, with around 200,000 monthly active users already migrated, and we are currently focused on migrating our Eurowag Fleet Management solution and Eurowag Fuel card users, of which around 7,000 Fleet Management users are already migrated. Migrated customers will benefit from new functionalities and user dashboards. We are still on track to offer new customers access to the platform in Q4 this year.

Alongside working on the digital platform delivery, we continue to expand and improve our core suite of products. In the first half of the year, we expanded our acceptance network to 13,900 points, compared to 13,000 at the end of 2023, of which over 700 in our HVO and LNG networks, supporting our sustainability action plan to improve our customers' access to non-fossil fuel. Our mobile payments application is now available at around 1,500 acceptance points across Europe, almost doubling the acceptance points in the first half of the year. When it comes to toll services, following the successful activation of EETS in Slovakia at the beginning of the year, we saw the number of toll domains ordered through our EVA device triple. We have also added new functionalities, where users can now transfer an OBU between vehicles, improving customer experience. From the beginning of July, Germany has extended toll duty for all vehicles weighting over 3.5 tonnes (as opposed to 7.5 tonnes previously). Together with the new toll regulation in Hungary, which applies toll duty to buses and coaches over 3.5 tonnes, this opens a whole new segment of vehicles to the market and represents a significant revenue opportunity.

People and Board

The Board continue to evolve to reflect the Group's strategy, in particular with focus on supporting the development of the integrated platform. During the period, the appointments of Kevin Li Ying and Sophie Krishnan as non-executive directors were announced, effective from 1 March 2024. In conjunction, Susan Hooper retired from the Board at the conclusion of the AGM. The Group would like to thank Susan for all her commitment and contribution since the Group's IPO.

Furthermore, as the Group progresses into the next phase of its integrated platform phased rollout, it also seeks to strengthen its Executive team to ensure it has the right mix of skills and capabilities to deliver its ambitions. In June, the Group made two new appointments: Felipe Alves joined us as Chief Operating Officer, overseeing all aspects of customer operations, and Francesco Nazzarri joined us as Chief Commercial Officer.

Sustainability and decarbonisation

In the first half of 2024, we have continued to work on our sustainability action plan, which focuses on climate action, customer success and wellbeing, community impact and responsible business.

As we continue to explore opportunities and partnerships in eMobility, we have become the first eMobility Service Provider for the CRT sector, in collaboration with Last Mile Solutions, the largest eMobility platform in Europe.

Our LNG network has expanded to over 420 stations, of which c.12% offer bioLNG. Our HVO acceptance network has expanded to over 310 locations in the Europe (including our own truck parks in Austria, Slovakia and the Czech Republic), helping to establish the first HVO corridor in Central and Eastern Europe, with 48% of HVO sales volumes coming from our own truck parks. The volume of LNG sold in the first half of 2024 has more than doubled, compared to the first six months of 2023.

Financial review

The Group continued to excel in the first half, with growth delivered both organically and from the acquisition made in 2023, demonstrating the strength in its strategic and financial transformations. The Group achieved net revenue growth of 18.4%, with payment solutions up 10.2% and mobility solutions up 31.3%.

Our Adjusted EBITDA increased by 18.2% to €59.4m (H1 2023: €50.2m), in-line with revenue growth. On a like-for-like basis, if you include the annualisation of Inelo of €4.4m and exclude the €6.0m FX forward gain last year and the commercial settlement this year of €2.2m, EBITDA grew by 17.6%. The Adjusted EBITDA margin decreased slightly to 42.1% from 42.2%. Despite strong growth in revenues and higher than expected credit losses, we were able to manage our operating costs to keep margins stable year-on-year.

On a statutory basis, profit before tax decreased by 50.6% year-on-year to €4.2m (H1 2023: €8.5m), mainly as a result of higher depreciation, amortisation and interest. Basic EPS decreased by 53.9% to 0.35 cents per share (H1 2022: 0.76 cents). Adjusted basic EPS decreased year-on-year to 2.51 cents per share (H1 2023: 2.90 cents) driven by lower profit before tax.

The Group's term debt and committed facility, including a multi-currency syndicated revolving credit facility, was amended in the period, now expiring March 2029, with a change to the amortisation but with no change to the related covenants. Net debt at the end of the reporting period was €302.4m (FY 2023: €316.8m). Our net leverage ratio improved to 2.6x net debt to adjusted EBITDA.

In the first half of 2024, investments in our subsidiaries, associates, and financial investments amounted to €8.2m, which consists of deferred acquisition payments for WebEye (€5.0m), deferred acquisition payments for Aldobec (€0.7m) and an acquisition of non-controlling interest within Inelo (€2.5m).

Performance review

Below is a summary of the segmental performance and explanatory notes relating to corporate expenses, adjusting items, taxation, interest, investments and cash flow generation. As in prior years, adjusted and other performance measures are used in this announcement to describe the Group's results. Adjustments are items included within our statutory results that are deemed by the Board to be unusual by virtue of their size and/or nature. Our adjusted measures are calculated by removing such adjustments from our statutory results. Note 6 of the condensed interim financial statements includes reconciliations.

Segments

	H1 2024 (€m)	H1 2023 (€m)	YoY (€m)	YoY change (%)
Gross revenue	**1,149.7**	1,017.6	132.1	13.0%
Payment solutions	**1,088.4**	970.9	117.5	12.1%
Mobility solutions	**61.3**	46.7	14.6	31.3%
Net revenue	**141.0**	**119.1**	21.9	18.4%
Payment solutions	**79.8**	72.4	7.4	10.2%
Mobility solutions	**61.3**	46.7	14.6	31.3%
Expenses included in Contribution	**33.9**	26.4	7.5	28.4%
Contribution total[1]	**107.1**	**92.6**	14.5	15.7%
Payment solutions	**65.1**	61.0	4.1	6.8%
Mobility solutions	**42.0**	31.6	10.4	32.9%
Contribution margin total[1]	**76%**	**78%**		
Payment solutions	**82%**	84%		
Mobility solutions	**69%**	68%		

Note:

1 . Please refer to the section Alternative Performance Measures for a definition and see Note 6 of the condensed interim financial statements.

The Group's gross revenues increased by 13.0% year-on-year to €1,149.7m, driven mainly by higher average energy prices (a corresponding increase was reported for costs of energy sold).

The Group delivered double-digit net revenue growth and strong contribution margins in both segments. The overall net revenue increased by 18.4% year-on-year, which includes €25.7m contribution from Inelo.

Payment solutions net revenue grew by 10.2% year-on-year. This increase reflects strong growth in Toll revenues as a result of new CO_2 charges in Germany and Austria, as well as strong EVA sales and double-digit growth in new truck acquisitions, although the growth is partially offset by lower energy unit prices compared to prior year.

Mobility solutions net revenue grew by 31.3% year-on-year. This strong growth is the result of effective cross-selling, Inelo consolidation, and strong growth in tax refund and transport management system.

Total contribution increased by €14.5m to €107.1m (H1 2023: €92.6m), driven by higher net revenues, although increased expenses particularly from credit losses, reduced the contribution margin performance by 2pp to 76%. (H1 2023: 78%).

Corporate expenses

Statutory operating expenses increased by €17.2m to €121.7m (H1 2023: €104.5m), largely due to increased depreciation and amortisation and higher impairment losses of financial assets, with further details provided later on in this Financial review.

	Adjusted (€m)	Adjusting items (€m)	H1 2024 (€m)	Adjusted (€m)	Adjusting items (€m)	H1 2023 (€m)
Employee expenses	**44.0**	2.4	**46.4**	41.6	4.8	46.4
Impairment losses of financial assets	**7.8**	0.0	**7.8**	4.2	0.0	4.2
Technology expenses	**7.3**	2.6	**9.9**	6.8	1.9	8.7

Technology expenses	**7.3**	2.6	**9.9**	6.8	1.9	8.7
Other operating expenses	**25.6**	2.4	**28.0**	23.1	3.3	26.4
Other operating income	**(3.1)**	0.0	**(3.1)**	(6.8)	0.0	(6.8)
Total operating expenses	**81.6**	7.4	**89.0**	68.9	10.0	78.9
Depreciation and amortisation	**22.7**	10.0	**32.7**	18.9	6.8	25.7
Total	**104.3**	17.4	**121.7**	87.7	16.8	104.5

Adjusted Total operating expenses increased by €12.7m to €81.6m, of which €5.2m related to the annualisation of Inelo. The increase comprised mainly of the following:

Adjusted employee expenses increased by 5.8% year-on-year to €44.0m. 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.

Impairment losses of financial assets amounted to €7.8m (H1 2023: €4.2m). The additional charge relates to higher than expected credit losses arising in markets such as Poland, Romania, Hungary and Portugal, where a high number of insolvencies have been observed across the transport industry, in particular with small and medium-sized providers. As a consequence, the Group saw its overall credit loss ratio increase slightly to 0.4% from 0.3%. Nevertheless, the Group's overall receivables portfolio and cash collection process remains robust.

Adjusted technology expenses increased by 8.9% year-on-year to €7.3m (H1 2023: €6.8m). This increase reflects the Group's focus on technology transformation and cloud transition.

Adjusted other operating expenses, comprising consultancy, facilities maintenance and cost of services provided, increased by 10.8% year-on-year to €25.6m (H1 2023: €23.1m), mainly due to the Inelo acquisition.

Other operating income decreased by 54.2% year-on-year to €3.1m (H1 2023: €6.8m); last year's balance included a favourable FX forward gain of €6.0m, while this year's balance of €3.1m relates mainly to a legal settlement of a dispute following an acquisition.

Adjusted depreciation and amortisation grew by 19.6% year-on-year to €22.7m (H1 2023: €18.9m), primarily due to the amortisation of acquired assets of Inelo.

Adjusting items

In H1 2024, the Group incurred costs of €17.4m (H1 2023: €16.8m), which were considered to be Adjusting items and have therefore been excluded when calculating Adjusted EBITDA and Adjusted profit before tax. These are summarised below:

	H1 2024 (€m)	H1 2023 (€m)
M&A related expenses	**2.2**	2.7
ERP implementation and integration expenses	**3.0**	-
Strategic transformation expenses	**-**	3.6
Share-based compensation	**2.2**	3.7
Adjusting items in operating expenses	**7.4**	10.0
Adjusting Items in depreciation and amortisation	**10.0**	6.8
Total Adjusting items	**17.4**	16.8

The Group has incurred acquisition related costs which are primarily professional fees of €2.2m (H1 2023: €2.7m) in relation to M&A activities, predominantly the Inelo acquisition.

ERP implementation and integration expenses are costs relating to key IT systems and the integration of Inelo. Around €2.8m is related to the implementation of our ERP system, which successfully went live in January 2024. A further €12-16m expense is anticipated until the end of 2026. Integration costs of €0.2m were incurred in H1 2024 and approximately €1m is expected to be adjusted in 2024.

Expenses are no longer categorised as Strategic transformation expenses, as the Group considers the transformational programme was concluded at the end of 2023.

Share-based compensation primarily relates to compensation provided to previous management, prior to the IPO. These legacy incentives comprise a combination of cash and share-based payments and will vest during this year. No further share-based compensation adjusting expenses are expected in the future. For clarity, post-IPO share-based payment charges are not treated as Adjusting items.

Amortisation charges of €10.0m relate to the amortisation of acquired intangibles in H1 2024 (H1 2023: €6.8m); the significant increase is due to the annualization of Inelo.

Net finance expense

Net finance expense in the first half of 2024 amounted to €14.8m (H1 2023: €5.7m). The increase mainly reflects higher interest costs related to increased borrowings as well as higher factoring fees related to higher average utilisation throughout the year.

Taxation

The Group's adjusted effective tax rate increased to H1 2024: 19.6% (H1 2023: 18.3%) in-line with expectation, as a result of the increased rates in key tax regimes in which the Group operates and lower statutory profitability result of the increased rates in key tax regimes in which the Group operates and lower statutory profitability. Corporate income tax in the Czech Republic increased from 19% in 2023 to 21% in 2024, in the UK the rate increased from 23% in 2023 to 25% in 2024, and in Slovenia the rate increased from 19% in 2023 to 22% in 2024, while in Spain the rate remains at 24%. Further details can be found in Note 6 of the condensed interim financial statements.

EPS

Adjusted basic EPS decreased by 13.4% to 2.51 cents per share (H1 2023: 2.90). Despite achieving an increased EBITDA, higher depreciation and amortisation together with increased finance expenses led to an overall decrease. Basic EPS for the first half of 2024 was 0.35 cents per share, a 53.9% year-on-year decrease.

Pay-out of deferred consideration and acquisition of non-controlling interests

In H1 2024, the Group paid deferred acquisition considerations of €5.7m and acquired non-controlling interests for a consideration of €2.5m. Refer to Note 13 of the condensed interim financial statements.

Cash performance

During the period, the Group reported a cash inflow of €14.4m (H1 2023: outflow of €303.7m). The basis of deriving this net debt movement is set out below:

Management free cash flow	H1 2024 (€m)	FY 2023 (€m)	H1 2023 (€m)
Adjusted EBITDA	**59.4**	**108.7**	**50.2**
Non-cash items in Adjusted EBITDA	**8.9**	10.6	6.2
Tax	**(6.8)**	(9.3)	(4.0)
Net interest	**(11.4)**	(17.2)	(7.4)
Working capital	**(0.1)**	(44.4)	(36.0)
Free cash	**50.0**	**48.4**	**9.0**
Adjusting items - cash	**(3.2)**	(18.0)	(7.4)
Capital expenditure[1]	**(19.5)**	(48.5)	(23.6)
Payments related to previous acquisitions	**(8.2)**	(297.7)	(279.0)
Repayment of lease obligations	**(2.5)**	(5.4)	(2.4)
Other	**(2.2)**	1.5	(0.4)
Movement in Net debt inflow / (outflow)	**14.4**	**(319.6)**	**(303.7)**
Opening net debt / cash[2]	**(316.8)**	**2.8**	**2.8**
Closing net debt / cash[2]	**(302.4)**	**(316.8)**	**(300.9)**

Note:
1. Includes proceeds from sale of assets.
2. Excludes lease and derivative liabilities.

As at 30 June 2024, the Group's net debt position stood at €302.4m, compared with €300.9m as at 30 June 2023.

Tax paid increased to €6.8m (H1 2023: €4.0m), primarily impacted by higher H1 2024 tax advances in the Czech Republic (€0.5m) and higher tax payments in Hungary (€0.5m). A refund of overpaid tax in Spain in H1 2023 (€1.1m) also decreased the comparative figure.

Interest paid increased to €11.4m (H1 2023: €7.4m), driven by a higher level of borrowings in the first half of 2024 as a result of the Inelo acquisition in Q1 2023.

Non-cash items in Adjusted EBITDA primarily include the add back of share awards issued post IPO and provision movements relating to credit losses of €7.8m (H1 2023: €4.2m).

Net working capital increased by €0.1m (H1 2023: €36.0m) reflecting relatively flat inventory levels and offsetting increases in both trade receivables and payables.

Adjusting items of €3.2m consists predominantly of the ERP implementation costs and Other items mainly relates to bank guarantee and factoring fees.

Capital expenditure

Capital expenditure in the first half of 2024 amounted to €20.5m (H1 2023: €24.7m), which included €3m of spend, completing the transformational programme. Net capital expenditure of €19.5m (H1 2023: €23.6m) included proceeds from the sale of equipment of €1.0m (H1 2023: €1.1m). €6.3m of this capital investment focused on maintaining and enhancing existing products. A further €8.8m is represented by the development and implementation of technology and data systems, including the development of our new Eurowag Office. The target remains to reduce capex spend to around 10 per cent of net revenue through the transition to a single technology platform, and reducing 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 the condensed interim 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.

	Adjusted (€m)	Adjusting items (€m)	H1 2024 (€m)	Adjusted (€m)	Adjusting Items (€m)	H1 2023 (€m)
Net revenue	**141.0**	0.0	**141.0**	119.1	0.0	119.1
EBITDA	**59.4**	7.4	**52.0**	50.2	10.0	40.2
EBITDA margin (%)	**42.1%**	5.2%	**36.9%**	42.1%	8.4%	33.7%
Depreciation, amortisation and impairments	**22.7**	10.0	**32.7**	18.9	6.8	25.7
Operating profit	**36.7**	17.4	**19.3**	31.1	16.8	14.5
Finance income	**1.9**	0.0	**1.9**	5.3	0.0	5.3
Finance costs and share of net loss of associates	**(17.0)**	0.0	**(17.0)**	(11.3)	0.0	(11.3)
Profit before tax	**21.6**	17.4	**4.2**	(8.3)	16.8	8.5
Income tax	**(4.2)**	(2.5)	**(1.7)**	(4.6)	(1.7)	(2.9)
Profit after tax	**17.4**	14.9	**2.5**	20.7	15.1	5.6
Basic earnings per share (cents)	**2.51**	2.16	**0.35**	2.90	2.14	0.76

APMs are reconciled to the statutory equivalent, where applicable, in Note 6 of the accompanying condensed interim financial statements.

Capital allocation

Our priority continues to focus around investment in the platform together with integrating the technologies and products of our acquired businesses. We expect to reduce duplications across IT, hardware, and technology processes. M&A is important and we will continue to consider value-accretive M&A opportunities, however we are mindful of our current leverage position. We remain disciplined and want to maintain our strong and robust balance sheet, therefore the Group does not intend to pay dividends, as we continue to prioritise investment in growth.

Financing facility and covenants

On 14 March 2024, the Group signed an amendment to the Club Finance facility, which increased the share of revolving loans within the uncommitted incremental facility up to €40 million (previously up to €25 million). The total amount of uncommitted incremental facility remains unchanged. The amendment also removed the requirement to calculate the interest cover covenant for the six months ended 30 June 2024.

On 6 June 2024, the Group signed another amendment to the Club Finance facility, which changed the maturity date to 31 March 2029 and decreased quarterly instalments.

Covenant	Calculation	Target	Actual 30 June 2024
Interest cover	the ratio of Adjusted EBITDA to finance charges	Min 4.00	n/a[1]
Net leverage	the ratio of total net debt to Adjusted EBITDA	Max 3.75[2]	2.64
Adjusted net leverage	the ratio of the adjusted total net debt to Adjusted EBITDA	Max 6.50	4.12

1. The Group is not required to report on the Interest cover covenant as at 30 June 2024.
2. The covenant shall not exceed 3.75 in 2024 and 3.50 in 2025 and onwards.

The Group also manages its working capital needs through the use of uncommitted factoring facilities, with average financing limits of €138.7m and average utilisation of 74.0% (H1 2023: €124.1m and 71.8% 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

(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 26 March 2024 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)

		For the six months ended 30 June	
	Notes	2024 (unaudited)	2023 (unaudited)
Revenue from contracts with customers	**5**	**1,149,705**	**1,017,586**
Costs of energy sold		(1,008,674)	(898,503)
Net energy and services sales	**5**	**141,031**	**119,083**
Other operating income	9	3,117	6,781
Employee expenses		(46,400)	(46,423)
Impairment losses of financial assets		(7,793)	(4,171)
Technology expenses		(9,942)	(8,680)
Other operating expenses		(28,006)	(26,374)
Operating profit before depreciation and amortisation (EBITDA)		**52,007**	**40,216**
Analysed as:			
Adjusting items	6	7,358	10,025
Adjusted EBITDA	6	59,365	50,241
Depreciation and amortisation	6	(32,667)	(25,708)
Operating profit		**19,339**	**14,508**
Finance income	8	1,887	5,262
Finance costs	7	(16,694)	(10,960)
Share of net loss of associates		(284)	(298)
Profit before tax		**4,249**	**8,512**
Income tax expense		(1,733)	(2,914)
PROFIT FOR THE YEAR		**2,516**	**5,597**
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		(148)	(92)
Exchange differences on translation of foreign operations		(361)	2,390
Deferred tax related to other comprehensive income		(166)	-
TOTAL OTHER COMPREHENSIVE INCOME		**(675)**	**2,298**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,841**	**7,895**
Total profit for the financial year attributable to equity holders of the Company		2,425	5,245
Total profit for the financial year attributable to non-controlling interests		92	353
Total comprehensive income for the financial year attributable to equity holders of the Company		1,749	7,538
Total comprehensive income for the financial year attributable to non-controlling interests		93	357
Earnings per share (in cents per share):			
Basic earnings per share	11	0.35	0.76
Diluted earnings per share	11	0.35	0.76

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR '000)

	Notes	As at 30 June 2024 (unaudited)	As at 31 December 2023
ASSETS			
Non-current assets			
Intangible assets	14	524,847	532,404
Property, plant and equipment	14	53,530	55,760
Right-of-use assets		19,630	22,226
Investments in associates		11,435	11,719
Deferred tax assets		9,114	9,564
Other non-current assets		6,080	4,845
Total non-current assets		**624,636**	**636,518**
Current assets			
Inventories		14,816	14,903
Trade and other receivables	15	460,040	396,943
Income tax receivables		4,832	2,205
Derivative assets	12	1,830	3,425
Cash and cash equivalents		96,409	90,343
Total current assets		**577,927**	**507,819**
TOTAL ASSETS		**1,202,563**	**1,144,337**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		8,120	8,113
Share premium		2,958	2,958
Merger reserve		(25,963)	(25,963)
Other reserves		3,751	4,427
Business combinations equity adjustment		(22,776)	(22,460)
Retained earnings		293,538	289,380
Equity attributable to equity holders of the Company		**259,628**	**256,455**
Non-controlling interests		5,459	6,381
Total equity		**265,087**	**262,836**
Non-current liabilities			
Interest-bearing loans and borrowings	17	286,760	293,822
Lease liabilities		14,332	17,417
Provisions		1,324	1,324
Deferred tax liabilities		27,277	28,878
Derivative liabilities	12	858	3,140
Other non-current liabilities	16	8,866	9,236
Total non-current liabilities		**339,417**	**353,817**
Current liabilities			
Trade and other payables	16	473,517	402,834
Interest-bearing loans and borrowings	17	112,069	113,297
Lease liabilities		5,325	4,909
Provisions		2,793	2,529
Income tax liabilities		3,359	3,927
Derivative liabilities	12	996	188
Total current liabilities		**598,059**	**527,684**
TOTAL EQUITY AND LIABILITIES		**1,202,563**	**1,144,337**

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
At 1 January 2023		**8,107**	**2,958**	**10,342**	**(25,963)**	**(12,526)**	**329,362**	**312,280**
Profit for the year		-	-	-	-	-	5,245	**5,245**
Other comprehensive income		-	-	2,293	-	-	-	**2,293**
Total comprehensive income		**-**	**-**	**2,293**	**-**	**-**	**5,245**	**7,538**
Acquisition of subsidiaries		-	-	-	-	(5,809)	-	**(5,809)**
Share-based payments		-	-	-	-	-	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**
At 1 January 2024		**8,113**	**2,958**	**4,427**	**(25,963)**	**(22,460)**	**289,380**	**256,455**
Profit for the year		-	-	-	-	-	2,425	**2,425**

Other comprehensive income		-	-	(676)	-	-	-	(676)
Total comprehensive income		**-**	**-**	**(676)**	**-**	**-**	**2,425**	**1,749**
Share options exercised		7	-	-	-	-	-	**7**
Share-based payments		-	-	-	-	-	3,198	**3,198**
Acquisition of a non-controlling interest	13	-	-	-	-	1,164	(1,465)	**(301)**
Put options held by non-controlling interests		-	-	-	-	(1,480)	-	**(1,480)**
At 30 June 2024		**8,120**	**2,958**	**3,751**	**(25,963)**	**(22,776)**	**293,538**	**259,628**

CONSOLIDATED STATEMENT OF CASH FLOWS
(EUR '000)

		For the six months ended 30 June	
	Notes	**2024 (unaudited)**	**2023 (unaudited)**
Cash flows from operating activities			
Profit before tax for the period		4,249	8,512
Non-cash adjustments:			
Depreciation and amortisation	6	32,667	25,708
Gain on disposal of non-current assets		(144)	(200)
Interest income		(279)	(133)
Interest expense		12,982	8,278
Movements in provisions		264	7
Impairment losses of financial assets		7,793	4,171
Movements in allowances for inventories		-	4
Foreign currency exchange rate differences		(366)	(1,611)
Fair value revaluation of derivatives		(26)	(1,745)
Share-based payments		3,198	5,487
Other non-cash items		2,283	462
Working capital adjustments:			
Increase in trade and other receivables and prepayments		(71,830)	(11,288)
Decrease in inventories		88	2,960
Increase/(decrease) in trade and other payables		71,673	(27,684)
Interest received		279	133
Interest paid		(11,649)	(7,555)
Income tax paid		(6,801)	(4,005)
Net cash flows generated from operating activities		**44,382**	**1,501**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		377	1,442
Purchase of property, plant and equipment		(3,262)	(5,681)
Purchase of intangible assets		(16,612)	(19,331)
Purchase of financial instruments		-	(215)
Payments for acquisition of subsidiaries, net of cash acquired		(5,700)	(273,259)
Net cash used in investing activities		**(25,197)**	**(297,044)**
Cash flows from financing activities			
Payment of principal elements of lease liabilities		(2,460)	(2,381)
Proceeds from borrowings		35,000	228,391
Repayment of borrowings		(46,811)	(25,991)
Acquisition of non-controlling interests		(2,471)	-
Proceeds from issued share capital (net of expenses)		7	-
Net cash (used in) / generated from financing activities		**(16,735)**	**200,019**
Net (decrease)/increase in cash and cash equivalents		2,450	(95,524)
Effect of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		90,342	146,001
Cash and cash equivalents at end of period		**92,792**	**50,477**

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.

2. Basis of preparation

The condensed interim financial statements for the six-months ended 30 June 2024 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 2023, 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 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 2023 were approved by the Board of directors on 26 March 2024 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.

These condensed interim financial statements for the half year period (from 1 January 2024 to 30 June 2024) were approved for issue on 5 September 2024 and have been neither reviewed nor audited by the auditors. There is no significant seasonality of Group's operations.

Going concern

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

The Directors considered the Group's business activities, together with the principal risks and uncertainties, likely to affect its future performance and position. For the purpose of this going concern assessment, the Directors have considered the Group's forecasts for the period to September 2025. The review also included the financial position of the Group, its cash flows and adherence to its banking covenants.

The Group has access to a Club Finance facility which matures in March 2029 comprising of the following:

- Facility A: €150m amortising facility with quarterly repayments plus a €57.5m balloon;
- Facility B: €180m committed facility with quarterly repayments plus a €69m balloon;
- Revolving Credit Facility ("RCF") of €235m for revolving loans (up to €85m) and ancillary facilities (up to €150m); and
- €150m uncommitted Incremental Facility for acquisitions, capital expenditure and revolving credit facilities up to €50m of which not more than €40m for revolving loans.

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

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

- Adjusted net leverage: Adjusted net debt (including guarantees) of no more than 6.5 times Adjusted EBITDA.

The Directors have reviewed the financial forecasts across a range of scenarios and prepared both a base case and severe but plausible downside case. The severe downside case assumes a deterioration in trading performance relating to a decline in product demand, as well as supply chain risks. These downsides would be partly offset by the application of mitigating actions to the extent they are under management's control, including deferrals of capital and other discretionary expenditure.

The Directors have also considered the impact of climate-related matters on the Group's going concern assessment, and do not expect this to have a significant impact on the going concern assessment throughout the forecast period.

On consideration of the above, the Directors believe that the Group has adequate resources to continue in operation existence for the forecast period to December 2025 and the Directors therefore consider it appropriate to continue to adopt the going concern basis in preparing the 2024 interim financial statements.

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 2023, as described in those financial statements, except for tax. Income Taxes for the interim period is 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 2024:

- Amendments to IFRS 16 - Lease liability in sale and leaseback.
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements.
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants.

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 2024 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. Segmental analysis

In accordance with IFRS 8, The Group has determined its operating segment based on the information reported to the Chief Operating Decision Maker ("CODM"). The Group considers the Executive Committee to be the CODM who evaluate segment performance. 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 6.

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

	30 June 2024			30 June 2023		
Six months ended (unaudited) EUR '000	**Payment solutions**	**Mobility solutions**	**Total**	**Payment solutions**	**Mobility solutions**	**Total**
Segment revenue	1,088,449	61,256	**1,149,705**	970,921	46,665	**1,017,586**
Net energy and services sales	79,775	61,256	**141,031**	72,418	46,665	**119,083**
Contribution	65,140	41,984	**107,125**	61,004	31,621	**92,624**
Contribution margin	82%	69%	**76%**	84%	68%	**78%**
Corporate overhead and indirect costs before adjusting items			**(47,760)**			**(42,383)**
Adjusting items affecting Adjusted EBITDA			**(7,358)**			**(10,025)**
Depreciation and amortisation			**(32,667)**			**(25,708)**
Net finance costs and share of net loss of associates			**(15,090)**			**(5,996)**
Profit before tax			**4,249**			**8,512**

Geographical split

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	**Segment revenue**		**Net energy and services sales**	
	2024 (unaudited)	**2023 (unaudited)**	**2024 (unaudited)**	**2023 (unaudited)**
Czech Republic ("CZ")	**282,361**	219,845	**19,812**	18,928
Poland ("PL")	**202,223**	180,975	**39,400**	25,554
Central Cluster (excluding CZ and PL)	**138,472**	124,998	**15,148**	15,048
Portugal ("PT")	**92,842**	109,201	**6,195**	5,576
Western Cluster (excluding PT)	**64,283**	50,003	**5,863**	4,627
Romania ("RO")	**136,056**	144,905	**17,980**	16,890
Southern Cluster (excluding RO)	**228,182**	183,210	**32,501**	28,860
Not specified	**5,286**	4,449	**4,132**	3,600
Total	**1,149,705**	**1,017,586**	**141,031**	**119,083**

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

6. 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 basic earnings per share, Adjusted effective tax rate and Net debt/cash.

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

Net energy and services sales ("Net revenue")

Net energy and services sales 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.

Contribution margin

Contribution margin is the Contribution as a percentage of Net energy and services sales.

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 the acquisition activity of the Group. Exclusion of these costs allows better result comparability.
ERP implementation expenses	Costs relating to the implementation of SAP	One-off costs relating to implementation of SAP in FY2023 were previously disclosed as strategic transformational expenses however this programme concluded at the end of 2023. The SAP implementation expense adjustment amounted to EUR 5.2m in 2023 , and the Group anticipates EUR 15-19m to be adjusted on SAP implementation in 2024-2026.The Group does not expect significant capitalisation related to SAP in 2024-2026.
Integration costs	Costs relating to the integration of Inelo	One-off costs relating to transformation and integration of Inelo have been excluded for better result comparability. While the Group did not adjust integration costs in the past, the related activities and one-off costs are significantly higher than for previously completed acquisitions. The Group incurred EUR 1.8m of integration costs in 2023 (presented under strategic transformation expenses) and expects to incur approximately EUR 1m of integration costs in 2024.
Share-based compensation	Equity-settled and cash-settled compensation provided to the Group's management before IPO	Share options and cash-settled compensation were provided to management and certain employees in connection with the IPO. Although these costs were amortised over three years based on accounting policies, they were excluded as they relate to a one-off event. Share awards provided post-IPO were not excluded as they represent non-cash element of annual remuneration package.

Adjusted EBITDA margin

Adjusted EBITDA margin represents Adjusted EBITDA for the period divided by Net energy and services sales.

Adjusted profit before tax

Adjusted profit before tax is calculated by adding back the Adjusting items affecting Adjusted EBITDA and amortisation of acquired intangibles.

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. The item is prone to volatility from period to period depending on the level of M&A.
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.

Net debt/cash

Net debt/cash is calculated as cash and cash equivalents less interest bearing loans and borrowings

Net debt/cash is calculated as cash and cash equivalents less interest-bearing loans and borrowings.

Where not presented and reconciled on the face of the interim condensed consolidated income statement, balance sheet or cash flow statement, the adjusted measures are reconciled to the IFRS statutory numbers below:

Adjusted EBITDA

EUR '000	For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
Intangible assets amortisation (Note 14)	24,604	19,310
Tangible assets depreciation (Note 14)	5,248	3,949
Right of use depreciation	2,816	2,449
Depreciation and amortization	32,667	25,708
Net finance costs and share of net loss of associates	15,090	5,996
Profit before tax	4,249	8,512
EBITDA	**52,007**	**40,216**
M&A-related expenses *	2,184	2,719
ERP implementation expenses**	2,737	-
Integration costs**	224	-
Strategic transformation expenses	-	3,624
Share-based compensation	2,214	3,682
Adjusting items	**7,358**	**10,025**
Adjusted EBITDA	**59,365**	**50,241**

** Primarily related to Inelo acquisition.*

*** In 2023 presented within strategic transformation expenses.*

Like-for-Like ("LFL") underlying EBITDA

EUR '000	For the six months ended 30 June		
	2024 (unaudited)	2023 (unaudited)	YOY growth (%)
Adjusted EBITDA	**59,365**	50,241	18.2
Annualisation of Inelo	**-**	4,351	
Other operating income			
− Revaluation of foreign currency forwards	-	(5,953)	
− Commercial settlement	**(2,213)**	-	
LFL underlying EBITDA	**57,152**	**48,639**	**17.6**

Adjusted earnings

EUR '000	For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
Profit for the year	**2,516**	**5,597**
Amortisation of acquired intangibles	10,018	6,756
Adjusting items affecting Adjusted EBITDA	7,358	10,025
Tax effect	(2,509)	(1,717)
Adjusted earnings (net profit)	**17,383**	**20,661**

Adjusted basic earnings per share

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

	For the six months ended 30 June	
	2024	2023

	(unaudited)	(unaudited)
Net profit attributable to equity holders (EUR'000)	**2,425**	**5,245**
Adjusting items affecting Adjusted EBITDA (Note 6)	7,358	10,025
Amortisation of acquired intangibles*	10,005	6,310
Tax impact of above adjustments*	(2,506)	(1,633)
Adjusted net profit attributable to equity holders (EUR'000)	**17,281**	**19,948**
Basic weighted average number of shares	689,705,468	688,911,333
Adjusted basic earnings per share (cents/share)	**2.51**	**2.90**
Diluted weighted average number of shares	692,513,136	691,208,069
Adjusted dilutive earnings per share (cents/share)	**2.50**	**2.89**

*non-controlling interests impact was excluded.

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.

EUR'000	For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
Accounting profit before tax	4,249	8,512
Adjusting items affecting adjusted EBITDA	7,358	10,025
Amortisation of acquired intangibles	10,018	6,756
Adjusted profit before tax (A)	21,625	25,292
Accounting tax expense	1,733	2,914
Tax effect of above adjustments	2,509	1,717
Adjusted tax expense (B)	4,241	4,632
Adjusted earnings (A-B)	**17,384**	**20,661**
Adjusted effective tax rate (B/A)	**19.61%**	**18.31%**

7. Finance costs

Finance costs for the respective periods were as follows:

EUR'000	For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
Bank guarantees fee	845	673
Interest expense	12,982	8,257
Factoring fee	2,668	1,956
Other	199	74
Total	**16,694**	**10,960**

8. Finance income

Finance income for the respective periods was as follows:

EUR'000	For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
Gain from foreign currency exchange rate differences	1,587	3,451
Gain from the revaluation of securities and derivatives	-	1,667
Interest income	279	133
Other	21	11
Total	**1,887**	**5,262**

9. Other operating income

EUR'000	For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
Revaluation of foreign currency forwards	-	5,953
Other income	3,117	828
Total	**3,117**	**6,781**

10. Income tax

The taxation charge for the interim period has been calculated based on estimated effective tax rate for the full year of 40.8% (six months ended 30 June 2023: 34.2%). The rate increased as a result of the increased rates in key tax regimes in which the Group operates and lower statutory profitability. Corporate income tax in the Czech Republic increased from 19% in 2023 to 21% in 2024, in the UK the rate increased from 23% in 2023 to 25% in 2024, and in Slovenia the rate increased from 19% in 2023 to 22% in 2024, while in Spain the rate remains at 24%.

Adjusted effective tax rate increased from 18.31% to 19.61%. Further details are provided in Note 6 of the accompanying condensed interim financial statements.

The Group has reviewed impact of OECD Pillar 2 legislation, which is effective in most countries as of 1 January 2024. Based on the analysis of the OECD model rules and modelling performed on the data for the year ending 31 December 2022, the Group should benefit in most countries from safe harbours as defined by OECD (de minimis, simplified effective tax rate) on the assumption that our Country by Country report for the year ending 31 December 2024 is qualifying. For the other most material countries, there might be additional top-up tax in Slovakia and Spain, but this is not expected to be material. Our assessment of substantively enacted legislation, including qualifying domestic minimum taxes, is ongoing. Management will further monitor OECD Pillar 2 tax position of the Group and implement all necessary steps for proper reporting in individual countries.

11. Earnings per share

All ordinary shares have the same rights.

Basic EPS is calculated by dividing 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 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.

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

	For the six months ended 30 June	
	2024 (unaudited)	**2023 (unaudited)**
Net profit attributable to equity holders (EUR'000)	**2,425**	**5,245**
Basic weighted average number of shares	689,705,468	688,911,333
Effects of dilution from share options	2,807,668	2,296,736
Total number of shares used in computing dilutive earnings per share	692,513,136	691,208,069
Basic earnings per share (cents/share)	**0.35**	**0.76**
Diluted earnings per share (cents/share)	**0.35**	**0.76**

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.

12. 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 2024 (unaudited):

Fair value measurement using

Quoted prices in

Significant

Significant

EUR '000	Note	Date of valuation	active markets (Level 1)	observable inputs (Level 2)	unobservable inputs (Level 3)	Total
Assets measured at fair value						
Derivative financial assets						
Foreign currency forwards		30 June 2024	-	236	-	**236**
Interest rate swaps		30 June 2024	-	1,594	-	**1,594**
Liabilities measured at fair value						
Derivative financial liabilities						
Foreign currency forwards		30 June 2024	-	996	-	**996**
Put options		30 June 2024	-	-	127	**127**
Interest rate swaps		30 June 2024	-	731	-	**731**

There have been no transfers between Level 1, Level 2 and Level 3 during the six months ended 30 June 2024.

Fair value measurement hierarchy for assets and liabilities as at 31 December 2023:

			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						
Derivative financial assets						
Interest rate swaps		31 December 2023	-	3,425	-	**3,425**
Liabilities measured at fair value						
Derivative financial liabilities						
Put options		31 December 2023	-	-	127	**127**
Interest rate swaps		31 December 2023	-	3,201	-	**3,201**

There have been no transfers between Level 1, Level 2 and Level 3 during the year ended 31 December 2023.

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.

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 the credit rating of the Company has not significantly changed since refinancing in September 2022.

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

13. Business combination

There were no new acquisitions in 2024.

Investments in subsidiaries and associates

Pay-out of deferred consideration

On 2 January 2024, the Group paid deferred acquisition consideration of €5.0m related to the acquisition of WebEye.

On 22 January 2024, the Group paid deferred acquisition consideration of €0.7m related to the Aldobec acquisition.

Allobee acquisition.

Acquisition of non-controlling interests

On 7 February 2024, the Group acquired the remaining 4.19% interest in CVS for a consideration of €0.8m.

On 25 April 2024 the Group restructured an option to accelerate the acquisition of its remaining shareholding in FireTMS. The maximum option price and final option timing remains the same, however the payment dates and terms were amended. The Group agreed to acquire a further 7.6% of the equity shareholding for €3.4m, paid in two equal instalments in April (€1.7m) and July 2024 (€1.7m). The final 11.4% equity shareholding remains subject to an option mechanism exercisable in H1 2026 and the price is subject to certain financial and KPI targets met by FireTMS.

Inelo contingent consideration

On 4 July 2024, the Group signed a settlement agreement with former shareholders of Grupa Inelo S.A. The final contingent consideration was agreed at €2.0m and is payable by 30 June 2025. Deferred acquisition consideration estimate was revised as at 30 June 2024, the charge was recognised within other operating expenses and considered as an Adjusting item (M&A-related expenses).

14. Intangible assets and property, plant and equipment

		2024		2023
EUR '000	**Intangible assets**	**Property, plant and equipment**	**Intangible assets**	**Property, plant and equipment**
Cost				
Opening balance as at 1 January	703,051	90,536	342,615	69,554
Additions	17,030	3,496	37,967	12,975
Acquisition of a subsidiary	-	-	301,030	11,932
Disposals	(76)	(1,526)	-	(6,322)
Translation differences	(1,943)	(670)	28,525	2,396
Closing balance at 30 June (unaudited) / 31 December	**718,062**	**91,836**	**703,051**	**90,536**
Accumulated amortisation / depreciation				
Opening balance as at 1 January	(170,647)	(34,776)	(74,444)	(29,728)
Amortisation / depreciation	(24,120)	(5,248)	(43,398)	(8,851)
Impairment	-	-	(56,663)	-
Disposals	76	1,135	5,949	4,693
Translation differences	1,476	583	(2,091)	(890)
Closing balance at 30 June (unaudited) / 31 December	**(193,215)**	**(38,306)**	**(170,647)**	**(34,776)**
Net book value				
As at 1 January 2024 / 2023	532,404	55,760	268,171	39,826
As at 30 June 2024 (unaudited) / 31 December 2023	**524,847**	**53,530**	**532,404**	**55,760**

Impairment testing

At 31 December 2023 the Group tested intangible assets with an indefinite useful life for impairment and recognised an impairment charge of €56,663 thousand. As at 30 June 2024, the Group did not identify any indicators of impairment.

The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in the annual consolidated financial statements for the year ended on 31 December 2023.

15. Trade and other receivables

EUR '000	30 June 2024 (unaudited)	31 December 2023
Trade receivables	348,615	278,466
Receivables from tax authorities	14,469	18,716
Advances granted	13,076	14,346
Unbilled revenue	10,187	4,027
Miscellaneous receivables	59	5,879
Tax refund receivables	63,023	66,953
Prepaid expenses and accrued income	5,744	4,671
Contract assets	4,867	3,885

Total	**460,040**	**396,943**

16. Trade and other payables, other liabilities

EUR '000	30 June 2024 (unaudited)	31 December 2023
Current		
Trade payables	377,385	303,165
Employee related liabilities	18,692	15,388
Advances received	12,494	12,911
Miscellaneous payables	3,375	8,644
Payables to tax authorities	20,622	18,562
Contract liabilities	7,705	6,971
Refund liabilities	1,138	4,461
Deferred acquisition consideration	32,107	32,732
Total Trade and other payables	**473,517**	**402,834**
Non-current		
Put option redemption liability	4,423	5,825
Contract liabilities	3,962	3,353
Other liabilities	482	58
Total Other non-current liabilities	**8,866**	**9,236**

Present value of deferred acquisition consideration relates to the following acquisitions:

EUR '000	30 June 2024 (unaudited)	31 December 2023
Sygic, a.s.	15,573	14,216
Webeye Group	4,128	9,128
KomTes Group	8,706	8,688
Grupa Inelo S.A.*	3,700	-
Aldobec technologies, s.r.o.	-	700
Total	**32,107**	**32,732**

**includes FIRETMS.COM transferred from put option redemption liability as at 30 June 2024 (Note 13)*

17. Interest bearing loans and borrowings

On 14 March 2024, the Group signed an amendment to the Club Finance facility, which increased share of revolving loans within uncommitted incremental facility up to €40 million (previously up to €25 million). Total amount of uncommitted incremental facility remains unchanged. The amendment also removed the interest cover covenant for the six months ended 30 June 2024.

On 6 June 2024, the Group signed another amendment to the Club Finance facility, which changed maturity date to 31 March 2029 and decreased quarterly instalments.

On 20 June 2024, the Group signed an incremental facility III notice, which committed additional €40 millions of revolving loans and €10 million of bank guarantees.

18. 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 2023. There have been no changes in any risk management policies since the year end.

19. Related party disclosures

Company

The Company controlling the Group is disclosed in Note 1.

Subsidiaries

As at 30 June 2024, there were the following changes in the Group's subsidiaries:

Name	Principal activities	Country of incorporation	Registered address	Effective economic interest 2024	Effective economic interest 2023
Klub Investorov T&G SK, s.r.o. (liquidated in 2024)	Payment solutions	Slovakia	Hlavná 18, 90066 Vysoká pri Morave, Slovakia	-	100,00%
CVS Mobile d.o.o.	Mobility solutions	Bosnia and Herzegovina	Ulica Petrovdanska bb 79240, Kozarska Dubica, Bosnia-Herzegovina	100.00%	95.81%
CVS Mobile d.o.o.	Mobility solutions	Croatia	Jankomir 25 10090 Zagreb, Croatia	100.00%	95.81%
CVS Mobile GmbH	Mobility solutions	Germany	Sckellstraße 1/II, 81667 München, Germany	100.00%	95.81%
CVS Mobile s.r.l.	Mobility solutions	Italy	Via Battisti 2, 34125 Trieste, Italy	100.00%	95.81%
CVS Mobile MK dooel	Mobility solutions	North Macedonia	16-ta Makedonska brigada 13b, 1000 Skopje, North Macedonia	100.00%	95.81%
CVS Mobile d.o.o.	Mobility solutions	Serbia	Ulica Španskih boraca 24V, 11070 Novi Beograd, Serbia	100.00%	95.81%
CVS Mobile d.d.	Mobility solutions	Slovenia	Ulica Gradnikove brigade 11, 1000 Ljubljana, Slovenia	100.00%	95.81%
Infotrans d.o.o.	Mobility solutions	Slovenia	Ljubljanska cesta 24C, 4000 Kranj, Slovenia	51.00%	48.86%
KomTeS Chrudim s.r.o.	Mobility solutions	Czech Republic	Malecká 273, Chrudim IV, 53705 Chrudim, Czech Republic	100.00%	51.00%
KomTeS SK s.r.o.	Mobility solutions	Slovakia	Dopravná 7, 92101 Piešany, Slovakia	100.00%	51.00%
FireTMS.com GmbH	Mobility solutions	Germany	Geschäftsanschrift: Stresemannstraße 123, 10963 Berlin, Germany	84.80%	81.00%
FIRETMS.COM Sp. z o.o.	Mobility solutions	Poland	44-200 Rybnik, ul. 3 Maja 30, Poland	84.80%	81.00%

Key management personnel compensation

Key management personnel compensation is disclosed in the table below.

EUR '000	For the six months ended 30 June 2024 (unaudited)	2023 (unaudited)
	Key management*	Key management*
Wages and salaries	3 168	3 360
Social security and health insurance	529	593
Option plans	3 383	5 074
Total employee expense	**7 080**	**9 027**

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

Ultimate controlling party

The Company is the ultimate parent entity of the Group and it is considered that there is no ultimate controlling party. Decision making is made collectively by the Board of Directors or by Board sub-committees on behalf of the Board. The Board is the first to approve many of the items brought to vote at the Annual General Meeting (e.g. Directors' appointments and resignations, authority to allot shares, annual accounts approval, appointment of auditors). Mr Vohánka does not control either the Board of Directors or its sub-committees.

Paid dividends

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

Transactions with other related parties

EUR '000	For the six months ended 30 June 2024 (unaudited)	2023 (unaudited)
Sale of goods to key management personnel	-	1
Sale of fixed assets (vehicles) to key management personnel	37	28
Purchases of various goods and services from entities controlled by key management personnel*	538	16
Purchases of various goods and services from associates	12	6
Sale of W.A.G Payment solutions PLC shares to key management personnel	7	-

* *The Group acquired the following goods and services from entities that are controlled by members of the Group's key management personnel: software development, consultancy.*

EUR '000	30 June 2024	31 December 2023
Trade payables to entities controlled by key management personnel	3	-

20. Subsequent events

Acquisition of non-controlling interests

On 3 July 2024, the Group acquired remaining 30% interest in Sygic, a.s. for a consideration of €15.6m.

On 15 July 2024, the Group acquired 3.8% interest in FIRETMS.COM Sp. z o.o. through its subsidiary Grupa Inelo S.A. for a consideration of €1.7m.

Pay-out of deferred consideration

On 2 August 2024, the Group paid deferred acquisition consideration of €4.1m related to the acquisition of WebEye.

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