

An aerial photograph of a two-lane asphalt road winding through a dense forest. The trees are in various stages of autumn, with some showing bright yellow and orange foliage, while others remain green. A white truck is visible on the road, moving away from the viewer. The overall scene is a mix of green, yellow, and orange, creating a vibrant, natural background.

EW EUROWAG

Prospectus
October 2021

Drive the Change.

W.A.G payment solutions plc

This document comprises a prospectus (the “**Prospectus**”) relating to **W.A.G payment solutions plc** (the “**Company**”) prepared in accordance with the prospectus regulation rules (the “**Prospectus Regulation Rules**”) of the Financial Conduct Authority (the “**FCA**”) made under Section 73A of the Financial Services and Markets Act 2000 (as amended) (the “**FSMA**”). This document has been approved as a prospectus by the FCA as competent authority under the UK version of Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”) (the “**UK Prospectus Regulation**”). The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation in respect of a prospectus. Such approval should not be considered as an endorsement of the Company that is, or the quality of the securities that are, the subject of this document. Investors should make their own assessment as to the suitability of investing in the securities. The Prospectus will be made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. Capitalised terms used in this document which are not otherwise defined have the meanings given to them in the section headed “*Glossary*”.

Application will be made to the FCA for all of the ordinary shares of GBP 0.01 each in the capital of the Company (the “**Ordinary Shares**”) to be admitted to the premium listing segment of the Official List maintained by the FCA (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for all such Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities (the “**Main Market**”) (together, “**Admission**”). Conditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8:00 a.m. (London time) on 8 October 2021. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares on the London Stock Exchange will commence at 8:00 a.m. (London time) on 13 October 2021 (the “**Closing Date**”) (or such later time and/or date as the Company and the Joint Global Co-ordinators may agree). **All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a “when issued” basis and of no effect if Admission does not take place and will be at the sole risk of the parties concerned. No application has been, or is currently intended to be, made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange. Prior to the Global Offering, there has been no public market for the Ordinary Shares.**

The Company and its directors, whose names appear on page 37 of this document (the “**Directors**”), accept responsibility for the information contained in this document and declare that, to the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

Prospective investors should read the whole of this document, including the section headed “Risk Factors” beginning on page 8, for a discussion of certain risks and other factors that should be considered in connection with an investment in the Ordinary Shares. The Ordinary Shares are only being offered, and this document is only being distributed, to those eligible investors who are permitted to purchase, Ordinary Shares under applicable law as set out in this document.

EW EUROWAG

W.A.G payment solutions plc

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 13544823)

Global Offering of 124,000,000 Ordinary Shares of 1 pence each at an Offer Price of 150 pence per Ordinary Share and admission to listing on the premium listing segment of the Official List maintained by the FCA and to trading on the Main Market of the London Stock Exchange.

10,666,667 Ordinary Shares (the “**Sale Shares**”) are being offered by the entities and individuals listed within the table in the “*The Global Offering—Selling Shareholders*” (the “**Selling Shareholders**”) and 113,333,333 Ordinary Shares (the “**Subscription Shares**” and, together with the Sale Shares, the “**Offer Shares**”) are being offered by the Company in this global offering (the “**Global Offering**”). The Global Offering includes 124,000,000 Offer Shares and, if the Over-allotment Option (as defined below) is exercised, up to 12,400,000 additional Ordinary Shares to be sold by the Principal Selling Shareholders (the “**Over-allotment Shareholders**”). The Over-allotment Shareholders have granted Morgan Stanley & Co. International plc (the “**Stabilising Manager**”) an overallotment option (the “**Over-allotment Option**”) to purchase up to a maximum of 10.0% of the total number of Offer Shares (before exercise of the Over-allotment Option) during the period commencing on the date of commencement of conditional dealings of the shares on the London Stock Exchange and ending no later than 30 calendar days thereafter at the initial offering price (the “**Offer Price**”) to cover over-allotments, if any, made in connection with the Global Offering and to cover any short positions resulting from stabilisation transactions.

The Global Offering comprises an offering of Ordinary Shares: (a) in the United States to qualified institutional buyers (each a “**QIB**”) as defined in, and in reliance on, Rule 144A (“**Rule 144A**”) under the US Securities Act of 1933 (the “**US Securities Act**”); and (b) outside the United States to institutional investors in reliance on Regulation S (“**Regulation S**”) under the US Securities Act. The Ordinary Shares have not been and will not be registered under the US Securities Act and, subject to certain limited exceptions, may not be offered or sold within the United States. The Ordinary Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States only to QIBs in reliance on Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirement of the US Securities Act.

Joint Sponsors, Joint Global Co-ordinators and Joint Bookrunners

Citigroup

Morgan Stanley

Joint Global Co-ordinators and Joint Bookrunners

Jefferies

Joint Bookrunners

Numis

UBS Investment Bank

Financial Adviser

Rothschild & Co

ISSUED ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Ordinary Shares of GBP 0.01 each	Issued and fully paid Number 688,911,333	Nominal value GBP 6,889,113
-------------------------------------	--	--------------------------------

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Recipients of this Prospectus are authorised solely to use this Prospectus for the purpose of considering the acquisition of the Ordinary Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering an investment in the Ordinary Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

Prior to making any decision as to whether to invest in the Ordinary Shares, prospective investors should read this document in its entirety and, in particular, the section headed “*Risk Factors*” when considering an investment in the Company. In making an investment decision, each investor must rely on its own examination, analysis and enquiry of the Company, its subsidiaries (including W.A.G. payment solutions, a.s. (the “**Operating Company**” and its subsidiaries, the “**Operating Group**” and, together with Company, the “**Group**”), and the terms of the Global Offering, including the merits and risks involved. The investors also acknowledge that: (a) they have not relied on the Banks (as defined below) or the Financial Adviser (as defined below) or any person affiliated with the Banks or the Financial Adviser in connection with any investigation of the accuracy of any information contained in this document or their investment decision; and (b) they have relied only on the information contained in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised by the Company, the Banks. Without prejudice to any legal or regulatory obligation of the Company to publish a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation and Rule 3.4 of the Prospectus Regulation Rules, neither the delivery of this document nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any subsequent time.

The Group will not receive any of the proceeds from the sale of the Sale Shares, all of which will be paid to the Selling Shareholders or to such third parties as they may direct on its behalf.

None of the Company, the Banks or the Financial Adviser or any of their respective representatives is making any representation to any prospective investor in the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such prospective investor under the laws applicable to such prospective investor. The contents of the Prospectus should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, business, financial or tax adviser for legal, business, financial or tax advice applicable to an investment in the Ordinary Shares.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time subsequent to the date hereof.

None of the Company, the Selling Shareholders, the Banks or the Financial Adviser accepts any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media, regarding the Global Offering or the Company. None of the Company, the Selling Shareholders, the Banks or the Financial Adviser makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication, and no such information or publication is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future.

Citigroup Global Markets Limited (“**Citigroup**”) and Morgan Stanley & Co. International plc (“**Morgan Stanley**”) have been appointed as joint sponsors, joint global co-ordinators and joint bookrunners and Jefferies International Limited has been appointed as joint global co-ordinator and joint bookrunner (together the “**Joint Global Co-ordinators**”) and Numis Securities Limited and UBS AG London Branch have been appointed as joint bookrunners (together with the Joint Global Co-ordinators, the “**Joint Bookrunners**” or the “**Banks**”). The Banks and Rothschild & Co (the “**Financial Adviser**”) are acting exclusively for the Company and no one else in connection with the Global Offering, will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Global Offering and will not be responsible to anyone other than the

Company for providing the protections afforded to their respective clients, nor for giving advice in relation to the Global Offering or any transaction or arrangement referred to in this Prospectus.

Each of Citigroup and Morgan Stanley is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom. Each of Jefferies International Limited and Numis Securities Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom. UBS AG London Branch is authorised and regulated by the Financial Market Supervisory Authority in Switzerland and authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom. The Financial Adviser is regulated by the Financial Conduct Authority. The Banks and the Financial Adviser and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Selling Shareholders and any of their respective affiliates for which they would have received customary fees. Each of the Banks and the Financial Adviser and any of their respective affiliates may provide such services to the Company and/or the Selling Shareholders and any of their respective affiliates in the future.

In connection with the Global Offering, the Banks, the Financial Adviser and any of their respective affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this document to the Ordinary Shares being issued, offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, dealing or placing by, the Banks and any of their affiliates acting as investors for their own accounts. In addition, certain of the Banks, the Financial Adviser or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Banks and Financial Adviser (or their affiliates) may from time to time acquire, hold or dispose of Ordinary Shares. In addition, in connection with the Global Offering, certain of the Banks may enter into financing arrangements with investors, such as share-swap arrangements or lending arrangements where securities are used as collateral, which could result in such Banks acquiring shareholdings in the Company. None of the Banks or the Financial Adviser intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Banks or the Financial Adviser by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Banks or the Financial Adviser accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to, the accuracy, completeness or verification of the contents of this Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Global Offering and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether as to the past or future. Each of the Banks and the Financial Adviser accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

In connection with the Global Offering, the Stabilising Manager may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Ordinary Shares up to a maximum of 10.0% of the total number of the Offer Shares (prior to any exercise of the Over-allotment Option) or effect other transactions with a view to supporting the market price of the Ordinary Shares at a level higher than that which might otherwise prevail in the open market for a period of no more than 30 calendar days after the date of commencement of conditional dealings of the shares on the London Stock Exchange. Such transactions may be effected on the London Stock Exchange, in the over-the-counter markets or otherwise. There is no obligation on the Stabilising Manager to undertake stabilisation transactions. Such transactions, if commenced, may be discontinued at any time without prior notice and must be brought to an end no later than 30 calendar days after the date of commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange (the “**Stabilisation Period**”). In no event will measures be taken to stabilise the market price of the Ordinary Shares above the Offer Price. Save as required by law, the Stabilising Manager does not intend to disclose the extent of any stabilisation transactions under the Global Offering.

For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Shares effected by it during the Stabilisation Period, the Selling Shareholders have granted to it the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or

procure purchasers for up to a maximum of 10.0% of the total number of Offer Shares at the Offer Price. The Over-allotment Option is exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings in the Ordinary Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares, will be purchased on the same terms and conditions as the Ordinary Shares in the Global Offering and will form a single class for all purposes with the other Ordinary Shares.

NOTICE TO INVESTORS

The Ordinary Shares are subject to transfer restrictions in certain jurisdictions. Prospective purchasers should read the restrictions described in “*Details of the Global Offering—Selling Restrictions*”. Each purchaser of the Ordinary Shares will be deemed to have made the relevant representations described therein.

The distribution of this document and the offer of the Ordinary Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholders, the Banks or the Financial Adviser to permit a public offering of the Ordinary Shares or to permit the possession or distribution of this document (or any other offering or publicity materials relating to the Ordinary Shares) in any jurisdiction where action for that purpose may be required, other than the United Kingdom. Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

In particular, save for the United Kingdom, no actions have been taken to allow for a public offering of the Ordinary Shares under the applicable securities laws of any other jurisdiction, including Australia, Canada, Japan or the United States. This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or buy any of, the Ordinary Shares in any jurisdiction where it is unlawful to make such offer or solicitation.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Ordinary Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States. The Ordinary Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States to “qualified institutional buyers” in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Ordinary Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Ordinary Shares and the distribution of this Prospectus, see “*Details of the Global Offering—Selling Restrictions*”.

The Ordinary Shares offered by this Prospectus have not been approved or disapproved by the United States Securities and Exchange Commission (the “SEC”), any State securities commission in the United States or any other United States regulatory authority, nor have any such authorities passed upon, or endorsed the merits of, the Global Offering or the accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

Subject to limited exceptions, this document is not for distribution in or into Canada. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Offer Shares. Accordingly, purchasers of Ordinary Shares offered by this Prospectus do not receive the benefits associated with a subscription for securities issued pursuant to a prospectus, including the review of offering materials by any securities regulatory authority in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or on the merits of the Ordinary Shares and any representation to the contrary is an offence. The offer and sale of the Offer Shares in Canada is being made on a private placement basis only and is exempt from the requirement that the issuer prepares and files a prospectus under applicable Canadian securities laws. Any resale of Ordinary Shares acquired by a Canadian investor in this offering must be made in accordance with applicable Canadian securities laws and, because the Company is not a reporting issuer in any province or territory of Canada, such resale restrictions may never expire. If no further statutory exemption may be relied upon and if no discretionary

order is obtained, the resale restrictions could result in a Canadian investor who purchases the Ordinary Shares having to hold the Ordinary Shares for an indefinite period of time. The resale restrictions may under certain circumstances apply to resales of the Ordinary Shares outside of Canada.

Each Canadian investor who purchases the Ordinary Shares will be deemed to have represented to the issuer, the Joint Bookrunners and to each dealer from whom a purchase confirmation is received, as applicable, that the investor (i) is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (ii) is an “accredited investor” as such term is defined in section 1.1 of National Instrument 45-106 *Prospectus Exemptions* (“NI 45-106”) or, in Ontario, as such term is defined in section 73.3(1) of the *Securities Act* (Ontario) that is not created or used solely to purchase or hold the Ordinary Shares; (iii) is a “permitted client” as such term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“NI 31-103”); and (iv) is located in, and subject to, the securities laws of Alberta, British Columbia, Manitoba, Ontario or Quebec.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this document (including any amendment thereto) contains a misrepresentation (as defined under applicable Canadian securities laws), provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Canadian investors are advised that, pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (“NI 33-105”), the Joint Bookrunners are, in connection with this offering, relying on the exemption from the requirement to provide Canadian investors with certain disclosure required by NI 33-105 regarding underwriter conflicts of interest pertaining to “connected issuer” and/or “related issuer” relationships.

By purchasing the Offer Shares offered under this document, each Canadian investor is deemed to acknowledge that its express wish is that all documents evidencing or relating in any way to the sale of the Offer Shares be drafted in the English language only. *En souscrivant des valeurs mobilières en vertu de la présente notice d’offre, chaque souscripteur est réputé reconnaître avoir exigé que tous les documents faisant foi de ou relatifs à la vente des valeurs mobilières soient rédigés uniquement en anglais.*

GROUP’S WEBSITES

Information contained on the Group’s websites or the contents of any website accessible from hyperlinks on the Group’s websites are not incorporated into and do not form part of this Prospectus.

UNITED KINGDOM

In relation to the United Kingdom, no Offer Shares have been offered or will be offered pursuant to the Global Offering to the public in the United Kingdom prior to the publication of the Prospectus and its approval by the FCA, except that the Offer Shares may be made to the public in the United Kingdom at any time:

- (i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Co-ordinators for any such offer; or
- (iii) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of the Offer Shares shall require the Company or any Bank to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

Each person in the United Kingdom who acquires any Offer Shares in the Global Offering or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Banks that it is a qualified investor within the meaning of the UK Prospectus Regulation.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Banks that the Offer

Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the United Kingdom to qualified investors, in circumstances in which the prior consent of the Banks has been obtained to each such proposed offer or resale. Neither the Company nor the Banks have authorised, nor do they authorise, the making of any offer of Offer Shares through any financial intermediary, other than offers made by the Banks which constitute the final placement of Offer Shares contemplated in this document.

The Company, the Selling Shareholders and the Banks and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of retained EU law by virtue of the EUWA.

EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area (“EEA”) (“**Member State**”) (each a “**Relevant State**”), an offer to the public of any Offer Shares which are the subject of the Offer contemplated by this Prospectus may not be made in that Relevant State, except that an offer to the public in that Relevant State of any Offer Shares may be made at any time under the following exemptions under the Prospectus Regulation:

- (i) to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) per Relevant State, subject to obtaining the prior consent of the Joint Global Co-ordinators; or
- (iii) in any other circumstances falling under the scope of Article 1(4) of the Prospectus Regulation,

provided that no such offer of Offer Shares shall require the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State who acquires any Offer Shares in the Global Offering or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Underwriters that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Underwriters that the Offer Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholders and the Underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an offer to the public in relation to any Offer Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Global Offering and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares and the expression Prospectus Regulation means Regulation (EU) 2017/1129 and includes any relevant delegated regulations.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such Ordinary

Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, “distributors” should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Global Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Banks will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

The date of this Prospectus is 8 October 2021.

TABLE OF CONTENTS

SUMMARY INFORMATION	1
RISK FACTORS	8
PRESENTATION OF FINANCIAL AND OTHER INFORMATION	31
DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS	37
EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFER STATISTICS	39
BUSINESS DESCRIPTION	40
DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE	77
SELECTED FINANCIAL INFORMATION AND OPERATING DATA OF THE OPERATING GROUP	83
OPERATING AND FINANCIAL REVIEW	89
CAPITALISATION AND INDEBTEDNESS	111
HISTORICAL FINANCIAL INFORMATION	112
UNAUDITED PRO FORMA FINANCIAL INFORMATION	264
DETAILS OF THE GLOBAL OFFERING	268
TAXATION	282
ADDITIONAL INFORMATION	290
GLOSSARY	337
SCHEDULE OF CHANGES	343

SUMMARY INFORMATION

INTRODUCTION AND WARNINGS

Name and ISIN of the securities

Ordinary voting shares of in the capital of the Company with a nominal value of GBP 0.01 each (the “**Ordinary Shares**”) with ISIN: GB00BLGXWY71.

Identity and contact details of the issuer

The issuer’s name is W.A.G payment solutions plc (also hereinafter referred to as the “**Company**” and, together with its subsidiaries and subsidiary undertakings, the “**Group**”). Its registered office is at Horton House, Exchange Flags, Liverpool, Merseyside L2 3PF, United Kingdom. The Company’s telephone number is +44 15 1351 4552 and its Legal Entity Identifier (“**LEI**”) is 213800HU63CWV5J8YK95 .

Identity and contact details of the competent authority

This document has been approved by the Financial Conduct Authority, with its head office at 12 Endeavour Square, London E20 1JN, United Kingdom and telephone number +44 (0) 20 7066 1000.

Date of approval of the Prospectus

8 October 2021.

Warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Ordinary Shares should be based on consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Domicile and legal form, LEI, applicable legislation and country of incorporation

The Company is incorporated under the laws of England and Wales with its registered office in England and its LEI is 213800HU63CWV5J8YK95. The Company was incorporated on 3 August 2021 under the name W.A.G payment solutions plc under the Companies Act 2006 as a public company limited by shares with registered number 13544823. The principal law and legislation under which the Company operates is the Companies Act 2006.

Principal activities

The Group’s business involves the provision of products and services to the commercial road transport (“**CRT**”) industry which are focused on two primary segments: (i) payment solutions, which is comprised of energy payments through pre-pay or post-pay fuel cards and toll payments; and (ii) mobility solutions, which is comprised of tax refund services, telematics, smart navigation apps, and other adjacent services.

By combining its technological innovations and solutions for the CRT industry, the Group has built an innovative proprietary technology platform that is focused on simplifying the complex CRT payments ecosystem by enriching and simplifying customer and merchant interactions. The Group offers a set of solutions that provide a one-stop-shop experience for CRT customers to access payment solutions for their energy needs and tolls, and mobility solutions for telematics products, smart navigation, tax refund services and other adjacent services.

The Group has been able to develop a diverse, active and loyal customer base that it constantly enhances and strengthens by using its data capabilities to target customer needs and cross-sell and upsell appropriate products. Growth in the Group’s customer base is supported by the Group’s marketing strategy that uses geographic clusters and three primary sales channels, which are (i) direct sales through a dedicated in-country and telesales teams; (ii) indirect sales through leads generated from third party relationships; and (iii) digital sales through leads generated from the Group’s current applications.

For the year ended 31 December 2020, the Group’s net revenues (being the Group’s sales net of the cost of energy resold to customers) were €128.6 million, representing an increase of 12.2% as compared to €114.6 million in the year ended 31 December 2019. For the year ended 31 December 2020, the Group’s profit for the year was €23.0 million, representing an increase of 78.0% as compared to €12.9 million in the year ended 31 December 2019.

Major Shareholders

Insofar as it is known to the Company as at the date of this document, the following persons are, or will, immediately following Admission, be directly or indirectly interested (within the meaning of the Companies Act 2006) in 3% or more of the Company’s issued share capital (being the threshold for notification of interests that will apply to Shareholders as at Admission pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules), assuming no exercise of the Over-allotment Option:

Name of Shareholder	Immediately Prior to Admission		Immediately following Admission	
	Number of Ordinary Shares	Percentage of issued Ordinary Shares	Number of Ordinary Shares	Percentage of issued Ordinary Shares
Couverina Business, s.r.o. ⁽²⁾	196,104,211	34.11%	193,419,103	28.08%
Bock Capital EU Luxembourg WAG S.à.r.l. ⁽¹⁾	183,533,427	31.92%	179,505,764	26.06%
Martin Vohánka	135,775,918	23.61%	135,775,918	19.71%
Funds and accounts under the management of Select Equity Group, L.P. ⁽³⁾	0	0.00%	26,633,333	3.87%
FIL Investments International ⁽³⁾	0	0.00%	32,073,333	4.66%

(1) A vehicle affiliated with TA Associates (UK), LLP (“**TA Associates**”)

(2) A vehicle wholly owned by Martin Vohánka.

(3) Includes Cornerstone Commitments.

Key Managing Directors

Martin Vohánka is the Chief Executive Officer and Magdalena Bartoš is the Chief Financial Officer.

Statutory Auditors

PricewaterhouseCoopers LLP, whose address is Donington Court, Pegasus Business Park, Castle Donington, East Midlands, DE74 2UZ, United Kingdom, will be appointed the statutory auditor of the Company

What is the key financial information regarding the issuer?

Income Statements

Consolidated Income Statement for the Operating Group

	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
		(unaudited)	(EUR '000)		
Revenue from contracts with customers	784,369	604,963	1,252,954	1,363,452	920,846
Cost of energy sold	(711,513)	(544,523)	(1,124,348)	(1,248,870)	(847,127)
Net energy and services sales	72,856	60,440	128,606	114,582	73,719
Other operating income	341	314	942	762	235
Employee expenses	(26,567)	(19,235)	(41,407)	(38,117)	(26,348)
Depreciation and amortisation	(10,457)	(8,728)	(18,246)	(18,708)	(7,767)
Impairment losses of financial assets	(1,152)	(3,763)	(4,061)	(6,798)	(4,042)
Technology expenses	(2,782)	(2,082)	(4,049)	(3,339)	(1,970)
Other operating expenses	(15,009)	(11,232)	(24,600)	(24,788)	(18,594)
Operating profit	17,230	15,714	37,185	23,594	15,233
Finance income	31	36	141	2,430	957
Finance costs	(4,571)	(4,602)	(8,488)	(7,488)	(2,639)
Share of net loss of associates	(295)	—	—	—	—
Profit before tax	12,395	11,148	28,838	18,536	13,551
Income tax expense	(3,588)	(2,290)	(5,886)	(5,648)	(4,329)
PROFIT FOR THE PERIOD	8,807	8,858	22,952	12,888	9,222

For Arraia Oil S.L

	For the year ended 31 December	
	2019	2018
	(EUR '000)	
Revenue from contracts with customers	317,042	285,500
Cost of energy sold	(301,899)	(271,513)
Net energy and services sales	15,143	13,987
Other operating income	28	47
Employee expenses	(1,189)	(945)
Depreciation and amortisation	(739)	(508)
Impairment losses of financial assets	(719)	(859)
Other operating expenses	(5,787)	(4,725)
Operating profit	6,737	6,997
Finance income	12	23
Finance costs	(93)	(75)
Profit before taxation	6,656	6,945
Income tax expense	(1,635)	(1,796)
PROFIT FOR THE PERIOD	5,021	5,149

Condensed Income Statement for Portugalia Global Service, S.L

	For the three months ended 31 March		For the year ended 31 December	
	2019	2018	2018	2017
		(unaudited)		(unaudited)
		(EUR '000)		
Revenue from contracts with customers	11,040	10,685	44,193	43,972
Costs of energy sold	(10,497)	(10,128)	(41,990)	(41,464)
Net energy and services sales	543	557	2,203	2,508
Other operating income	2	16	21	594
Employee expenses	(57)	(50)	(223)	(312)
Depreciation and amortisation	(10)	(1)	(44)	(51)
Impairment losses of financial assets	(20)	2	(11)	(47)
Other operating expenses	(158)	(131)	(584)	(666)
Operating profit	300	393	1,362	2,026
Finance income	7	8	68	32
Finance costs	(11)	(9)	(35)	(37)
Profit before taxation	296	392	1,395	2,021
Income tax expense	(74)	(98)	(349)	(505)
PROFIT FOR THE PERIOD	222	294	1,046	1,516

Condensed Income Statement for Sygic a.s.

	For the year ended 31 December	
	2019	2018
	(EUR '000)	
Revenue	18,041	18,265
Other operating income	48	67
Employee expenses	(5,340)	(5,910)
Depreciation and amortisation	(487)	(472)
Impairment losses of financial assets	(50)	(5)
Technology expenses	(375)	(385)
Other operating expenses	(7,088)	(6,968)
Operating profit	4,749	4,592
Finance income	58	109
Finance costs	(50)	(61)
Profit before taxation	4,757	4,640
Income tax expense	(595)	(462)
PROFIT FOR THE PERIOD	4,162	4,178

Balance Sheet

Consolidated Balance Sheet for the Operating Group

	As at 30 June		As at 31 December	
	2021	2020	2019	2018
	(unaudited)		(unaudited)	
	(EUR '000)		(EUR '000)	
TOTAL ASSETS	645,139	586,257	544,755	294,357
TOTAL CURRENT LIABILITIES	377,647	357,210	303,360	209,823
TOTAL NON-CURRENT LIABILITIES	193,645	164,942	191,811	33,494
TOTAL EQUITY	73,847	64,105	49,584	51,040
TOTAL EQUITY AND LIABILITIES	645,139	586,257	544,755	294,357

Condensed Balance Sheet for Arraia Oil S.L

	As at 31 December		As at 1 January
	2019	2018	2018
	(unaudited)		(unaudited)
	(EUR '000)		(EUR '000)
TOTAL ASSETS	62,438	49,711	48,696
TOTAL CURRENT LIABILITIES	28,272	24,253	25,463
TOTAL NON-CURRENT LIABILITIES	569	494	2,423
TOTAL EQUITY	33,596	24,964	20,810
TOTAL EQUITY AND LIABILITIES	62,438	49,711	48,696

Condensed Balance Sheet for Portugalia Global Service, S.L

	As at 31 March 2019	As at 31 December		As at 1 January 2017
		2018	2017	
		(unaudited)		(unaudited)
		(EUR '000)		(EUR '000)
TOTAL ASSETS	7,738	11,520	10,766	9,958
TOTAL CURRENT LIABILITIES	5,539	4,443	4,503	3,309
TOTAL NON-CURRENT LIABILITIES	27	28	260	37
TOTAL EQUITY	2,172	7,049	6,003	6,612
TOTAL EQUITY AND LIABILITIES	7,738	11,520	10,766	9,958

Condensed Balance Sheet for Sygic a.s.

	As at 31 December		As at 1 January
	2019	2018	2018
	(unaudited)		(unaudited)
	(EUR '000)		(EUR '000)
TOTAL ASSETS	15,179	17,471	17,611
TOTAL CURRENT LIABILITIES	5,215	5,708	5,576
TOTAL NON-CURRENT LIABILITIES	3,640	4,398	4,850
TOTAL EQUITY	6,324	7,363	7,185
TOTAL EQUITY AND LIABILITIES	15,179	17,471	17,611

Cash Flow Statements

Consolidated Cash Flow Statement for the Operating Group

	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
			(EUR '000)		
Net cash flows (used in) / from operating activities	4,000	(4,714)	86,659	54,032	13,268
Net cash used in investing activities	(54,074)	(8,625)	(23,213)	(129,437)	(18,320)
Net cash used in financing activities	26,877	8,661	5,443	83,436	(2,472)
Cash and cash equivalents	65,765	15,611	88,961	20,289	12,254

Condensed Cash Flow Statement for Arraia Oil S.L

	For the year ended 31 December	
	2019	2018
	(EUR '000)	
Net cash flows from operating activities	8,230	2,347
Net cash used in investing activities	(5,541)	1,558
Net cash used in financing activities	(5,945)	(1,101)
Cash and cash equivalents	4,505	7,761

Condensed Cash Flow Statement for Portugalia Global Service, S.L

	For the three months ended 31 March		For the year ended 31 December	
	2019	2018 (unaudited)	2018	2017 (unaudited)
			(EUR '000)	
Net cash flows (used in) / from operating activities	(464)	(642)	78	2,535
Net cash used in investing activities	—	60	2,589	(2,219)
Net cash used in financing activities	(5,089)	(7)	(32)	(2,076)
Cash and cash equivalents	(485)	1,844	5,068	(2,433)

Condensed Cash Flow Statement for Sygic a.s.

	For the year ended 31 December	
	2019	2018
	(EUR '000)	
Net cash flows from operating activities	4,013	4,402
Net cash used in investing activities	75	243
Net cash used in financing activities	(5,605)	(4,240)
Cash and cash equivalents	4,572	6,089

Selected pro forma statement of net assets

The unaudited pro forma statement of net assets set out below (the “Pro forma Financial Information”) has been prepared to illustrate the impact on the Group’s net assets of the net proceeds of the Subscription Shares that are part of the Global Offering, as if this event had occurred on 30 June 2021.

Unaudited pro forma statement of net assets as at 30 June 2021

	Consolidated net assets of the Operating Group, a.s. as at 30 June 2021 ⁽¹⁾	Adjustment	
		Net proceeds of the Subscription Shares ⁽²⁾	Pro Forma statement of net assets of the Group as at 30 June 2021
		(EUR '000)	
ASSETS			
Non-current assets			
Intangible assets	183,992	—	183,992
Property, plant and equipment	33,925	—	33,925
Right-of-use assets	8,074	—	8,074
Investments in associates	13,551	—	—
Financial assets	139	—	139
Deferred tax assets	8,840	—	8,840
Derivative assets	—	—	—
Other non-current assets	4,329	—	4,329
Total non-current assets	252,850	—	252,850
Current assets			
Inventories	4,075	—	4,075
Trade and other receivables	305,898	—	305,898
Income tax receivables	2,646	—	2,646
Derivative assets	1,193	—	1,193

	Consolidated net assets of the Operating Group, a.s. as at 30 June 2021 ⁽¹⁾	Adjustment	
		Net proceeds of the Subscription Shares ⁽²⁾ (EUR '000)	Pro Forma statement of net assets of the Group as at 30 June 2021
Cash and cash equivalents	78,477	183,961	262,438
Total current assets	392,289	—	392,289
TOTAL ASSETS	645,139	183,961	829,100
LIABILITIES			
Current liabilities			
Trade and other payables	334,017	—	334,017
Interest-bearing loans and borrowings	32,261	—	32,261
Lease liabilities	2,629	—	2,629
Provisions	1,766	—	1,766
Income tax liabilities	6,972	—	6,972
Derivative liabilities	2	—	2
Total current liabilities	377,647	—	377,647
Non-current liabilities			
Deferred tax liabilities	4,907	—	4,907
Interest-bearing loans and borrowings	153,609	—	153,609
Lease liabilities	6,308	—	6,308
Derivative liabilities	1,433	—	—
Other non-current liabilities	27,388	—	—
Total non-current liabilities	193,645	—	193,645
Total liabilities	571,292	—	571,292
Net assets	73,847	183,961	257,808

Notes:

- (1) The net assets of the Operating Group as at 30 June 2021 have been extracted without material adjustment from the historical financial information of the Operating Group. No separate balance sheet has been presented for the Company as the Company does not have material equity or reserves, and therefore has no material impact on the pro forma combined net assets.
- (2) The issue of Subscription Shares under the Global Offering is expected to result in gross proceeds of approximately €200 million less approximately €16.0 million of related underwriting commissions and other estimated fees and expenses subsequent to 30 June 2021 (in addition to approximately €3.2 million of transaction-related fees and expenses already incurred prior to 30 June 2021).
- (3) No adjustment is shown for the sale of Sales Shares as part of the Global Offering because the Group will not receive any of the proceeds from the sale of the Sale Shares, and underwriting commissions and other estimated fees and expenses associated with the sale of Sale Shares will be borne by the Selling Shareholders.
- (4) No adjustment has been made to reflect the trading results or financial position of the Group since 30 June 2021.

Audit reports on the historical financial information

There are no qualifications in PricewaterhouseCoopers LLP's accountants' reports on the historical financial information of the Operating Group for the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2021, the historical financial information of Arraia for the years ended 31 December 2018 and 31 December 2019, the historical financial information of Portugalia for the year ended 31 December 2018 and for the three months ended 31 March 2019, and the historical financial information of Sygic for the years ended 31 December 2018 and 2019

What are the key risks that are specific to the issuer?

Any investment in the Ordinary Shares is associated with risks. Prior to any investment decision, it is important to carefully analyse the risk factors considered relevant to the future development of the Group and the Ordinary Shares.

The following is a summary of key risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In making the selection, the Group has considered circumstances such as the probability of the risk materialising on the basis of the current state of affairs, the potential impact which the materialisation of the risk could have on the Group's business, financial condition, results of operations and prospects, and the attention that management would, on the basis of current expectations, have to devote to these risks if they were to materialise:

- A decline in macroeconomic conditions may lead to a decline in trade volumes and CRT activity, and consequently to a decrease in demand for the Group's products and services;
- If the Group is not able to compete successfully against existing or new competitors, its business and results of operations could be materially adversely affected;
- A decrease in customer demand for fuel could have a material adverse effect on the Group's business and results of operations;
- The extent to which the outbreak of COVID-19 and measures taken in response thereto impact the Group's business, results of operations and financial condition will depend on future developments, which are highly uncertain and are difficult to predict;
- The market in which the Group operates is changing and may fail to grow or develop;
- A failure by the Group to assess and monitor counterparty credit risk could cause the Group to experience an increase in credit losses and could have a material adverse effect on its business;
- The Group's business depends on its strategic partnerships. Failure to maintain these relationships could have a material adverse effect on the Group's business and results of operations;

- The Group's acquisition strategy may fail to generate suitable acquisition candidates and may prove unsuccessful in integrating those businesses it does acquire;
- A disruption in the technology essential to the Group's business and customer interactions could have material adverse effects on its business and operating results;
- Changes in laws, regulations and enforcement activities may adversely affect the Group's products and services and the markets in which it operates; and
- Expansion of the Group's business may subject it to additional regulatory requirements, the breach of which may have material adverse effects on its operating results.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN of the securities

When admitted to trading, the Ordinary Shares (which are ordinary voting shares) will be registered with International Securities Identification Number ("ISIN") GB00BLGXWY71.

Currency, denomination, nominal value, number of securities issued and term of the securities

The Ordinary Shares are denominated in pounds sterling with nominal value of GBP 0.01 each and an indefinite term. On Admission, assuming the maximum of Subscription Shares subject to the Global Offering is subscribed for in full, the Company will have 688,911,333 Ordinary Shares in issue.

Rights attached to the securities

The Ordinary Shares will have the following rights attaching to them:

- on a show of hands vote at a general meeting, every member (whether present in person or by duly appointed proxy or representative) has one vote; and on a poll vote at a general meeting, every member (whether present in person or by duly appointed proxy or representative) has one vote per Ordinary Share;
- the right to receive dividends apportioned pro rata according to the amounts paid up on the shares in respect of which the dividend is paid; and
- if the Company is in liquidation, the liquidator may, with the authority of a special resolution of the Company and any other authority required by any applicable statutory provision: (A) divide among the members in specie the whole or any part of the assets of the Company; or (B) vest the whole or any part of the assets in trustees on such trusts for the benefit of members as the liquidator shall think fit, but no member shall be compelled to accept any assets upon which there is any liability.

Rank of securities in the issuer's capital structure in the event of insolvency

The Ordinary Shares do not carry any rights to participate in a distribution (including on a winding-up) other than those that exist under the Companies Act 2006. The Ordinary Shares will rank pari passu in all respects.

Restrictions on free transferability of the securities

The Ordinary Shares are free from any restriction on transfer, subject to compliance with applicable securities laws.

Dividends and dividend policy

The Company prioritises investments into organic and inorganic growth including into technology transformation and its end-to-end integrated digital platform. The Company does not intend to distribute profits to shareholders and retains any profit or loss on the balance sheet. The Directors may propose a change of the dividend policy. Any final dividend is subject to approval of shareholders.

Where will the securities be traded?

Application will be made to the FCA for the Ordinary Shares to be admitted to the premium listing segment of the Official List of the FCA, and to the London Stock Exchange for the Ordinary Shares to be admitted to trading on the main market for listed securities of the London Stock Exchange ("Admission").

What are the key risks that are specific to the securities?

The main risks relating to the Global Offering and the Ordinary Share include, among others:

- An active trading market for the Ordinary Shares may fail to develop or be sustained and there is currently no existing market for the Ordinary Shares;
- The interests of the Controlling Shareholder could diverge from those of the other Shareholders;
- The Group may fail to pay dividends; and
- Admission may not occur when expected.

KEY INFORMATION ON THE OFFER AND ADMISSION

Under which conditions and timetable can I invest in this security?

General terms and conditions

The Global Offering comprises 113,333,333 Subscription Shares, to be issued by the Company at an Offer Price of 150 pence and 10,666,667 Sale Shares (plus up to 12,400,000 additional Ordinary Shares, if the Over-Allotment Option is exercised) to be sold by the Selling Shareholders at an Offer Price of 150 pence.

The Global Offering comprises an institutional offer only. Pursuant to the Global Offering, the Offer Shares will be offered (i) to certain institutional investors in the United Kingdom and elsewhere outside the United States in "offshore transactions" as defined in, and in reliance on Regulation S and in accordance with locally applicable laws and regulations, and (ii) in the United States only to QIBs in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

The Offer Shares may only be offered to persons in any EEA member state who are "qualified investors" within the meaning of the Prospectus Regulation or in other circumstances in which a prospectus is not required by the Prospectus Regulation.

The Global Offering is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, which are typical for an agreement of this nature, including Admission becoming effective by no later than 8:00 a.m. on 13 October 2021 (or such later time and/or date as the Banks may agree) and the Underwriting Agreement not being terminated prior to Admission.

None of the Offer Shares may be offered for subscription, sale or purchase or be subscribed, sold or delivered, and this Prospectus and any other offering material in relation to the Offer Shares may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration, other than the United Kingdom.

Expected timetable

All references to times in this document are to London times unless otherwise stated.

Event	Time and date
Latest time and date for receipt of indications of interest under the Global Offering	12:00 p.m. on 7 October 2021
Announcement of the results of and notification of allocations of Ordinary Shares in the Global Offering	8:00 a.m. on 8 October 2021
Commencement of conditional dealing in Ordinary Shares on the London Stock Exchange	8:00 a.m. on 13 October 2021
Admission and commencement of unconditional dealings in Ordinary Shares on the London Stock Exchange	As soon as possible after 8:00 a.m. on 13 October 2021
CREST accounts credited in respect of Ordinary Shares acquired in the Global Offering in uncertificated form	As soon as possible after 8:00 a.m. on 13 October 2021
Share certificates despatched	Within ten Business Days of Admission

Details of admission to trading on a regulated market

Application will be made to the FCA for the Ordinary Shares to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for the Ordinary Shares to be admitted to trading on the main market for listed securities of the London Stock Exchange.

Plan for distribution

On 8 October 2021, the Company (acting for itself and as agent on behalf of the Individual Selling Shareholders pursuant to the Deeds of Election entered into by the Individual Selling Shareholders), the Principal Selling Shareholders, the Directors and the Underwriters (as defined below) entered into an underwriting agreement (the “**Underwriting Agreement**”) pursuant to which the Underwriters have severally agreed, on the terms and subject to the conditions contained therein, to use reasonable endeavours to procure subscribers and purchasers for, and, failing which, to subscribe for or purchase themselves (in their relevant proportions) the Subscription Shares and the Sale Shares subject to the Global Offering.

Amount and percentage of immediate dilution resulting from the issue

Pursuant to the Global Offering, existing Shareholders will experience a 16.5% dilution in their holdings of Ordinary Shares as a result of the issue of the 113,333,333 Subscription Shares (that is, their proportionate interest in the Company will decrease by 16.5%).

Estimate of the total expenses of the issue

The total fees and expenses of, and incidental to, Admission and the Global Offering to be borne by the Company are estimated to amount to approximately €19.2 million, and include, amongst others, underwriting commissions (including the maximum amount of any discretionary commission), FCAs fees, professional fees and expenses and the costs of printing and distribution of documents. No expenses will be charged by the Company or the Selling Shareholders to any subscribers or purchasers of Shares pursuant to the Global Offering.

Joint Global Co-ordinators and Joint Bookrunners

Citi, Jefferies and Morgan Stanley are acting as Joint Global Co-ordinators, Numis Securities Limited and UBS AG London Branch are acting as Joint Bookrunners for the Global Offering (the “**Joint Bookrunners**” and, together with the Joint Global Co-ordinators, the “**Underwriters**”).

Why is this Prospectus being produced?

Reasons for the Global Offering and use of proceeds

The Global Offering is being conducted, among other reasons, to allow the Selling Shareholders to sell part of their shareholding, to support the Company’s growth strategy, and to raise the Company’s international profile. The Company intends to raise gross proceeds of approximately €200 million from the issue and sale of the Subscription Shares pursuant to the Global Offering. The remaining aggregate expenses of, or incidental to, Admission and the Global Offering remaining to be borne by the Company are estimated to be approximately €16.0 million and therefore the net proceeds received by the Company are expected to be approximately €184.0 million. No expenses will be charged to investors in connection with Admission or the Global Offering by the Company or the Selling Shareholders.

The Company intends to use the gross proceeds from the Subscription Shares as follows:

- Up to approximately €65 million to fund the remaining portion of the Company’s approximately €75 million transformational capital expenditure programme and related operational expenses as outlined in the relevant sections of the prospectus, “*Operating and Financial Review—Liquidity and Capital Resources—Capital Expenditure*” and “*Business Description—Financial Guidance—Capital Expenditure*”; and
- The remaining approximately €135 million i) to cover the remaining aggregate expenses of, or incidental to, Admission and the Global Offering estimated to be approximately €16.0 million; ii) to provide the Company with enhanced flexibility to take advantage of strategically and financially attractive inorganic acquisition opportunities; and iii) for general corporate purposes.

Note that any contemplated acquisitions will be targeted at improving the Company’s existing product offering or its geographic footprint to deliver an integrated end-to-end digital ecosystem for its customers.

Material conflicts of interest

Not applicable.

RISK FACTORS

Investing in the Group involves risks and investors should carefully consider all of the information contained in or incorporated by reference into this document before making an investment decision. The risk factors described below are not an exhaustive list or explanation of all risks relating to the Group and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that it currently deems immaterial, may individually or cumulatively also have a material adverse impact on the Group's business, financial condition, results of operations or prospects. Some of these factors are contingencies that may or may not occur and the Group is not able to confirm the likelihood of any such contingency occurring.

Macroeconomic and industry-specific risks

A decline in general economic conditions, and in particular, a decline in demand for energy and toll payments, tax refund, telematics, smart navigation or other adjacent services that the Group provide would adversely affect its business, financial condition, results of operation and prospects

The Group's operating results are materially affected by general conditions in the economy, especially in Europe, where its customers operate. The volume of customer payments processed by the Group and customer demand for the products and services provided by the Group correlates with general economic conditions and the amount of business activity, industrial outputs and trade in the economies in which it operates. Economic downturns are generally characterised by reduced commercial activity and trade, resulting in reduced demand and use of the Group's products and services by customers. A substantial majority of the Group's net revenues is derived from its payment solutions segment, which generates revenue based largely on the volume of energy transactions processed (for energy payment solutions) and the value of road toll charges processed by the Group (for toll payment solutions). As a result, and in line with the payment industry in general, the Group's results depend heavily upon the overall level of spending by its customers, which is driven by the level of activity in the CRT sector in Europe. Accordingly, unfavourable changes in economic conditions, particularly those which reduce industrial output and the volume of trade (which include declining consumer confidence, increasing unemployment, inflation or recession), may lead to a reduction or plateau in spending which could directly or indirectly contribute to a decline in the Group's revenue, as a result of reduced or stagnant demand for its products and services. For instance, the Group recorded a general drop in transaction volumes and net revenues from payment solutions in April and May 2020, as a result of economic contraction triggered by the outbreak of COVID-19. During the same periods, there was also a drop in sales volumes of mobility solutions offered by Sygic, a navigation software company the Group acquired a majority stake in during 2019 ("Sygic").

Similarly, prolonged adverse weather conditions, international trade restrictions or natural catastrophes, especially those that impact markets in which the Group process a large number and value of transactions, could adversely affect its transaction volumes and therefore its revenues. For instance, the Group's business experienced limited and short-term adverse results in early 2021 from trade restrictions resulting from the end of the transition period after the UK's withdrawal from the European Union at the end of 2020, as a result of delays due to increased administrative requirements at the UK-EU border, as well the March 2021 blockage of shipping through the Suez Canal by a stranded container ship, resulting in disruption of supply chains across various European markets.

In addition, the prolonged focus of political, investor and industry bodies on greenhouse gas emissions and climate change issues may, over the long term, adversely affect the activity levels of road-based logistics providers, potentially reducing the volume and value of transactions or the business operations of fuel suppliers, acceptance partners and customers with whom the Group maintains strategic relationships, which could adversely impact its business. Lower levels of road transportation may also result in decreasing toll transaction volumes.

Further, economic conditions may also impact the ability of the Group's customers to pay for the services they have purchased, and the Group's level of credit losses (which are recognised as impairment losses of financial assets on the Group's consolidated income statement) could increase if customers fail to pay invoices when due. As a result of the above, a sustained decline in general economic conditions in Europe or any relevant economy where the Group operate could have a material adverse effect on the Group's business, financial condition, and operating results.

The Group operates in a competitive business environment, and if it is unable to compete effectively, its business, financial condition, results of operation and prospects would be adversely affected

The Group has faced and expects to continue to face competition in each of its product lines from multiple companies that seek to offer competing capabilities and services, including international oil companies, single product providers of fuel cards and other services, as well as telematics providers, logistics brokers and domestic freight forwarding operators active in the mobility and energy and toll payment solutions sector. Competitors may continue to develop their own versions of the Group's integrated mobility solutions product offerings, and this could adversely impact the Group's market share. If competition intensifies, the Group may be forced to respond to competitive pressures by reducing its prices, negatively impacting its revenues and profit margins.

The Group competes principally on the basis of the breadth of its products and solutions (and their features), the extent of its geographical coverage using decentralised sales organisation for its payment solutions and mobility solutions products, the size of its comprehensive CRT-focused energy payment network (including its acceptance network), the breadth of toll payments offering, including European Electronic Tolling Service ("EETS") solutions, the level of customer service and relationships, its innovative proprietary technology platform, its payment terms and willingness to extend financing to customers, proven ability to acquire, engage and monetise, its account management practices, and on price. If, as a result of competitive pressures from existing or new market entrants, the Group's products and services become less attractive to customers in respect of these or other factors, the Group's customer retention rate and ability to acquire new customers may decline; the Group may also experience competitive disadvantages with respect to any of these factors from time to time as potential customers prioritise or value these competitive factors differently. To the extent that competitors come to be regarded as technological leaders in specific product categories, they may also have a reputational or marketing advantage over the Group in relation to such categories. The Group may also experience competitive pressure from any increased use of alternative means for the transportation of goods, such as rail networks. In addition, future mergers or consolidations among competitors, or acquisitions of the Group's competitors by large companies with significantly more financial and technological resources, may present competitive challenges to the Group's business if their on-road mobility products and other competing services are effectively integrated and bundled into lower cost sales packages with other widely utilised fuel card related products and services.

The Group may also face increased competition in its efforts to enter into new customer agreements or strategic partnerships, renew or maintain existing agreements or relationships on similar or more favourable terms, and efficiently grow existing customer transaction volumes. In general, the Group's customer agreements contain no minimum purchase, sale or volume obligations and are terminable by either party upon no or relatively short notice, and customers or partners are not obligated to use the services that the Group provides to a specific degree, or at all. Given the absence of contractual protection as to use or volume, the Group is subject to significant risks associated with the loss or change in the business habits and financial condition of its customers as they react to changes in the market or to offers of different or less expensive services from competitors of the Group. In addition, the termination of agreements or relationships with major fuel suppliers, bunkering and acceptance partners or toll charging authorities through whom the Group offers its products, or the inability of a major supplier to meet its obligations to the Group, could adversely affect its results of operation and result in a loss of market position. In addition, the Group is also subject to risks as a result of changes in business habits of its business partners and customers as they adjust to the competitive marketplace.

Overall, increased competition in the Group's markets could result in intensified pricing pressure, reduced profit margins, increased sales and marketing expenses and a failure to increase, or a loss of, market share. The Group may be unable to maintain or improve its competitive position against its current or future competitors, which could adversely affect its business, financial condition, results of operation and prospects.

A significant portion of the Group's net revenues is related to the amount of fuel purchased by customers and, as a result, a reduction in the demand for fuel could have a material adverse effect on the Group's net revenues and financial condition

A significant portion of the Group's net revenues is derived from its energy payment solutions, which buys fuel from refineries, large distributors and acceptance partners, selling it to its customers. The Group generates revenue based on an individual margin for each unit of energy sold on top of its cost of fuel, according to various formulas which differ based on the mode of sale. Given that its revenue is based on a margin per unit of energy sold, the Group's revenues are sensitive to the volume of energy sold to customers.

The Group's energy payment solutions rely on its extensive acceptance network, bunkering and truck parks, as well as limited inventory risk due to substantial throughput and quick turnover. While the Group's limited fuel inventories (which are usually consumed within 24 hours) provides a degree of protection against volatile fuel prices, the Group remains exposed to a degree of fuel price volatility on its sale of fuel through its bunkering business and also through sales in Eurowag owned, or leased and operated truck parks ("**truck parks**"). While the Group's margin pricing model generally allows it to limit its exposure to fuel price volatility and protect its margins by passing any price increases or decreases to customers, the Group may still be exposed to the impact of fuel price volatility to the extent it is unable to pass on increased costs to its customers, due to competitive pressure or customer price sensitivity.

More significantly, any decrease in the volume of fuel purchased by its customers will contribute to a decline in the Group's net revenues, particularly if such decrease is in one of its top five largest truck park locations (which together accounted for 12.3% of energy payment solutions net revenues in 2020). Any significant decrease in fuel volumes sold could result from a variety of factors which are beyond the Group's control, the most material of which are unfavourable changes in economic conditions, particularly those which reduce industrial output and the volume of trade. Moreover, any sustained and significant increase in the cost of fuel could make the use of the CRT market less attractive to shippers (who ultimately bear the cost of any increase in fuel prices). Fuel prices could substantially increase as a result of, among others factors: domestic and foreign supply and demand for oil and gas, and market expectations regarding such supply and demand; actions by major oil exporting nations, including members of the Organisation of Petroleum Exporting Countries, and their ability to maintain oil price and production controls; level of domestic and foreign oil and refinery products; availability and reliability of supply infrastructure to the markets served by the Group; political conditions in oil and gas producing regions or countries; oil refinery capacity and utilisation rates; general local, regional, or worldwide economic conditions; and governmental regulations and tariffs, including environmental taxes and surcharges related to green initiatives pursued in the jurisdictions in which the Group operates. The long-term effects of these and other factors on prices for fuel could be substantial and unpredictable.

Finally, any disruptions to fuel supply caused by factors such as geopolitical issues, weather, infrastructure, or economic conditions could also affect the ability of the Group to deliver fuel to customers, and the amount of fuel purchased by its customers.

The extent to which the outbreak of COVID-19 and measures taken in response thereto impact the Group's business, results of operations and financial condition will depend on future developments, which are highly uncertain and are difficult to predict

Since early 2020, the global COVID-19 pandemic has resulted in governmental authorities throughout the world periodically implementing numerous measures in efforts to contain the virus, including travel bans and restrictions, quarantines, shelter-in-place orders and business shutdowns. Many countries in Europe, including markets where the Group operates, remain subject to some degree of restrictions. These measures, the continued spread of COVID-19 and the emergence of new variants of the virus have significantly increased economic uncertainty while reducing economic activity. It is likely that the effects of the pandemic, along with the measures implemented to combat it, will continue to change and evolve as the pandemic and the health authorities' response to it also changes and evolves. The countries in which the Group operates are in varying stages of the pandemic. Certain jurisdictions have experienced a degree of recovery, only to then face a resurgence or increase in new COVID-19 cases. The emergence of new variants of COVID-19 has increased uncertainty as to the possible duration and impact of the pandemic going forward. These events negatively impacted international trade and overall economic conditions, and also impacted the Group's operations, with a drop in transaction volumes and net revenues from payment solutions in April and May 2020, given government-imposed movement restrictions which limited customer movements. There has also been a drop in sales volumes of mobility solutions offered by Sygic since the start of the pandemic period, as consumer mobility has been slower to recover than CRT. Although the Group experienced a resurgence in transaction volumes from May 2020, if there are more aggressive subsequent waves of the pandemic, resulting in more extensive restrictions and a substantial reduction in economic activity, the Group could experience a material adverse effect on its business, financial condition, and results of operations.

Notwithstanding the foregoing, the pandemic may potentially have adverse impact on the Group's business and results of operations due to a number of factors, including but not limited to:

- the emergence of further waves of COVID-19 and the severity of incidental restrictions, especially in the jurisdictions where the Group operates;

- the negative impact of COVID-19 and consequent restrictions on international trade, including cross-border trade within Europe, and the length of time it may take for trade to normalise across borders;
- the overall effect of COVID-19 on conditions in regional economic and financial markets;
- volatility in the demand for fuel, caused by declines in demand as a result of the impact of COVID-19, economic conditions and geopolitical pressures affecting supply, which impact the Group's operating results and may continue to do so if such trends continue;
- losses arising from customer, partner or merchant failures due to COVID-19 related disruptions; and
- increased exposure to sectors or businesses substantially affected by the COVID-19 pandemic, as a result of any acquisitions in the future which may represent entry into new geographies.

In addition, any further extension of government restrictions in any of the markets where employees of the Group are located could interrupt the Group's regular operations and pose challenges for business continuity as employees are required to work from home, potentially on short or no notice. If the pandemic were to result in key employees, including those whose presence are critical for the Group's operations run out of premises, becoming ill or unavailable, the Group's operations could be significantly disrupted.

Even after the COVID-19 outbreak has subsided, the Group may continue to experience materially adverse impacts to its business as a result of its global economic impact and the resulting impact on trade and logistics volumes, including any recession that has occurred or may occur in the future. While vaccines are currently being administered throughout Europe, vaccine availability, distribution, efficacy to variant strains of the virus and public reluctance to be vaccinated could limit their impact and extend, or worsen, the duration of the pandemic in the Group's key markets. There is no certainty that the measures the Group implements in response to the virus will be sufficient to mitigate potential damage, either on its overall business or internally in respect of staff and employees. The foregoing and other continued effects on the Group's business due to the COVID-19 pandemic could result in a material adverse effect on its business, financial condition, results of operations and prospects.

The Group may be adversely impacted by the prospect of poor macroeconomic growth due to high public and private debt levels, unprecedented degree of central bank support and stimulus, reduced interest rates and related measures

Since the global outbreak of COVID-19 in early 2020, governments and central banks in many economies have deployed extensive measures to address the adverse economic impacts of the pandemic. Measures implemented by governments include income support to households and funding support to businesses, while central bank measures include cuts to policy rates, support to funding markets and asset purchases. These measures are being extended in countries where further waves of the pandemic may prompt renewed government restrictions. Many central banks have introduced and are expected to maintain low interest rates for a considerable period of time. Public and private debt burden have also risen significantly, and this trend may be expected to continue until the global economy regains stability. These and other factors may contribute to poor macroeconomic conditions, which could negatively impact the environment within which the Group operates. As a result, over the longer term many businesses, including the Group and its customers, may have difficulty in successfully accessing the capital markets or implement future growth plans. This may have adverse effects on the Group's revenue, results of operation and its ability to pursue its growth objectives.

The market for the Group's services is evolving and may fail to continue to develop or grow

Growth in the services offered by the Group across its various business lines rely on increasing demand from customers. In particular, the Group's largest business segment, payment solutions, relies on the acceptance and use of its fuel cards by business customers to purchase energy for their trucks. Customer use of the Group's payment solutions also tends to act as an entry point for the Group with its CRT customers, often leading in turn to use of the Group's toll payments, tax refund, telematics and other products. According to multiple sources including Capital IQ, IHS, Statista and Eurostat, the overall CRT industry is expected to grow over the next few years, driven primarily by the digitisation trends in the industry focused on market penetration and adoption of cashless payments. However, if the demand for the Group's energy payment solutions does not continue to grow, it could have a material adverse effect on the Group's business, operating results and financial condition. While the Group continues to plan for the possibility of changes to the regulatory landscape of the fuel card industry, it is possible that a decline in the acceptance and use of fuel cards, or of electronic payment transactions generally, by businesses and merchants could contribute to loss of customers and to lower demand for all the Group's products.

Decreased market demand for fuel in favour of certain alternative energy sources could adversely affect the Group's business

The development by vehicle manufacturers and widespread adoption by the Group's customers and others of vehicles powered by hydrogen, or other energy alternatives which the Group currently does not have sufficient capability to provide to customers, may have adverse effects on the Group's business, financial condition, results of operation and prospects. Although the substantial adoption of hydrogen as an alternative fuel source remains theoretical, if it does become widely commercially available, the Group may lack the infrastructure to effectively support the transition to hydrogen, and this could adversely affect its revenue over time through reduced demand for its energy payment services.

The Group's strategy may be disrupted by alternative or advanced technology

As the Group's core strategy of building its integrated end-to-end digital ecosystem around the needs of its customers in the CRT industry is considerably reliant on technology, evolving customer expectations, the increased power to analyse and utilise data, the emergence of disruptive technologies may create increased competitive pressures across the sector. In particular, the technological systems or products which support the Group's operations and future development may face obsolescence due to rapid technological developments, frequent new product introduction and unpredictable changes in technology and regulatory landscapes. This may arise from the emergence of alternative technological innovations, including but not limited to, the development and utilisation of artificial intelligence, machine learning, robotics and other analytical technology systems. In addition, if there is a significant take-up in autonomous driving in the transportation industry, including widespread use of automated CRT vehicles, demand for the Group's navigation services may considerably reduce. The above could result in complex risks that the Group may not be able to manage effectively and which may adversely impact its operating results or its ability to compete.

Unpredictable events, including natural catastrophes or public health crises, dangerous weather conditions, technology failure, political unrest and terrorist attacks in the locations in which the Group or its customers operate, or elsewhere, may adversely affect its ability to conduct business and could impact its results

In addition to current and potential public health crises, such as the COVID-19 pandemic, other unpredictable events, such as political unrest, terrorist attacks, power failures, natural disasters (such as wildfires or hurricanes) and severe weather conditions could interrupt the Group's operations by causing disruptions in global markets, economic conditions, international trade, fuel supply or demand. Such events could also trigger large-scale technology failures, delays, or security lapses. Such events, if continuing or significant, could affect the Group's revenue by reducing the demand for its products and services, by limiting its ability to provide its services or by causing issues to its technology systems and the information contained therein which could therefore cause a material adverse effect on its business, financial condition, results of operation and prospects.

Financial risks

If the Group fails to adequately assess and monitor credit risks posed by counterparties it could experience an increase in credit losses and other adverse effects

The Group is subject to the credit risk of its customers, many of which are small and mid-sized CRT businesses. For example, the Group recognised impairment losses, representing write-off of overdue trade receivables, of €4.1 million in the year ended 31 December 2020.

The Group is exposed to customer credit risk, both for standard customer invoices of amounts due (generally issued on the basis of 30-day payment terms), and in particular for those customers in its payment solutions segment who are financed by the Group through post-pay of their energy consumption and toll balances. In each case, the Group pre-funds the customer's payment and is thereby exposed to the risk that the customer will not meet its obligations under the relevant customer contract or financial instrument.

While the Group deploys various methods to assess credit risk, including screening potential customers, monitoring receivables, establishing appropriate credit limits and deploying credit scoring and credit approval systems developed in-house, these methods cannot eliminate all potential credit risks and may not always prevent it from approving customer applications that are not credit-worthy or are fraudulently completed. In particular, there is no assurance that the Group's internally developed credit-scoring systems will operate as expected; any significant errors in these systems could result in higher than expected credit losses for the Group. It is possible, for example, that human errors resulting from the manual component of the Group's semi-automated credit scoring system may produce inaccurate results. Moreover, businesses that are considered good credit risks at the time of application may deteriorate over time and the Group may fail to detect such

changes. In addition, any changes to the Group's policies on the types and profiles of businesses to which it extends financing could also have an adverse impact on its credit losses.

The number of the Group's counterparties who default on payments owed to it may increase in times of economic slowdown, particularly in relation to customers who opt for post-pay of their energy consumption and toll balances. In addition, the Group is typically subject to a higher level of credit risk and write-offs in new markets the Group enters into. While the Group seeks to protect against credit risk in certain cases by securing collateral (including bank guarantees) and procuring credit insurance (subject to first-loss policies on both individual and aggregate bases) if these measures fail to adequately manage credit risks, or if economic conditions affect the businesses of its counterparties or of their customers, credit defaults could increase and the Group's provision for credit losses on the income statement could be significantly higher, all of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospect.

Fluctuations in foreign currency exchange rates could affect the Group's operating profit before tax

The Group currently operates in approximately 30 countries, covering most of Europe. As a result, it earns revenue, pays expenses, owns assets and incurs liabilities in certain countries using currencies other than the euro (EUR). The functional currencies of the various Group entities include the euro, Czech Koruna (CZK), Polish Zloty (PLN), Hungarian Forint (HUF), Romanian Leu (RON), Bulgarian Lev (BGN), Turkish Lira (TRY), British Pound, Danish Krone, Croatian Kuna, Swiss Franc, Swedish Krona and Serbian Dinar. The Group's exposure to the translation risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). As the Group's consolidated historical financial information are presented in EUR, it must translate revenue, income and expenses, as well as assets and liabilities, into EUR at exchange rates measured using the relevant functional currency of each Group entity at each balance sheet date. As a result, increases or decreases in the value of the EUR on any balance sheet date against any other currencies that the Group uses to conduct business is likely to affect its revenue, net income and the value of balance sheet items denominated in those currencies. Accordingly, volatility in such foreign currency exchange rates against the relevant Group functional or reporting currency, could result in foreign exchange translation losses (which are shown as financial costs on the Group's consolidated income statement).

Although the Group invoices mainly in EUR, there are transactional currency exposures that arise from sales and purchases in other currencies, in particular the CZK and PLN. In addition, the Group makes certain purchases in currencies different from that of the jurisdictions where it operates. Although the Group is not currently subject to material foreign exchange transaction risk (due to the natural hedge provided by the proportion of expenses in major currencies roughly matching the proportion of revenues in those currencies), there is no assurance that the Group will continue to benefit from this natural hedge effect going forward. If the Group's currency exposure on certain material cost items were to progress in the future to be out of alignment with its revenues, it could experience significant transaction risk resulting from fluctuations in foreign currency exchange rates between periods, potentially impacting the Group's operating cash flows.

Derivative transactions may cause volatility in its operating profit before tax

Given its exposure to changes in the value of foreign currencies, the Group uses forward currency contracts to hedge its foreign currency exposure. These foreign exchange forwards, which are entered into with the intention of reducing foreign exchange translation risk on expected sales and purchases as well as on issued and received invoices, are initially recognised at fair value on the date on which the Group enters into a derivative contract, and are subsequently re-measured at fair value, resulting in foreign exchange translation gains or losses on the Group's consolidated income statement (recognised as finance income or finance costs, respectively). These foreign currency derivative instruments thereby expose the Group to the translation risk of financial loss if, for example, the Group unwinds its position before the expiration of the contract, or if there is a significant change in foreign exchange rates between the date the contract is entered into and the balance sheet date on which the translation impact is measured. To the extent that the Group's forecasts relating to expected sales and purchases in respect of these foreign currencies are inaccurate, such derivative contracts may be inadequate to protect it against significant changes in foreign currency fluctuations, resulting in losses from the revaluation of derivatives (which are shown as financial costs on the Group's consolidated income statement).

Volatility in the financial markets may, in the longer term, negatively impact the Group's ability to access additional credit

Adverse conditions in the credit market may limit the Group's ability to access additional credit at a time when it would like or need to exceed its committed credit lines, for example to develop its business, extend additional funding to customers, engage in acquisitions or finance its investment plan. Any limitation in the availability of new debt funding could have an impact on the Group's ability to access growth finance, refinance any maturing debts or react to changing economic and business conditions which could adversely impact it. In particular, financial market volatilities may affect the Group's ability to obtain credit limits and secure favourable payment conditions from its suppliers. The Group's existing debt obligations, or its incurrence of additional debt obligations, could limit its flexibility in managing its business and could materially and adversely affect its financial performance and its ability to execute investment plans.

As at 30 June 2021, the Group's total interest-bearing loans and borrowings amounted to €185.9 million. In the longer term, the Group's outstanding indebtedness, or the incurrence of further debt by the Group may have important consequences, including the following:

- the Group may have difficulty satisfying its obligations under the relevant debt facilities and, if it fails to satisfy these obligations, an event of default could result;
- the Group may require additional financing in the future, which may not be available to it on commercially reasonable terms, or at all;
- the Group may be required to dedicate a substantial portion of its cash flow from operations to required payments on its indebtedness, thereby reducing the availability of cash flow for acquisitions, working capital, capital expenditures and other general corporate activities;
- covenants relating to the Group's debt may limit its ability to enter into certain contracts or to obtain additional financing for acquisitions, working capital, capital expenditures and other general corporate purposes;
- covenants relating to the Group's debt may limit its flexibility in planning for, or reacting to, changes in its business and the industry in which it operates, including by restricting its ability to make strategic acquisitions on reasonable terms, or at all;
- the Group may be more vulnerable than its competitors to the impact of economic downturns and adverse developments in the industry in which it operates;
- the Group may be exposed to the risk of increased interest rates where some of its borrowings are subject to variable rates of interest; and
- the Group may be placed at a competitive disadvantage against any less leveraged competitors.

The occurrence of one or more of these potential consequences could have a material adverse effect on the Group's business, financial condition, results of operation, and ability to satisfy its obligations under its indebtedness.

During and as a result of the COVID-19 pandemic, as at 31 March 2020 and 30 June 2020, the Group did not comply with the cashflow cover covenant of its Senior Facilities due to changes in working capital reported at the end of the first quarter of 2020. Amidst the uncertainty related to various lockdowns introduced across European countries at the onset of the pandemic, collections from customers deteriorated and trade receivables aged beyond regular terms. The Group discontinued the use of factoring facilities for trade receivables financing at the same time which further exacerbated the imbalance between trade receivables and trade payables on the 31 March 2020 testing date. The Group repaired the working capital position in the second quarter, collected overdue payments from customers and improved the aging profile of trade receivables, but because the cashflow covenant was tested on the basis of the Group's cumulative working capital movements over the last twelve months, the Group remained in breach of this covenant on the 30 June 2020 testing date. Although the Group received the necessary waivers from its lending banks and has since been compliant with all covenants, and notwithstanding the fact that this cashflow cover covenant was removed from the Senior Facilities as a result of an amendment agreed with the lenders on 27 August 2021, were any breach to one of the other covenants to occur, and were the Group to again be out of compliance with its debt covenants, there is no assurance that waiver would again be provided by its lenders.

The Group may incur impairment charges on goodwill or other intangible assets

The Group recognises impairments for goodwill and other intangible assets in accordance with UK adopted international accounting standards (“**IFRS**”). As at 30 June 2021, the total amount of intangible assets, including goodwill, on the Group’s consolidated balance sheet was €183.9 million. The Group’s goodwill, as an intangible asset, is tested for impairment annually as at 31 December either individually or at the cash generating unit (“**CGU**”) level, as appropriate and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each of the Group’s CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Unlike the position with other assets, the Group’s impairment losses relating to goodwill cannot be reversed in future periods. If the Group determines the fair value of the goodwill or other indefinite-lived intangible assets is less than their carrying value as a result of the tests, an impairment loss is recognised. Any such write-down could adversely affect the Group’s operating results.

The profitability of certain elements of the Group’s business may suffer periodically from downturns in customer demand and other factors, the high level of competition existing within its industry, and the level of overall economic activity. Individual reporting units may be relatively more impacted by these factors than the Group as a whole. As a result, demand for the services of one or more of the reporting units could decline which could adversely affect the Group’s operations and cash flow, and could result in an impairment of goodwill or intangible assets.

Operational risks

The Group’s business is dependent on several key strategic relationships with third parties, the loss of which could adversely affect its results of operations

The Group’s business model is dependent on maintaining its strategic relationships with third parties, including fuel suppliers, its card authorisation centre operators and acceptance network, which generally consist of fuel stations. For example, Eurowag provides energy payment solutions through the use of fuel cards for customers which own fleets of professional transport and forwarding companies, for use at a network of third party-owned fuel stations (“**acceptance partners**”) which have contracts with the Group to accept Eurowag fuel cards (“**acceptance points**”). There are currently approximately 15,500 acceptance points for the Group’s fuel cards, most of which are in locations, particularly fuel stations, which are owned and operated by third parties. The integration of these third party acceptance points into the Group’s acceptance network is also provided by external partners, and the Group maintains a critical acceptance network of close relationships with certain key fuel station partners in its acceptance network including, most significantly (based on fuel volumes) Unipetrol and Čepro (both based in Czech Republic), StarOil (Spain) and Wilhelm Hoyer GmbH & Co. (Germany). To effectively process fuel card payments, the Group is dependent on card authorisation centre operators AEVI and Alvic. The termination of any of these key acceptance partner relationships would reduce the number of locations where the Group’s payment solutions for energy are accepted, potentially diminishing the Group’s attractiveness to customers.

The Group is also dependent on its continued ability to benefit from the provision of other third party services from providers, including investment-focused suppliers such as CGI (which is heavily involved in the Group’s technology development efforts) and Accenture (for customer relationship IT support), as well as other providers focused on enabling the sustenance of its operations, such as Toll4Europe, Axxess, Ages, Telepass (which provide toll services), Vodafone, T-Mobile and Deutsche Telekom (which provide telecommunication services for the Group’s telematics business), TomTom, Here (which provide maps to support the Group’s smart routing products) and nVision, which the Group relies on for the manufacturing and distribution to end-clients of its whole on-board units (“**OBUs**”), including the Enhanced Vehicle Assistant (“**EVA**”) and other telematics products (including Vetronics and Dongle Light). The Group is also reliant upon Microsoft for the Group’s cloud infrastructure and software as a service (“**SaaS**”) system, Vodafone for data centre solution and WebCOM which provide the IT application for the Group’s tax refunds product and service. The loss or disruption of any of these third party service and supply relationships may adversely affect the quality of the Group’s offerings or customer retention rates or delay the implementation of the Group’s investment plans, thereby exposing it to the risk of loss of customers or market share.

As a result of its dependence on the above described strategic relationships, the Group’s results of operations would be adversely affected in the event that these relationships were terminated. Further, if the key partners with whom the Group maintain relationships experience bankruptcy, financial distress or otherwise are forced to curtail their operations, the Group’s ability to provide solutions to customers could be adversely impacted.

The loss of a key partner relationship, or the failure to extend or renew such a relationship, or establish new relationships, or the weakness or decrease in size of companies with whom the Group maintain partnerships, could adversely affect its ability to serve its customers and adversely affect its operating results.

The Group may not be able to successfully execute its acquisition strategy

To achieve its strategic objectives, the Group has historically relied in part on acquisitions. As part of its strategy for growth and synergistic profitability, the Group continues to evaluate acquisition opportunities that will allow it to increase its market penetration, technological capabilities, product offerings and distribution capabilities. In this regard, any or all of the following risks could adversely affect the Group's growth strategy, including that:

- it may not be able to identify suitable acquisition candidates or acquire additional assets on acceptable terms;
- it may compete with others to acquire assets, which competition may increase, and any level of competition could result in decreased availability or increased prices for acquisition candidates;
- it may compete with others for select acquisitions and its competition may consist of larger, better-funded organisation with more resources and easier access to capital;
- it may experience difficulty in anticipating the timing and availability of acquisition candidates;
- it may not be able to obtain the necessary funding, on acceptable terms or at all, to finance any of its potential acquisitions; and
- it may not be able to generate cash necessary to execute its acquisition strategy.

In addition, to complete future acquisitions, the Group may require additional financing, including raising additional funds through further issuances of equity or convertible debt securities, potentially exposing existing shareholders to significant dilution.

The Group may fail to realise the anticipated benefits of acquisitions it has completed or may undertake in the future, and it may encounter difficulties in trying to integrate such acquisitions and incur significant expenses or charges as a result of an acquisition

The acquisition and integration of a business involves a number of risks and may result in unforeseen operating difficulties in assimilating or integrating the technologies, products, personnel or operations of the acquired business.

In evaluating and determining the purchase price for a prospective acquisition, the Group estimates, among other things, the future revenue and profits from that acquisition based largely on historical financial performance as well as any product offering or customer synergies that it projects to derive from the acquisition. There is a risk that the Group, following an acquisition, fails to operate the acquired business as successfully as it was previously operated, or to adequately address all of the risks uncovered during the due diligence process. It may also experience some attrition in the number of customers serviced by the acquired business, causing it to fail to achieve the forecasted revenue and profits post-acquisition, or to achieve the level of synergies that it anticipated when entering into the acquisition. Moreover, although the Group performs a due diligence review of each of its acquisition candidates, this review may fail to adequately uncover all of the contingent, undisclosed, or previously unknown liabilities or risks it may incur as a consequence of the proposed acquisition, exposing it to potentially significant, unanticipated costs, as well as potential impairment charges. An acquisition may also subject the Group to additional regulatory burdens that may significantly affect its business.

Further, an acquisition may affect the Group's financial condition in that it may require it to incur other charges, such as severance expenses, restructuring charges or change of control payments. An acquisition may also cause adverse tax consequences, result in substantial depreciation and amortisation of deferred compensation charges, may require the amortisation, write-down or impairment of amounts related to deferred compensation, goodwill and other intangible assets, may include substantial contingent consideration payments or other compensation that could reduce its earnings during the period in which it was incurred, or may fail to generate sufficient return on investment to offset acquisition costs. These expenses, charges or payments, as well as the initial costs of integrating the personnel and facilities of an acquired business with those of the Group's existing operations, may adversely affect its operating results.

In addition, the process of integrating and operating any acquired business, technology, service or product requires significant management attention and resources. The integration of a significant acquired business may thereby divert significant management attention from the Group's ongoing business operations and could lead to a disruption of its ongoing business or inconsistencies in its services, standards, controls, procedures and policies, any of which could affect its ability to achieve the anticipated benefits of an acquisition or otherwise adversely affect its business and financial results.

The Group has not yet fully integrated certain of its acquired subsidiaries, which may expose it to additional risks

Following its acquisition of stakes in both companies in 2019, the Group now wholly owns all of the ADS group of companies (collectively, "ADS") and holds a 70% stake in Sygic. As of 24 January 2021, 24 months after the acquisition of its initial stake, and as agreed in the sale and purchase agreement, the Group took operational control of ADS. Although the Group maintains operational control over both businesses, and the completion of the ADS migration to the Group's systems and the full integration of Sygic remains in progress as a priority, neither business is yet fully integrated into the Group's operations. As a result, both ADS and Sygic continue to maintain their customer bases, separate business relationships and contracts, amongst others. In particular, the integration of the human resources, financial systems and IT functions of Sygic is not yet complete. Although reporting to the Group takes place on a monthly basis, the Group's access to certain financial, risk, legal and operational information of Sygic may be delayed as compared to its fully integrated subsidiaries. The Group has not experienced any problems with its reporting process in respect of these acquired companies to date, having successfully produced consolidated audited statements including both ADS and Sygic within suitable time periods, but the Group may nevertheless face challenges in monitoring compliance with important IT, legal and other obligations, the breach of which may expose the Group to liability, or reduce the value of these businesses to the Group. As a result, the Group's business and financial condition may be adversely affected.

If the Group fails to comply with the applicable requirements of third party payment facilitating networks or partners such as Crosscard, licensing regulations set by the Czech National Bank or any other applicable regulation, it could be fined, suspended or have its registration terminated

The Eurowag MasterCard issued by the Group is regulated by the Czech National Bank (the "CNB"). W.A.G. Issuing Services, a.s. ("W.A.G. IS"), a member of the Group, is currently licensed by the CNB as an electronic money institution with the capacity to issue and distribute electronic money and provide payment services to customers. As a result, the W.A.G. IS is obligated to comply with the licensing requirements and relevant financial regulations of the CNB applicable to it as a licensed electronic money institution. To facilitate payments on the Eurowag MasterCard issued by W.A.G. IS, the Group partners with Crosscard. Accordingly, in addition to the obligation of W.A.G. IS to comply with CNB regulations, the Group is also required to comply with operating requirements specified in the terms of its relationship with Crosscard, including MasterCard requirements which are indirectly applicable to the Group. Given that MasterCard routinely updates and modifies its requirements, changes in these requirements (as applicable to the Group pursuant to its relationship with Crosscard) and those enforced by the CNB, as applicable to W.A.G. IS, may make it significantly more expensive for the Group to maintain compliance with its licensing or operating conditions in relation to the Eurowag MasterCard. If the Group fails to comply with such requirements, it could face fines, contractual claims, suspensions or termination of the CNB licence held by W.A.G. IS. Any suspension of its licence could limit or eliminate the Group's ability to provide the Eurowag MasterCard, which could materially affect its operations and prospects given the Group's strategic growth objective of providing a broader range of payment solutions.

In addition to the foregoing, in some jurisdictions the Group relies on certain other licences for the provision of its on-road mobility products, including wholesale and retail permits required for the provision of fuel products, as well as fuel station operating licences for its truck parks. Eurowag holds an EETS licence in the Czech Republic and certifications in Austria and Hungary, with certification in Belgium currently in pilot-phase. As a result, it is obliged to comply with the requirements applicable to such licence or certifications. Further, the Group provides insurance distribution services to its customers. The Group's insurance distribution is provided through its wholly-owned subsidiaries W.A.G. IS and Liserteco LDA ("Liserteco", an entity within the ADS group of companies), pursuant to their respective insurance distribution licences. Both entities are obliged to comply with the requirements applicable to such insurance distribution licences, as issued by local insurance distribution regulators, as well as with any country specific additional regulatory requirements governing cross-border provision of services. If the Group is found to be operating in violation of the terms of an existing licence, it may be exposed to significant fines, suspension or the termination of its licence.

Changes in or limits on interchange fees applicable to the open-loop cards may impact the Group's business

The Eurowag MasterCard, the Group's open-loop prepaid payment card, generates network processing fees charged to customers in relation to transactions processed. Interchange fee amounts associated with the Eurowag MasterCard may be affected by a number of factors, including regulatory limits in certain markets and fee or programme charges imposed or allowed by its third party partners. In addition, interchange fees have been the subject of intense legal, regulatory, and legislative scrutiny and competitive pressures, any of which could result in interchange fees being limited, lowered, or eliminated altogether in any given jurisdiction in the future. Future changes may further restrict or otherwise impact the way the Group does business or limit its ability to charge certain fees to customers.

The Group may not be able to implement its growth strategy within expected timeframe

The Group's organic growth strategy includes developing technology infrastructure that will accelerate its path towards building an integrated digital ecosystem for the CRT industry, leveraging effective go-to-market strategy in the attraction of new customers for its products and services, while cross/upselling to existing customers. As a result, a failure to make or to implement necessary expansion and upgrades of the Group's technology systems and infrastructure in a timely manner while maintaining client service levels could represent a potential limitation on the Group's ability to meet its growth targets and adversely impact on the Group's results of operation or financial condition. Continued growth may also require continued investment across certain of the Group's key jurisdictions in facilities and personnel. The Group may not be successful in adding all of the additional facilities and other resources that may be necessary to achieve this. Further, even where the Group has put the relevant measures for growth in place, unless growth results in an increase in revenues that is proportionate to the increase in costs associated with such growth, operating margins and profitability may be adversely affected. In each case, this may have a material adverse effect on the Group's business.

The international expansion of the Group's business may expose it to unique business risks and challenges

The Group has grown and may continue to grow by expanding into new geographic markets. As the Group's operations increasingly expand across international markets, and in particular if it expands outside the European Union, it may be vulnerable to the unique business risks and challenges experienced by businesses in such markets. This may include challenges arising from the specific economic and political conditions in such markets, unique commercial situations that affect CRT businesses, unexpected costs and errors in the localisation of its products or lack of familiarity with the commercial dynamics of a local market. Operating in international markets also requires significant management attention and further international expansion of the Group's operations may lead to operational difficulties in central oversight of the regional operations.

The Group may fail to achieve its stated financial guidance

The Group presents various targets in this document relating to the Group's near- and medium-term financial guidance in respect of its net revenues growth, Adjusted EBITDA margin, capital expenditures, and leverage ratio and other forward-looking performance measures, including in relation to expected customer behaviour and the development of its markets. However, as described above, due in part to uncertainty around the continuing and long-term impact of COVID-19, it is difficult for the Group to predict how much, or whether any, of the recent growth experienced by the CRT sector in general, or the Group specifically, will continue. Such uncertainty makes the Group's ability to set near- and medium-term financial guidance and other forward-looking performance measures challenging.

The information in respect of the Group's near- and medium-term financial guidance and other forward-looking performance measures represent the Group's aspirations only and should not be relied upon to predict or forecast actual near- and medium-term results or future events. Such targets and beliefs are unaudited and reflect a number of assumptions relating to customer behaviour, market growth, retention of previously acquired customers, the pace of technological change and the ability of the Group to manage technology transformation risk (both internally and externally), as well as the historical patterns observed by the Group in the past, any of which may not be borne out due to both known and unforeseen risks, uncertainties and other important factors beyond the control of the Group that could affect actual results. The Group's guidance and the assumptions and judgments underlying such guidance carry an inherent degree of uncertainty and may not take into account all relevant considerations. If the assumptions upon which the Group's guidance are based prove to be inaccurate, or if the Group's actual financial results and performance are less favourable than expected, it may suffer a material adverse effect on the its business, financial condition and results of operations in the near- and medium-term.

The Group's ability to provide cross-border payment solutions depends on its relationships with banks and other financial institutions across Europe, which may from time to time impose fees, restrictions and compliance burdens on it that could make its operations more difficult or expensive

As part of the Group's product and service offering, it facilitates cross-border payments for small and medium-sized enterprises in energy and toll payment transactions across the European countries where it operates. Increased regulation and compliance requirements may potentially impact this business by making it more costly for the Group to provide its payment solutions or by making it more cumbersome for businesses to use these solutions. Any factors that increase the cost of cross-border transactions for the Group or its customers or that restrict, delay, or make cross-border trade more difficult or impractical, such as trade policy or higher tariffs, could negatively impact the Group's revenue and harm its business. The Group may also have difficulty establishing or maintaining banking relationships needed to conduct efficiently its services due to banks' compliance policies, or for relationship reasons.

Any damage to the brand and reputation of the Group's business, especially the consumer-facing segments, may adversely affect its financial condition and results of operations

Maintaining and enhancing the Group's brands is critical to its customer relationships, its ability to obtain partners and retain employees. Certain elements of the Group's business, such as the Sygic Truck Navigation, RoadLords and Sygic GPS Navigation apps are consumer-facing and particularly vulnerable to a decline in brand quality. In relation to such consumer-facing operations, the integrity of the Group's brands and reputation is particularly key to its ability to remain a trusted source of products and services and to attract and retain customers. Negative publicity regarding the Group or actual, alleged or perceived issues regarding one of its products or services could harm its relationships with customers. The successful promotion of the Group's brands will depend upon its marketing and public relations efforts, its ability to continue to offer high-quality products and services and its ability to successfully differentiate its solutions from those of its competitors. In addition, future extension of the Group's brands to add new products or services different from its current offerings may dilute its brands, particularly if it fails to maintain its quality standards in these new areas. Failure to maintain, protect or enhance the Group's brands may adversely impact its credibility and may have a negative impact on its business relationships and operational results.

The Group's success is dependent, in part, upon its executive officers and other key personnel, and the loss of such key personnel could adversely affect its business

The Group's success depends, in part, on its executive officers and other key personnel, in particular skilled operational managers, product managers and various technology specialists with deep expertise in the financial services, payments, and technology industries. Its senior management team, particularly CEO and founder Martin Vohánka, who is also the Controlling Shareholder, has significant industry experience and will be difficult to replace. The market for qualified individuals in the Group's industry and the wider technology talent market are competitive, and the Group may not be able to attract and retain qualified personnel or candidates to replace or succeed members of its senior management team or other key personnel. If the Group loses the availability of its key management personnel or technical employees, its business operations could be materially disrupted, which could have a material adverse effect on Group's business, results of operations and financial condition.

Increasing scrutiny and changing expectations from investors, customers and the Group's employees with respect to its environmental, social and governance ("ESG") practices may impose additional costs on the Group or expose it to new or additional risks

There is increased focus, including from governmental organisations, investors, employees and customers on ESG issues such as environmental stewardship, climate change, diversity and inclusion, racial justice and workplace conduct. Negative public perception, adverse publicity or negative comments in social media could damage the Group's reputation if it is perceived to be inadequately addressing these issues. Any harm to the Group's reputation could impact employee engagement and retention and the willingness of customers and its partners to do business with it. In addition, organisations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters, and unfavourable ratings of the industry, the Group or its businesses may lead to negative investor sentiment or attention from activist investors or cause the diversion of investment to competitors.

Risks related to information technology and data security

The Group's business is subject to the risk of external security and privacy breaches, such as cyberattacks and it may not be able to adequately protect its information systems, including the data it collects on its customers, which could subject it to liability and damage its reputation

The Group collects and stores data on its customers, including personal data, spending data, anti-money laundering (“AML”) and related data (such as identification data, destination of transactions, Merchant Category Codes of transactions, scans of identity cards or passports), technical documents of vehicles, credit risk assessment and related data (including those relating to financial statements and credit scoring), routing data from telematics and toll units, and data relating to the number of vehicles. In certain instances, the information the Group collects may include social security numbers (of the Group's employees) and tax identification numbers of customers. Data collected and held by the Group may be compromised in the event of an external security or privacy breach. As a result of applicable laws, the Group is required by law to take commercially reasonable measures to prevent and mitigate the impact of cyberattacks, as well as the unauthorised access, acquisition, release and use of “personally identifiable information”. While the Group's customers are mostly other businesses, and as a result, personal data constitutes only a small portion of the data the Group keeps, in the event of a security breach it would be required to determine the types of information compromised and determine corrective actions and next steps under the EU's General Data Protection Regulation (“GDPR”), which would require it to expend capital and other resources to address the security breach and protect against future breaches.

In addition, as the trends towards outsourcing, specialisation of functions, third party digital services and technology innovation within the payments industry increase (including with respect to mobile technologies, tokenisation, big data and cloud storage solutions), there is a likelihood that third parties will become more involved in processing card payment transactions than is presently the case, resulting in heightened risk that the confidentiality, integrity, privacy and/or security of data held by, or accessible to, third parties, including merchants that accept the Group's cards, payment processors and its business partners may be materially compromised, which could lead to unauthorised transactions on such cards and costs associated with responding to such an incident. Any breaches of network or data security at the Group's other partners, some of whom maintain information about the Group's customers, or breaches of its customers' systems could have similar effects. In addition, the Group's customers could have vulnerabilities on their own computer systems that are entirely unrelated to the Group's systems but could mistakenly attribute their own vulnerabilities to the Group. Although the Group takes commercially appropriate steps to safeguard data used by and contained on the systems of its partners, customers and vendors, it cannot control all access to those systems, and they are therefore subject to potential cyberattacks and fraud.

The techniques used in attempts to obtain unauthorised, improper or illegal access to the Group's systems, its data or its customers' data, to degrade service, or to sabotage its systems are constantly evolving, are difficult to detect quickly, and may not be recognised until after a successful penetration of the Group's information security systems. Unauthorised parties may attempt to gain access to the Group's systems or facilities through various means, including, among others, directly targeting its systems or facilities or its third party vendors or customers, or attempting to fraudulently induce the Group's employees, partners, customers or others into disclosing usernames, passwords, payment card information, or other sensitive information, which may in turn be used to access the Group's information technology systems. It may also include coordinated social engineering and phishing attacks, hacking, ransomware and malware attacks, distributed denial-of-service attacks or physical theft of items containing sensitive data. Such efforts may be state-sponsored, facilitated by competitors or supported by actors with significant financial and technological resources, making them even more difficult to detect. Although the Group has developed systems and processes that are designed to protect its data and customer data, and to prevent data loss and other security breaches, these security measures cannot provide absolute security. For instance during the height of the COVID-19 restrictions, with a significant proportion of employees working from home, the Group was exposed to increased vulnerability to breaches and cyberattacks due to COVID-19 related employee work-from-home, one of which resulted in successful but non-material access to certain Group systems and data. Although a result of this event, the Group has further fortified its data security by implementing improved two-factor authentication, the Group's information technology and infrastructure may be vulnerable to successful cyberattacks or other external security breaches, and third parties may be able to access its customers' personal or proprietary information and data that are stored on or accessible through those systems.

The Group is subject to strict IT security and data processing regulatory requirements, breach of which could lead to substantial regulatory fines or data subject claims

The Group is obligated to comply with strict regulatory requirements with respect to its IT security and data management processes. Many of these obligations widely apply across many of the jurisdictions where the Group operates and arise from the GDPR, the Payment Services Directive Two (“PSD2”)—Directive (EU) 2015/2366, Directive 2004/52/EC on the interoperability of EETS and other regulations applicable to the Group’s IT security or data management processes. While the Group makes every effort to comply with applicable regulations, any failure by the Group or any of the third party service providers on which it relies, to operate its IT security systems and controls (such as user consent management, platform security and security monitoring) in the manner required by relevant regulations or process, store or transmit data in a manner not consistent with any relevant regulation including the GDPR, could result in significant liabilities including the withdrawal of licence, closure of its offending business, imposition of significant financial penalties or increased supervision by regulators.

Further, the Group’s efforts to comply with existing and future IT security and data processing regulations across Europe is costly and time-consuming. Incidents involving the Group’s handling of this protected and sensitive information may consume significant financial and managerial resources and may damage its reputation, which may discourage customers from using, renewing, or expanding their use of the Group’s services or platforms. In addition, high profile data breaches could change consumer behaviour, impact the Group’s ability to access data to make product offers and credit decisions, result in legislation and additional regulatory requirements, and increase the Group’s IT, compliance and monitoring costs. The Group does not currently have cyber insurance coverage in place, and as a result any security breach, inadvertent transmission of information about customers, failure to comply with applicable breach notification and reporting requirements, or any violation of international or national privacy laws could expose it to considerable financial liability, litigation, regulatory scrutiny, and/or cause damage to its reputation. The Group may also be required to expend significant resources to implement additional data protection measures or to modify the features and functionality of its system offerings in a way that is less attractive to customers. Any of these may adversely impact the Group’s business, financial condition, results of operation and prospects.

The Group’s information systems are subject to the risk of security and privacy breaches due to internal factors such as employee error, malfeasance, system errors or vulnerabilities, or unguarded user behaviours which could adversely affect its operation, business and financial condition

The Group’s security measures may also be breached due to internal factors such as employee error, malfeasance, system errors or vulnerabilities, or unguarded user behaviours. Internal security threats may include acts which violate internal procedures or attacks by current or past employees or contractors who have been given access to internal systems, and actions by other counterparties who may be privy to restricted data of the Group. This may occur in the form of coordinated social engineering attacks, data sharing with third parties, unauthorised downloading into personal devices, unauthorised transfer to personal cloud, abuse of employee privileges relating to data or physical theft of Group equipment containing sensitive data. Even where internal actors do not set out to compromise the Group’s IT system, poor behaviour or approach to the use of such systems may create significant vulnerabilities for the Group. Any actual or perceived breach of its security could interrupt the Group’s operations; result in its systems or services being unavailable; result in improper disclosure of data; materially harm its reputation and brand; result in significant legal and financial exposure; lead to loss of customer confidence in, or decreased use of, its products and services; and adversely affect its business and results of operations.

If the technology the Group uses in operating its business and interacting with its customers fails, does not operate to expectations, is not available, or if the Group fails to successfully implement technology strategies and capabilities in connection with its outsourcing arrangements or comply with existing or future data regulations, its business and results of operations could be adversely impacted

The availability and reliability of its technology system is critical to the Group’s business operations. The Group relies on a combination of proprietary and third party technologies, including third party managed technology platforms, data-centres, and processing systems, to conduct its business and interact with its customers, partners and suppliers, among others. To the extent that any of the Group’s proprietary technology or the technology of its third party providers (in particular providers of cybersecurity software) fails to perform as agreed to or as expected, or if it experiences outages or unavailability resulting from their operations and the services they provide to the Group, the Group’s ability to deliver services efficiently and effectively could be adversely impacted and its business and results of operations could be adversely affected. Similarly, any failure

by its customers or partners to access the technology that the Group develop internally could have an adverse effect on its business, financial condition, results of operations and prospects.

Further, as the Group increase the number and sophistication of the IT platforms it operates as well as the size of its networks and information systems, its reliance on this technology, and the potential negative impact on the business resulting from an interruption in service, will become increasingly important to its operating activities and strategy. Although the Group makes substantial investments in technology, there is no guarantee that it will function as intended once it is deployed. In addition, where it decides to retire any of its technological platforms, consolidate an existing platform or change its technology strategies, the Group may be required to impair or accelerate depreciation on certain assets. Any of these potential changes or failures in its technology strategies may also divert management's attention and have a material adverse effect on the Group's business and results of operations.

The Group's failure to effectively implement or adapt to new technology could jeopardise its position as a leader in its industry

As an integrated payments and mobility solutions provider, the Group operates in a competitive market, and in line with its strategy has planned significant IT transformational capital expenditures in future periods, in support of improvements and expansion to the Group's product offering, core technology systems including ERP, customer relationship management and payment management systems, as well as to enhance the digital journey for its sales, including online on-boarding, customer self-care portal, and security, including GDPR compliance. The Group must constantly adapt and respond to the technological advances offered by its competitors and the informational requirements of its customers, including those related to the internet and the cloud, in order to maintain and improve upon its competitive position. The Group may fail to advance its technological capabilities in a timely manner, or to add new product and service offerings as rapidly as its competitors, or within the scope covered by its competitors, which could jeopardise its position as a leader in the industry, its ability to retain existing customers and attract new ones in the impacted business line. In addition, failure to deliver core technology solutions may pose considerable risks to the Group's organic growth as its current technological systems face limitations in processing capacity.

The Group may experience software defects, system errors, and development delays, which could damage customer relationships, decrease its profitability and expose it to liability

The Group's business depends heavily on the reliability of proprietary and third party processing systems, such as AEVI. A system outage could adversely affect its business, financial condition or results of operations, including by damaging its reputation or exposing it to third party liability. To successfully operate its business, the Group must be able to protect its payment processing capabilities and other systems from interruption, including from events that may be beyond its control. Events that could cause system interruptions include fire, natural disaster, unauthorised entry, power loss, telecommunications failure, computer viruses, terrorist acts and war. Although the Group has taken steps to protect against data loss and system failures, there is still risk that it may lose critical data or experience system failures.

The Group's solutions are based on sophisticated software and computing systems that are constantly evolving. In addition, some of the underlying software may contain undetected errors, viruses or defects. Defects in the Group's software products and errors or delays in its processing of electronic transactions could result in additional development costs, diversion of technical and other resources from its other development efforts, loss of credibility with current or potential customers, harm to its reputation or exposure to liability claims. In addition, the Group relies on technology supplied to it by third parties, such as Microsoft and other software vendors which support the operation of the EVA unit, which may also contain undetected errors, viruses or defects that could adversely affect its business, financial condition or results of operations.

Inadequate disaster recovery procedures could adversely affect the Group's operation, business and financial condition

The Group's disaster recovery procedures, and its systems to provide critical back-up and business continuity procedures may prove insufficient to ensure connectivity and restore critical data in the event of significant disruption. In particular, the lack of an additional data centres may heighten the business continuity risk of the Group's businesses and the security of their information to vulnerabilities, if the Group's data centre is compromised or malfunctions. If this risk were to crystallise and to result in significant disruption to the availability of its products and services to customers, the Group could experience loss of revenue, loss of critical business information, termination of customer relationships, and may be exposed to reputational damage

among its customers and business partners. The manual processing systems the Group has in place to mitigate such risk in the case of disruption of service may also expose it to the risk of processing mistakes and fraud.

Regulatory and legal risks

Evolution and expansion of the Group's business may subject it to additional regulatory requirements and other risks, for which failure to comply or adapt could harm its operating results

The evolution and expansion of the Group's business may subject it to additional risks and regulatory requirements, including tax-related obligations, changes to the regulation of data collection and local rules regulating the establishment of its energy payments business, as well as laws governing money transmission and payment processing services. These requirements vary throughout the markets in which the Group operate, and have increased over time as the geographic scope and complexity of its payment solutions have expanded. While the Group maintains a compliance programme focused on applicable laws and regulations, there is no guarantee that it will not be subject to fines, criminal and/or civil lawsuits or other regulatory enforcement actions in one or more jurisdictions, or be required to adjust business practices to accommodate future regulatory requirements.

Efforts to acquire and maintain relevant licences could require significant management time, effort, and cost and may not guarantee compliance given the dynamic nature of these regulatory frameworks. Accordingly, costs associated with changes in compliance requirements, regulatory audits, enforcement actions, reputational harm, or other regulatory limits on the Group's ability to grow its payment solutions business could adversely affect its financial results.

The Group's future growth strategy may include expansion to countries which are known to present a higher risk of bribery and corruption. The Group's increased presence in new jurisdictions increases the possibility of violations of anti-bribery and anti-corruption laws ("ABAC"), including the United Kingdom Bribery Act 2010 ("UKBA"). The UKBA prohibits bribery in purely commercial contexts in addition to bribery of government officials and has broad extra-territorial reach. In addition to the United Kingdom, other countries in which the Group operates or has operated, and most countries where the Group might potentially operate, have ABAC laws, which the Group is or would be subject to.

The Group also must monitor its compliance with various sanctions regimes. For example, until recently the Company had two acceptance partners in Belarus, and offered its customers limited toll payment services there. After certain economic sanctions were imposed on the country by the European Union and the United Kingdom in June 2021, the Group determined its acceptance partner energy sales in Belarus were in violation of these sanctions, and as a result, the Group has suspended all business in Belarus (between the period that new sanctions went into effect and suspension, approximately €43,000 in gross revenues were generated from the Group's energy payments business in Belarus). Although the Group does not expect to be subject to any penalties as a result of this violation, the Group believes the maximum financial penalty from this breach would be approximately CZK 4.0 million (approximately €158,000 at present exchange rates), plus related legal and other expenses. There could also be reputational damage associated with such a penalty. Economic sanctions could similarly be introduced on short notice in the countries where the Group currently operates or into which it plans to expand.

The Group's policies and procedures, which are designed to ensure that it, its employees, agents and intermediaries comply with the UKBA and other applicable foreign ABAC laws as well as applicable sanctions regimes, may fail to work effectively all of the time or protect it against liability for actions taken by its employees, agents and intermediaries with respect to its business or any businesses that it may acquire. In the event that the Group believes, or has reason to believe, that its employees, agents or intermediaries have or may have violated applicable ABAC laws or a sanctions regime, the Group may be required to investigate or have a third party investigate the relevant facts and circumstances, which can be expensive and require significant time and attention from senior management. Any violation of the UKBA, a sanctions regime or similar laws and regulations, could result in significant expenses, divert management attention, and otherwise have a negative impact on the Group. Any determination that the Group has violated the UKBA, ABAC laws or the sanctions regime of any other jurisdiction could subject it to, among other things, penalties and legal expenses that could harm its reputation and have a material adverse effect on its financial condition and results of operations. The possibility of violations of the UKBA, applicable sanctions or other similar laws or regulations may increase as the Group expands globally and into countries with recognised bribery and corruption risks.

The occurrence of one or more of these events could negatively affect the Group's international operations and, consequently, its operating results.

Changes in laws, regulations and enforcement activities may adversely affect the Group's products and services and the markets in which it operates

The Group is subject to laws and regulations in the jurisdictions in which it operates and that apply to any of its business lines. The Group's business lines are affected by the complex and changing requirements of the countries in which the Group's customers operate, and which vary from country to country due to the lack of harmonisation. These regulations impose compliance obligations on the Group and restrictions on its operating activities, which can be difficult to administer because of their scope, mandates and varied requirements. The Group is subject to government regulations covering a number of different areas, including, among others: disclosure requirements; licensing and registration requirements; collection and pricing regulations; compliance obligations; security, privacy and data protection requirements; identity theft protection programme; AML compliance programmes; and fee restrictions. A large portion of these regulations focus on individual consumer protection, including the specific regulatory requirements applicable to consumer-focused navigation products such as those narrowly provided by Sygic through the Sygic GPS Navigation app. However, legislatures and regulators continue to consider whether to include business customers, which are currently the Group's primary target market, within the scope of these regulations. Expansion in the scope of regulations may also lead to the loss of certain benefits presently enjoyed by the Group.

For instance, the Group's fuel cards are currently viewed as being out of the scope of regulation under PSD2, or as being subject to PSD2 but able to operate under a "closed-loop" exemption therefrom. The PSD2 excludes closed-loop systems from the obligation to allow access to Payment Initiation Service Providers, Account Information Service Providers and Card-Based Payment Instrument Issuers through standardised Application Programme Interfaces, thus giving them a significant regulatory advantage with respect to other payment service providers. Furthermore, since the fuel cards are not an e-money product, they will not attract the application of the requirements set out by AML with respect to electronic money. However, there is no assurance that this exemption will continue to be available and, as such, the Group's on-road payment solutions may come under regulation, thus increasing the Group's compliance costs and on-boarding time for its customers. There have also been several cases in the European Court of Justice, including *Auto Lease Holland* (C-185/01) and *Vega International* (C-235/18) which can be interpreted to suggest that fuel card operations should not be treated as a supply of fuel, but as a financial activity involving the provision of credit. Were the Group's acceptance network business model within the energy payment solutions business to be re-defined under this line of cases as a provider of credit rather than a fuel supplier, it may have an impact on the Group's acceptance network business model and may also adversely affect its tax refund services. If the Group is unable to maintain its reselling model, the individual fuel stations from the acceptance network would need to issue invoices or receipts directly to the Group's customers. This would cause increased administrative challenges when applying for tax refunds as they will need to process an increased number of invoices or receipts from different fuel stations rather than having one consolidated invoice from the Group, as well as causing financing constraints for customers who would not be able to pre-fund their tax refunds. Were this to occur, the Group may be unable to fully adjust its business model, for example, by establishing new commercial and data exchange methods with its acceptance partners, or modifying its IT systems, as a result of which the Group could be unable to continue its relationships with certain acceptance partners, resulting in an adverse effect on its energy payments business.

In addition, changes in VAT legislation in Europe, such as the introduction of a "reverse charge" VAT system for energy products (whereby a purchaser charges itself VAT, rather than the supplier charging VAT), would significantly reduce demand for the Group's tax refund business, potentially resulting in an adverse effect on the Group's tax refund business.

In recent years, there has also been increasing attention to global tax fairness and initiatives targeted at equalising applicable tax rates across countries by the introduction of new tax rules and regulations. In particular, the Organisation for Economic Co-operation and Development ("**OECD**") continues to discuss multilateral efforts, including proposals, to ensure that large and highly profitable multinational enterprises, including digital companies pay fair tax amounts in the jurisdictions where they have significant consumer-facing activities and generate their profits. Recently, the OECD announced that 130 countries and jurisdictions have agreed to join a new international tax framework which proposes a 15% minimum tax rate for global companies. Despite the fact that the Group's products are largely business-facing rather than consumer facing, if these initiatives result in increased tax obligations for the Group in the countries where it operates, and if it is unable to pass this cost to customers, the Group's financial performance may be adversely affected. In view of the foregoing, new or expanded regulation, including tax regulations, or changes in interpretation or enforcement of regulations may lead to significant additional costs and have adverse effects on the Group's business and operating results.

Certain aspects of the Group's energy payment solutions operations are subject to licensing requirements in the respective jurisdictions in which it operates, regulating fuel distribution and sale. Under these requirements, the Group maintains wholesale fuel distribution permits, retail permits licensing the sale of fuel, and fuel station operation licences, in many of the jurisdictions in which the Group operates. Loss of these licences and permits for any reason could result in an adverse impact on its business, financial condition, results of operation and prospects.

In addition, Eurowag is one of the few licensed providers of the EETS and the licensing requirements impose certain obligations on licensed providers if they are to maintain their ability to participate in EETS as applicable in each of the certified countries. Failure to meet these requirements in future periods or on an ongoing basis could result in the loss of the Group's EETS license, resulting in the Group no longer being able to offer the simplified tolling benefits of EETS to its customers.

Moreover, were the EU to pursue an increased level of fiscal union, featuring a common budget and fully aligning tax and monetary policies, this could reduce the customer demand for the Group's tax refund services in the future.

Certain product-specific regulations, such as fuel regulations, are evolving, considerably vary across countries and their specific interpretations by regulators or courts may be uncertain and inconsistent across various jurisdictions. As a result, ensuring compliance with these regulations may be difficult and costly, and in the past the Group has had to pay energy efficiency contributions in respect of the mandated energy efficiency levels of fuel sold by the Group from time to time. With increasing frequency, regulators are holding regulated businesses to higher standards of training, monitoring and compliance, including monitoring for possible violations of laws by its customers and people who do business with its customers while using its products or services. If the Group fails or is unable to comply with existing or changed government regulations in a timely and appropriate manner, it may be subject to injunctions or the imposition of fines and penalties or other sanctions, and its reputation may be harmed, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

Compliance with anti-money laundering and anti-terrorism laws and regulations creates additional compliance costs and reputational risk

The applicable laws and regulations in the various jurisdictions in which the Group provides its products and services impose certain AML and anti-terrorism compliance and due diligence obligations on the Group, in respect of one of the Group's products—Eurowag MasterCard. The Group must verify the identity of customers, monitor and report unusual or suspicious account activity, as well as transactions involving amounts in excess of prescribed limits, and disallow transactions involving designated persons or designated regions, in each case as required by the applicable laws and regulations. Financial regulators and relevant intergovernmental organisations such as the Financial Action Task Force have issued various regulations and recommendations applicable to payment service providers including electronic money institutions and have made enforcement a high priority. Although the Group reviews its AML policies to achieve compliance with changes in regulations, including the introduction of a screening policy for its partners, there is no assurance that this will successfully prevent all AML breaches. Failure to maintain and implement adequate programmes to combat money laundering and terrorist financing, or to comply with all of the relevant laws or regulations, could result in the withdrawal of the Group's electronic money licence, imposition of fines or penalties and other serious legal and reputational consequences which may adversely impact the Group's business, financial condition, results of operation and prospects.

Legislation and regulation of greenhouse gases ("GHG") could adversely affect the Group's business

Demand for fuel may be reduced by factors that are beyond the Group's control, such as the implementation of fuel efficiency standards and the development by vehicle manufacturers and adoption by its customers of vehicles with greater fuel efficiency or alternative fuel sources. Further, there has been increasing focus of local, state, regional, national and international regulatory bodies on GHG emissions and climate change, including efforts to implement the Paris Agreement. Additional environmental regulation by the European Union or any particular country where the Group operates and/or any international agreements to which such country or the European Union may become a party, that control or limit GHG emissions or otherwise seek to address climate change could adversely affect the partners, merchants with which the Group collaborate and the Group's operations. Finally, private businesses, including vehicle manufacturers, are increasingly taking proactive steps to control or limit GHG emissions. While the Group continues to make extensive efforts to advance clean mobility, and is introducing payment solutions for alternative fuels like liquid natural gas ("LNG") and compressed natural gas ("CNG") through certain of its acceptance point partner stations, its

energy payment solutions business remains considerably reliant on the level of payment transactions for fuel, and existing or future laws or regulations or business actions related to GHG emissions and climate change, including incentives to conserve energy or use alternative energy sources, could have a negative impact on its business if any of the same serve to reduce demand for fossil fuels.

The Group contracts with government entities and is subject to risks related to government contracts

In the course of its business, the Group contracts with a few government entities. As a result, it is subject to various laws and regulations that apply to companies doing business with federal, national, state, municipal or local government. The laws relating to government contracts differ from other commercial laws and the Group's government contracts may contain pricing terms and conditions that are not common among private contracts. In addition, the Group may be subject to investigation from time to time concerning its compliance with the laws and regulations relating to its government contracts. The Group's failure to comply with these laws or regulations may result in suspension of these contracts or administrative or other penalties.

The Group's business could suffer as a result of labour actions, including collective action or work stoppages by essential staff

Maintaining good relationships with staff is crucial to avoid disruptions to the Group's business. The quality of the Group's relationships with its staff depends on them continuing to regard their conditions of employment as fair and reasonable and for those terms to continue to support the business model. However, the Group may face disputes, work stoppages, strikes or similar actions as a result of working arrangements or other issues. These actions may require the Group to adopt or negotiate changes with respect to working arrangements that are unfavourable to the business. In certain countries, terms and conditions have to reflect industry standards on collective bargaining, and the Group may have little control over rates of pay or incentives that must be offered to employees and these could increase operating costs.

Risks related to intellectual property

If the Group is unable to protect its intellectual property rights and confidential information, its competitive position could be harmed, and it could be required to incur significant expenses in order to enforce its rights

To protect its proprietary technology as a digital-based business, the Group relies on copyright, trade secret and other intellectual property laws and confidentiality agreements with employees and third parties, all of which offer only limited protection. At the moment, the Group remains in the process of completing certain legal and administrative procedures required to fully protect its intellectual property rights over certain important assets, including logos, programmes and Big Data. While this process is underway, there is no assurance that such intellectual property rights may not be exposed to contention in the interim. Even when the Group has taken precautions, it may be possible for third parties to infringe on its intellectual property rights or obtain and use without consent confidential information, and the Group's ability to completely police that misappropriation or infringement is uncertain. In addition, the Group's confidentiality agreements with employees, vendors, customers and other third parties, although containing standard intellectual property clauses, may fail to effectively prevent disclosure or use of proprietary technology or confidential information and may not provide an adequate remedy in the event of such unauthorised use or disclosure.

Protecting against the unauthorised use of its intellectual property and confidential information is expensive, difficult and not always possible. Litigation may be necessary in the future to enforce or defend the Group's intellectual property rights, to protect its confidential information, including trade secrets, or to determine the validity and scope of the proprietary rights of others. This litigation could be costly and divert management resources, either of which could harm the Group's business, financial condition, results of operation and prospects. Accordingly, despite its efforts, the Group may not be able to prevent third parties from infringing upon or misappropriating its intellectual property and proprietary information.

The Group cannot be certain that the steps it has taken will prevent the unauthorised use or the reverse engineering of its proprietary technology. Moreover, others may independently develop technologies that are competitive to the Group's technologies or infringe its intellectual property. The enforcement of its intellectual property rights also depends on the Group's legal actions against these infringers being successful, and the Group cannot be sure these actions will be successful, even when its rights have been infringed. Furthermore, effective patent, trademark, service mark, copyright and trade secret protection may not be available in every country in which the Group operates or may potentially operate.

Claims by others that the Group or its customers infringe their intellectual property rights could harm the Group's business

Third parties could claim that the Group's technology and processes underlying its products and services infringe their intellectual property. In addition, to the extent that the Group gains greater visibility and market exposure as a public company, it may face a higher risk of being the target of intellectual property infringement claims asserted by third parties. As a result of the limited effectiveness of the process for active avoidance of infringement of third parties' intellectual property, the Group may, in the future, receive notices alleging that it has misappropriated or infringed a third party's intellectual property rights. There may be third party intellectual property rights, including patents and pending patent applications that cover significant aspects of the Group's technologies, processes or business methods. Any claims of infringement or misappropriation by a third party, even those without merit, could cause the Group to incur substantial defence costs, suffer reputational damage and could distract the Group's management from its business, with no assurance that the Group will be able to prevail against such claims. Some of the Group's competitors may have the capability to dedicate substantially greater resources to enforcing their intellectual property rights and to defending claims that may be brought against them than the Group does. Furthermore, a party making such a claim, if successful, could secure a judgment that requires the Group to pay substantial damages, potentially including punitive damages if the Group is found to have wilfully infringed a patent. A judgment could also include an injunction or other court order that could prevent the Group from offering its products and services. In addition, it might be required to seek a licence for the use of a third party's intellectual property, which may not be available on commercially reasonable terms or at all. Alternatively, the Group might be required to develop non-infringing technology, which could require significant effort and expense and might ultimately not be successful.

Third parties may also assert infringement claims against the Group's customers relating to their use of the Group's technologies or processes. Any of these claims might require the Group to defend potentially protracted and costly litigation on their behalf, regardless of the merits of these claims, especially where the Group has committed to indemnify its customers from third party claims of intellectual property infringement under certain conditions. If any of these claims succeed, the Group might be forced to pay damages on behalf of its customers, which could adversely affect its business, financial condition, results of operation and prospects.

Risks related to the shares

Changes in the approach by investors to companies with exposure to the fossil fuel industry could have a negative impact on investor demand for the ordinary shares

There have also been efforts in recent years aimed at the investment community, including investment advisors, sovereign wealth funds, public pension funds, universities and other groups, promoting the divestment of equities issued by companies connected to fossil fuels as well as to pressure lenders and other financial services companies to limit or curtail activities with companies similarly connected. If these efforts are successful, and if the Group's business is deemed to be sufficiently tied to the use of fossil fuels by such communities, its ability to access capital markets may be limited and its stock price may be negatively impacted.

Further, members of the investment community have recently increased their focus on sustainability practices with regard to the oil and gas industry, including practices related to GHGs emissions and climate change. An increasing percentage of the investment community considers sustainability factors in making investment decisions and an increasing number of entities consider sustainability factors in awarding business. If the Group is unable to appropriately address sustainability enhancement, it may lose customers, partners, or merchants, its stock price may be negatively impacted, its reputation may be negatively affected, and it may be more difficult for it to effectively compete.

There is no existing market for the Ordinary Shares and an active trading market for the Ordinary Shares may fail to develop or be sustained

Prior to the Global Offering and Admission, there has been no public trading market for the Ordinary Shares. There can be no assurance that an active trading market will develop or, if it does develop, that it will be maintained. The trading price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including short-term selling pressures, equity market fluctuations, general economic conditions and regulatory changes, which may adversely affect the market price of the Ordinary Shares, regardless of the Group's actual performance or conditions in its key markets.

The market price of the Ordinary Shares may fall below the Offer Price. The market price of the Ordinary Shares may also fluctuate substantially due to various factors, some of which may be specific to the Group, and

some of which may be related to the legal and connected services industries and equity markets in general. The Group cannot guarantee that investors will be able to (re)sell their Ordinary Shares at or above the Offer Price, or at all. An inactive market may also impair the Group's ability to raise equity capital in the future by further issues of Ordinary Shares in the long-term. Furthermore, the concentration of ownership in the hands of the Controlling Shareholder may reduce the liquidity of the market for Ordinary Shares on the London Stock Exchange. If an active and liquid trading market does not develop or is not sustained, the liquidity and trading price of the Ordinary Shares could be materially and adversely affected, and investors may have difficulty selling their Ordinary Shares.

The Controlling Shareholder and TA Associates will retain a significant interest in, and continue to exert substantial influence over the Group following the Global Offering and their interests may differ from or conflict with those of other shareholders

Immediately following Admission, the Controlling Shareholder will beneficially own approximately 47.8% of the issued ordinary share capital of the Company, assuming no exercise of the Over-allotment Option, and approximately 47.2% of the issued ordinary share capital of the Company, if the Over-allotment Option is exercised in full, while TA Associates will hold approximately 26.1% of the issued ordinary share capital of the Company immediately following Admission (assuming no exercise of the Over-allotment Option), and approximately 24.9% of the issued ordinary share capital of the Company, if the Over-allotment Option is exercised in full. As a result, the Controlling Shareholder and TA Associates will possess sufficient voting power to have a significant direct influence over all matters requiring shareholder approval, including the election of the directors, the distribution of dividends, the amendment of the Articles of Association, any proposed capital increase and engaging in a significant transaction.

On the date of this Prospectus, the Company and each of Martin Vohánka and TA Associates entered into a relationship agreement (together, the “**Relationship Agreements**”). The Relationship Agreements have been entered into to ensure that the Group is capable at all times of carrying on its business independently of any controlling shareholders (as defined in the Listing Rules) and their associates. In particular, the Relationship Agreements contain undertakings from each of Martin Vohánka and TA Associates to, among other things: (i) conduct all transactions and arrangements with any member of the Group at arm's length and on normal commercial terms; (ii) not take any action which would have the effect of preventing the Group from complying with its obligations under the Listing Rules; and (iii) not propose or procure the proposal of any shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules. The Relationship Agreements are not subject to any additional penalty or indemnity clauses. There may be instances when the Controlling Shareholder has interests that diverge from those of the other shareholders and the Group cannot assure investors that the interests of the Controlling Shareholder will be the same as or align with the interests of purchasers of shares in the Global Offering.

So long as the Controlling Shareholder and/or TA Associates continue to own, whether directly or indirectly a significant amount of the Group's equity, even if such amount is less than 50%, the Controlling Shareholder and TA Associates will continue to be able to substantially influence or effectively control the Group's ability to enter into any corporate transactions. In particular, the Controlling Shareholder or TA Associates' significant ownership and influence may: (i) delay or deter a change of control of the Group (including deterring a third party from making a takeover offer for the Group); (ii) deprive shareholders of an opportunity to receive a premium for their shares as part of a sale of the Group; or (iii) affect the liquidity of the shares, each of which could have a material adverse effect on the trading volume and market price of the shares offered in the Global Offering. This could be the case if investors determine that the stock is not as attractive due to high concentration of ownership and degree of influence by the Controlling shareholder, as a result of which demand for the shares may reduce. Furthermore, future acquisitions by the Group may result in an increase in the collective shareholding of Controlling Shareholder in the Group.

Admission may fail to occur when expected

Admission is subject to the approval (and subject to satisfaction of any conditions on which such approval is expressed) of the FCA and Admission will become effective as soon as a dealing notice has been issued by the FCA and the London Stock Exchange has acknowledged that the Ordinary Shares will be admitted to trading. There can be no guarantee that any conditions to which Admission is subject will be met or that the FCA will issue a dealing notice when anticipated.

The market price of the Ordinary Shares could be negatively affected by sales of substantial amounts of such Ordinary Shares in the public markets, including a sale by the Controlling Shareholder

Following Admission, the Controlling Shareholder and TA Associates will own beneficially approximately 73.8% of the Group's issued ordinary share capital, assuming no exercise of the Over-allotment Option, and approximately 72.0% if the Over-allotment Option is exercised in full. The Group, the Selling Shareholders and the Directors are subject to restrictions on the issue, sale or transfer, as applicable, of their respective holdings in the Group's issued share capital. The issue or sale of a substantial number of Ordinary Shares by the Group, the Selling Shareholders or the Directors in the public market or the perception that these sales may occur, may adversely affect the market price of the Ordinary Shares. In particular, given his close involvement in the operation and strategy of the Group, a sale or a perception of the likelihood of a sale by the Controlling Shareholder, Martin Vohánka, of a substantial amount of his shares in the Group may depress the market price of the Ordinary Shares and could impair the Group's ability to raise capital through the sale of additional equity securities.

Following Admission, the Controlling Shareholder may increase his interest in the Company without incurring any obligation to make a mandatory offer to all Shareholders so long as he retains over 50% voting control

From Admission, for so long as the Controlling Shareholder and persons acting in concert with the Controlling Shareholder continue to be interested in Ordinary Shares carrying over 50% of the Company's voting rights, the Controlling Shareholder (and any persons acting in concert with the Controlling Shareholder) will be free to acquire further shares in the Company without incurring any obligation under Rule 9 of the Code to make a mandatory offer to all Shareholders (subject to the considerations in Note 4 on Rule 9.1 of the Code, including whether any individual member of the Controlling Shareholder's concert party, other than the Controlling Shareholder, increases their percentage interest in voting rights through 30%).

The Ordinary Shares will be subject to market price volatility and the market price of the Ordinary Shares may decline in response to developments that are unrelated to the Group's operating performance

The Ordinary Shares will be subject to market price volatility and the market price of the Ordinary Shares may decline in response to developments that are unrelated to the Group's operating performance. The market price of the Ordinary Shares may be volatile and subject to wide fluctuations because of a variety of factors, including, but not limited to, those referred to in this section "Risk Factors", as well as period-to-period variations in operating results or changes in revenue or profit estimates by the Group, industry participants or financial analysts. The market price of the Ordinary Shares could also be affected by developments unrelated to the Group's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Group, speculation about the Group in the press or the investment community, strategic actions by competitors, including acquisitions or restructurings, changes in market conditions and regulatory changes in any number of countries, whether or not the Group derives significant revenue therefrom. Investors may not be able to sell their Ordinary Shares at or above the Offer Price and Shareholders may earn a negative or no return on their investment in the Group.

The issuance of additional Ordinary Shares in the Group in connection with any future acquisitions or otherwise may dilute all other shareholdings

The Group may seek to raise financing to fund future acquisitions and other growth opportunities, invest in its business, or for general purposes and for these reasons may issue additional equity or convertible equity securities in the longer term. Any of such additional issuances may result in the dilution of the percentage ownership of the Group's existing Shareholders or may materially adversely affect the price of the Ordinary Shares.

Overseas shareholders may be subject to exchange rate risk.

The Ordinary Shares are, and any dividends to be paid in respect of them will be, if the Directors choose in the future to initiate any dividend payments (and shareholders approve), denominated in GBP. An investment in Ordinary Shares by an investor whose principal currency is not GBP exposes the investor to foreign currency exchange rate risk. Any depreciation of the euro in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in foreign currency terms.

Shareholders in the United States or other jurisdictions may not be able to participate in future equity offerings

The Group's Articles provide for pre-emptive rights to be granted to Shareholders, unless such rights are disapplied by a special resolution of shareholders. However, securities laws of certain jurisdictions may restrict the Group's ability to allow participation by Shareholders in future offerings. In particular, Shareholders in the United States may not be entitled to exercise these rights unless either the rights and Ordinary Shares are registered under the US Securities Act, or the rights and Ordinary Shares are offered pursuant to an exemption from, or transaction not subject to, the registration requirements of the US Securities Act. The Group cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable US or other Shareholders to exercise their pre-emption rights or, if available, that the Group will utilise any such exemption.

Not all rights available to shareholders under US law will be available to holders of the Ordinary Shares

Not all rights available to shareholders under US law may be available to holders of the Ordinary Shares. Rights afforded to shareholders under English law may differ in certain respects from the rights of shareholders in typical US companies. The rights of holders of the Ordinary Shares are governed by English law and the Articles. In particular, English law currently limits significantly the circumstances under which the shareholders of English companies may bring derivative actions. Under English law, in most cases, only the Company may be the proper plaintiff for the purposes of maintaining proceedings in respect of wrongful acts committed against it and, generally, neither an individual shareholder, nor any group of shareholders, has any right of action in such circumstances. In addition, English law does not afford appraisal rights to dissenting shareholders in the form typically available to shareholders in a US company.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical Financial Information

Unless otherwise indicated, the financial information contained in this document has been prepared in accordance with IFRS. This document contains the Group's audited consolidated financial information as at and for the three years ended 31 December 2018, 2019, and 2020, and audited financial information as at and for the six months ended 30 June 2021 (the "**Historical Financial Information**").

The Historical Financial Information, which is included in this document beginning on page 112, has been prepared in accordance with the basis of preparation and accounting policies as set out in Notes 2 and 4 of Section B of that section, which are consistent with those used by the Group in its audited financial statements as at and for the year ended 31 December 2020. The Group's Historical Financial Information has been prepared in accordance with the requirements of the UK Prospectus Regulation. The Historical Financial Information should be read in conjunction with the accompanying notes thereto and PricewaterhouseCoopers LLP's report thereon.

The Historical Financial Information has been audited by PricewaterhouseCoopers LLP, an independent registered public audit firm located at 1 Embankment Place, London, WC2N 6RH, United Kingdom.

The Group's financial year is the calendar year. The Historical Financial Information in "*Historical Financial Information*" is covered by the accountants' report preceding it, which was prepared in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom.

The Group uses innovation to offer solutions to its customers through its two business segments: payment solutions (featuring energy and toll payment solutions) and mobility solutions (featuring tax refund services, telematics products, smart navigation products and other adjacent services). See note 10 of Part A, Section 2 of "*Historical Financial Information*".

On 24 January 2019, the Group acquired a 75% stake in the ADS group of companies, which expanded its market presence and accelerated market entry plans in Spain and Portugal. The Group consolidated the results of ADS in its consolidated statement of comprehensive income from that date (and subsequently acquired the remaining 25% stake in ADS on 9 March 2021). As a result of the acquisition of ADS, the Group's consolidated historical financial information included in this document, including in "*Selected Financial Information*", "*Historical Financial Information*" and "*Operating and Financial Review*", does not include the financial information for ADS for the period from 1 January 2018 through 23 January 2019, which affects the comparability of the Group's results. In order to present in full all material financial results for the businesses now constituting the Group across the entire review period from 1 January 2018 to present, this document contains the standalone financial information of Arraia Oil, S.L. ("**Arraia**"), the largest company that was acquired as part of the ADS acquisition, as at and for the years ended 31 December 2018 and 2019 (the "**Arraia Financial Information**") and the standalone financial information of Portugalia Global Service, S.L. ("**Portugalia**"), which merged with Arraia during the year ended 31 December 2019, as at and for the years ended 31 December 2018 and the three months ended 31 March 2019 (the "**Portugalia Financial Information**") and, together with the Arraia Financial Information, the "**ADS Financial Information**"). The ADS Financial Information is included in this document in Section C of "*Historical Financial Information*", beginning on page 209.

On 15 April 2019, the Group also acquired a 70% stake in Sygic, a developer and provider of mobile navigation solutions. The Group consolidated the results of Sygic in its consolidated statement of comprehensive income from that date. As a result of the acquisition of Sygic, the Group's consolidated historical financial information included in this document, including in "*Selected Financial Information*", "*Historical Financial Information*" and "*Operating and Financial Review*", does not include the financial information for Sygic for the period from 1 January 2018 through 14 April 2019, which affects the comparability of the Group's results. In order to present in full all material financial results for the businesses now constituting the Group across the entire review period from 1 January 2018 to present, this document contains the standalone financial information of Sygic as at and for the years ended 31 December 2018 and 2019 (the "**Sygic Financial Information**"). The Sygic Financial Information is included in this document in Section D of "*Historical Financial Information*," beginning on page 234.

Non-IFRS Information and Operating Data

Non-IFRS Information

The document contains certain financial measures that are considered alternative performance measures, which are financial metrics which are not defined or recognised under IFRS, including Adjusted EBITDA, Adjusted EBITDA margin, Adjusted earnings (net profit), contribution, contribution margin, EBITDA, operating free cash flow, operating free cash flow conversion and net energy and services sales (“**net revenues**”) (collectively, the “**APMs**”).

The Group has presented these APMs because it considers them an important supplemental measure of its underlying performance. For a reconciliation of the APMs to the IFRS measures included in the Historical Financial Information, see “*Selected Financial Information and Operating Data of the Operating Group—Non-IFRS Measures*”.

Each of the non-IFRS measures presented as APMs is defined below:

- **Adjusted EBITDA**—represents the Group’s EBITDA, adjusted to exclude income or expenses that have been recognised in a given period which, due to their one off and nonrecurring nature, should be disclosed separately, to give a more comparable view of the underlying financial performance over time. Specifically, these adjustments include costs incurred as a result of acquisition activity and other non-recurring expenses (such as income from sale of fixed assets, abandoned projects, IPO-related expenses and other extraordinary costs), as well as certain expenses relating to share-based compensation and strategic transformation, including technology and organisational changes.
- **Adjusted EBITDA margin**—represents Adjusted EBITDA for the period, divided by net revenues.
- **Adjusted earnings (net profit)**—represents the Group’s operating profit, adjusted to add back certain amortisation charges (relating to business combination adjustments and charges incurred due to transformational useful life changes in respect of assets being replaced by new technologies), as well as the adjustment items which reconcile EBITDA to Adjusted EBITDA, and tax effects. The Group believes this measure is relevant to an understanding of the Group’s financial performance absent the impact of abnormally high levels of depreciation resulting from business combinations and technology transformation programmes.
- **Contribution**—represents, for each of the Group’s two operating segments, that segment’s net energy and services sales (i.e., its net revenues), less those elements of operating costs that can be directly attributed to or controlled by the segment. Contribution does not include indirect costs and allocation of shared costs that are managed at Group level and are therefore shown separately as corporate overhead and indirect costs.
- **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 (i.e., its net revenues).
- **EBITDA**—represents the Group’s operating profit, adjusted to add back depreciation and amortisation expenses.
- **Operating free cash flow**—represents Adjusted EBITDA minus Recurring ordinary capital expenditure and Recurring infrastructure capital expenditure.
- **Operating free cash flow conversion**—represents Operating free cash flow divided by Adjusted EBITDA.
- **Net energy and services sales**—represents revenues from contracts with customers less cost of energy resold to customers. The Group believes this measure is relevant to an understanding of the Group’s financial performance on the basis that it adjusts for the volatility in underlying energy prices. This metric also supports comparability of the Group’s performance with other companies who have concluded that they act as an agent in the sale of energy and therefore, report revenues net of energy sold. Net energy and services are referred to as the Group’s “net revenues” throughout this document.

The Non-IFRS Measures alone do not provide a sufficient basis to compare the Group’s performance with that of other companies and should not be considered in isolation or as a substitute for revenue or any other measure as an indicator of operating performance or as an alternative to cash generated from operating activities as a measure of liquidity. In addition, these measures should not be used instead of, or considered as an alternative to, the Group’s historical financial results.

The Group's presentation of the Non-IFRS Measures should not be construed as an implication that its future results will be unaffected by non-recurring items. The Group encourages you to evaluate these items and the limitations for purposes of analysis in excluding them.

Operating Data and Key Performance Indicators

This document contains certain key performance indicators that are not defined or recognised under IFRS. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based require a level of judgement and can vary from company to company. These key performance indicators are included because Management believes that they are used widely by certain investors, securities analysts and other interested parties as supplemental measures of operating performance. These are not measures of operating performance derived in accordance with IFRS and should not be considered in isolation or as a substitute for analysis of the Group historical financial results based on IFRS.

These key performance indicators include:

- **Average customer tenure**—represents for Eurowag only (i.e., excluding ADS and Sygic) the average period of time since the Group's payment solutions and tax refund customers first signed a contract with the Group, including management estimates (i.e., the use of normalised cohorts for 2018, with more recent cohorts based on historical patterns).
- **Average net revenue retention**—represents, for Eurowag only (i.e., excluding ADS and Sygic) the average retained proportion of the Group's net revenues derived from its payment solutions and tax refund customers during the entirety of the previous years. This is presented as the average of this figure over the years 2016–2020.
- **Number of charging points connected**—represents the total number of eMobility charging points available to the Group's customers.
- **Number of payment solutions active customers**—represents the number of customers who have used the Group's payment solutions services in a given period, calculated as the average of the number of active customers for each month in the period. A customer is considered an "active customer" if it uses the Group's payment solutions products at least once in a given month.
- **Number of payment solutions transactions**—represents the number of payment solutions transactions (energy and toll payments transactions) processed by the Group for customers in that period. An energy transaction is defined as one completed (i.e. not cancelled or otherwise terminated fuelling transaction). AdBlue transactions are not counted as a standalone fuel transaction. A toll transaction is defined as one truck passing through a given toll gateway per day and per merchant country (meaning multiple passages by the truck through any toll gateway in one merchant country in a given day is still counted as one transaction).
- **Number of payment solutions active trucks**—represents the number of customer vehicles which have used the Group's payment solutions services in a given period, calculated as the average of the number of active customer vehicles for each month in the period. A customer vehicle is considered an "active truck" if it uses the Group's payment solutions products at least once in a given month.
- **Number of active trucks served**—represents the total number of trucks that are served by the Group, including standalone telematics trucks (i.e. trucks that utilise only telematics services and do not use the Group's payment solutions or other services).

Currency Presentation

The Historical Financial Information is presented in Euro.

Unless otherwise indicated, all references in this document to:

"Euro" are to the lawful currency of 19 of the 27 member states of the European Union;

"UK pound sterling" or "GBP" are the lawful currency of the United Kingdom;

"Czech koruna" or "CZK" are the lawful currency of the Czech Republic; and

"US dollars" or "USD" are to the lawful currency of the United States.

Rounding

Certain data in this document, including financial, statistical and operating information, has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

Definitions

Unless the context otherwise requires, all references in this document to the “**Company**” are to W.A.G payment solutions plc and all references in this document to the “**Group**”, “**its**” and “**it**” refer, collectively, to the Company and its subsidiaries. Certain terms used in this document, including all capitalised terms and certain technical and other items, are defined and explained in the section headed “*Glossary*”.

Market, Economic and Industry Data

This document contains historical market data and forecasts which have been obtained from industry publications, market research and other publicly available information. Certain information regarding market size, market share, market position, growth rate and other industry data pertaining to the Group and its business contained in this document consists of the Directors’ estimates and conclusions based on their review of internal Company data, external third party data, multiple third party sources and reports compiled by professional organisations and other sources (and the Group’s independent analysis of such data), including the Boston Consulting Group, Capital IQ, IHS Markit, Statista, Eurostat, Allied Market Research, BearingPoint, BIS Research, Mordor Intelligence, Accenture Post and Parcel Industry Research (collectively, “**Market Data**”).

In some cases there is no readily available external information to validate market related analyses and estimates, requiring the Group to rely on internally developed estimates. The Group does not intend, and does not assume any obligation, to update industry or Market Data set forth in this document. Because market behaviour, preferences and trends are subject to change, prospective investors should be aware that market and industry information in this document and estimates based on any data therein may not be reliable indicators of future market performance or the Group’s future results of operations.

The Company confirms that all third party data contained in this document has been accurately reproduced where relevant and, so far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. While Management believes the third party information included herein to be reliable, the Company has not independently verified such third party information, and the Company, the Underwriters, third parties listed herein and the Financial Adviser make no representation or warranty as to the accuracy or completeness of such information as set forth in this document.

Where third party information has been used in this document, the source of such information has been identified.

Information Not Contained in this document

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time subsequent to the date hereof.

Information Regarding Forward-Looking Statements

This document includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group’s control and all of which are based on Management’s current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe”, “expects”, “targets”, “may”, “will”, “could”, “should”, “shall”, “risk”, “intends”, “estimates”, “aims”, “plans”, “predicts”, “continues”, “assumes”, “positioned” or “anticipates” or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of Management or the Company concerning, among other things, the results of operations, financial condition,

prospects, growth, strategies and dividend policy of the Company and the industry in which it operates. In particular, the statements under the headings “*Summary Information*”, “*Risk Factors*”, “*Business Description*” and the “*Operating and Financial Review*” regarding the Company’s strategy, financial guidance and expectations, including in respect of the impact of government measures taken in connection with the COVID-19 pandemic, or to the Group’s anticipated growth, accounting tax rates, and capital expenditure as well as other expressions of the Group’s expectations and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts, involve predictions and assumptions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Important factors that could cause the Group’s actual results to so vary include, but are not limited to:

- additional regulatory measures, voluntary actions, or changes in customer preferences, that could potentially impact the Group’s transaction volume, including social distancing, shelter-in-place, shutdowns of nonessential businesses and similar measures that may be imposed or undertaken in an effort to contain and mitigate the spread any variants of COVID-19;
- the impact of macroeconomic conditions and whether expected trends in relation to its payment solutions and mobility solutions products develop as anticipated;
- the Group’s ability to successfully execute its strategic plan, and manage its growth (including through acquisitions and entry into new markets);
- the Group’s ability to develop and implement new technology, products, and services;
- the Group’s ability to attract new and retain existing partners, their promotion and support of its products, and their financial performance;
- failure of management assumptions and estimates, as well as differences in, and changes to, economic, market, interest rate, interchange fees, foreign exchange rates, and credit conditions;
- over the longer term, the risk of higher borrowing costs and adverse financial market conditions impacting the Group’s potential funding and liquidity needs;
- the Group’s ability to successfully manage its credit risks and the sufficiency of its allowance for expected credit losses;
- the occurrence of data breaches or failures of the Group’s information security controls or cybersecurity-related incidents that may compromise its systems or customers’ information;
- any disruptions in the operations of the Group’s computer systems and data centres;
- international operational and political risks, compliance and regulatory risks and costs associated with such international operations;
- any alleged infringement of intellectual property rights of others and the Group’s ability to protect its intellectual property;
- the regulation, supervision, and examination of the Group’s business by governmental authorities, as well as litigation and regulatory actions;
- the impact of regulations relating to privacy;
- changes in the Group’s senior management team and its ability to attract, motivate and retain qualified personnel consistent with its strategic plan;
- tax legislation initiatives or challenges to the Group’s tax positions and/or interpretations, and sales tax/VAT rules and regulations; and
- the risks of mergers, acquisitions and divestitures, including, without limitation, the related time and costs of implementing such transactions, integrating operations as part of these transactions and possible failures to achieve expected gains, revenue growth and/or expense savings from such transactions.
- For more information regarding these uncertainties, please see “*Risk Factors*” above.

Subject to the requirements of the Prospectus Rules, the Disclosure Guidance and Transparency Rules and the Listing Rules, or applicable law, the Company explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of it.

Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to the sufficiency of working capital in this document.

No Incorporation of Website Information

Neither the contents of the Company's website, any website mentioned in this document, nor any website directly or indirectly linked to these websites have been verified and they do not form part of this document, and investors should not rely on such information.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Paul Manduca, <i>Chair</i> Martin Vohánka, <i>Chief Executive Officer</i> Magdalena Bartoś, <i>Chief Financial Officer</i> Joseph Morgan Seigler, <i>Non-Executive Director</i> Mirjana Blume, <i>Senior Independent Non-Executive Director</i> Caroline Brown, <i>Independent Non-Executive Director</i> Sharon Baylay, <i>Independent Non-Executive Director</i> Susan Hooper, <i>Independent Non-Executive Director</i>
Business address of each of the Directors	Horton House, Exchange Flags Liverpool, Merseyside L2 3PF United Kingdom
Registered office of the Company	Horton House, Exchange Flags Liverpool, Merseyside L2 3PF United Kingdom
Company Secretary	Computershare Company Secretarial Services Limited The Pavilions, Bridgewater Road Bristol BS13 8AE United Kingdom
Joint Sponsors, Joint Global Co-ordinators and Joint Bookrunners	Citigroup Global Markets Limited Citigroup Centre Canada Square Canary Wharf London, E14 5LB United Kingdom Morgan Stanley & Co. International plc 25 Cabot Square London E14 4QA United Kingdom
Joint Global Co-ordinators and Joint Bookrunners	Citigroup Global Markets Limited Citigroup Centre Canada Square Canary Wharf London, E14 5LB United Kingdom Jefferies International Limited 100 Bishopsgate London EC2N 4JL United Kingdom Morgan Stanley & Co. International plc 25 Cabot Square London E14 4QA United Kingdom
Joint Bookrunners	Numis Securities Limited 45 Gresham Street London EC2V 7BF United Kingdom

	UBS AG London Branch 5 Broadgate Circle London EC2M 2QS United Kingdom
Financial Adviser	Rothschild & Co New Court St Swithin's Lane London EC4N 8AL United Kingdom
Legal advisers to the Company as to English, Czech and US law	Allen & Overy LLP One Bishops Square London E1 6AD United Kingdom
Legal advisers to the Banks as to English and US law	White & Case LLP 5 Old Broad Street, Cornhill London EC 2N United Kingdom
Reporting Accountants	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH United Kingdom
Auditor	PricewaterhouseCoopers LLP Donington Court, Pegasus Business Park Castle Donington East Midlands DE74 2UZ United Kingdom
Registrar	Computershare Investor Services plc The Pavilions, Bridgewater Road Bristol BS13 8AE United Kingdom

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFER STATISTICS

Expected Timetable of Principal Events

Each of the times and dates in the table below is indicative only and may be subject to change without further notice. References to time and date are to time and date in London, United Kingdom unless otherwise stated.

Event	Time and date
Latest time and date for receipt of indications of interest under the Global Offering	12:00 p.m. on 7 October 2021
Announcement of the results of and notification of allocations of Ordinary Shares in the Global Offering	8:00 a.m. on 8 October 2021
Commencement of conditional dealing in Ordinary Shares on the London Stock Exchange	8:00 a.m. on 8 October 2021
Admission and commencement of unconditional dealings in Ordinary Shares on the London Stock Exchange	As soon as possible after 8:00 a.m. on 13 October 2021
CREST accounts credited in respect of Ordinary Shares acquired in the Global Offering in uncertificated form	As soon as possible after 8:00 a.m. on 13 October 2021
Share certificates despatched	Within ten Business Days of Admission

It should be noted that if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned. Temporary documents of title will not be issued.

Offer Statistics

Offer Price (per Ordinary Share)	GBP 1.50
Number of Ordinary Shares in issue immediately prior to Admission ⁽¹⁾	575,578,000
Number of Ordinary Shares (113,333,333 Subscription Shares and 10,666,667 Sale Shares) in the Global Offering (assuming no exercise of the Over-allotment Option) ⁽¹⁾⁽²⁾	124,000,000
Number of Ordinary Shares in the Global Offering as a percentage of total number of Ordinary Shares in issue immediately following Admission	18.0%
Number of Ordinary Shares subject to the Over-allotment Option	12,400,000
Estimated gross proceeds of the Global Offering receivable by the Company	EUR 200.0 million
Estimated net proceeds of the Global Offering receivable by the Company	EUR 184.0 million
Estimated market capitalisation of the Company at the Offer Price ⁽³⁾	GBP 1,033.4 million
Expenses charged to the purchasers of Ordinary Shares by the Company or the Selling Shareholders	Nil

Notes:

- (1) Represents the total number of Ordinary Shares in issue following completion of the Pre-IPO Reorganisation and after the issue of Subscription Shares by the Company.
- (2) The maximum number of Ordinary Shares subject to the Over-allotment Option is, in aggregate, equal to 10.0% of the maximum number of Ordinary Shares comprised in the Global Offering (prior to the utilisation of the Over-allotment Option).
- (3) The market capitalisation of the Company at any given time will depend on the price of the Ordinary Shares at the time. There can be no assurance that the market price of an Ordinary Share will be equal to or exceed the Offer Price.

BUSINESS DESCRIPTION

Investors should read this section of this document in conjunction with the more detailed information contained in this document, including the financial and other information appearing in “Operating and Financial Review”. Where stated, financial information in this section of this document has been extracted from the Historical Financial Information.

Overview

The Group’s business involves the provision of services to the CRT industry which are focused on two primary segments:

- Payment solutions, comprising (i) energy payments through pre-pay or post-pay fuel cards and (ii) toll payments; and
- Mobility solutions, comprising (i) tax refund services; (ii) telematics; (iii) smart routing apps; and (iv) other adjacent services.

The Group’s payment solutions segment generated €54.1 million of net revenues in the six months ended 30 June 2021 (74.3% of Group net revenues) and €94.1 million of net revenues in the year ended 31 December 2020 (73.2% of Group net revenues). The mobility solutions segment generated €18.7 million of net revenues in the six months ended 30 June 2021 (25.7% of Group net revenues) and €34.5 million of net revenues in the year ended 31 December 2020 (26.8% of Group net revenues).

By combining its technological innovations and solutions for the CRT industry, the Group has built an innovative proprietary technology platform that is focused on simplifying the complex CRT payments ecosystem by enriching and simplifying customer and merchant interactions. The Group’s rapidly growing pan-European payments and mobility platform has evolved around making truckers’ lives easier, better and more profitable, whether prior to their journey to deliver goods, on the road or after their delivery. Through this platform, the Group offers a set of solutions that provide a one-stop-shop experience for CRT customers to access payment solutions for their energy needs and tolls, and mobility solutions for telematics products, smart navigation, tax refund services and other adjacent services.

The Group’s integrated payment solutions provide customers with a cashless, secure and efficient means to pay for their energy needs and toll transactions, all with the use of the Group’s proprietary technology and its extensive network of key partnerships across approximately 30 countries. The Group’s mobility solutions seek to provide its customers with streamlined and efficient processes in relation to their tax refund needs that significantly improve their cash flows, provide premium and quality maps and location-based technology services that can be customised to customer needs, and offer telematics products that provide customers with various fleet operating metrics in real time contributing to efficiency in customer operations and helping to reduce the carbon footprint of the CRT industry. As part of its mobility solutions segment, the Group also offers customers other adjacent services such as an open-loop prepaid or post-paid payment card operated by Crosscard that customers typically use for non-energy related transactions and cross-border currency exchange services. The Group also acts as a broker for key service providers to offer its customers access to insurance, factoring, and roadside services (including parking and washing) and offers administrative support services to help companies with the registration of their drivers in relevant member states, for example, in relation to minimum wage requirements for truck drivers (referred to as the “posting of drivers”) according to the requirements of the EU Mobility Package.

The Group’s primary customer base is made up of small and mid-sized CRT businesses that typically have approximately seven employees, manage trucks which each consume approximately 40,000 litres of fuel per year and move goods across approximately 130,000 kilometres annually. The Group’s products and services are intended to elevate the capabilities of its customers, alleviate many of the burdens associated with the CRT industry and streamline truck and back-office operations by coupling them with the Group’s extensive CRT focused network, technology solutions and negotiating power. This helps customers optimise their costs and working capital, increase utilisation of their assets and reduce labour intensity.

The Group has developed a diverse, active and loyal customer base that it seeks to expand by using its data capabilities to target customer needs and cross-sell and upsell appropriate products. Growth in the Group’s customer base is supported by the Group’s marketing strategy that uses geographic clusters and three primary sales channels, which are (i) direct sales through a dedicated in-country team and a telesales team; (ii) indirect sales through the Group’s OEM partnerships and leads generated from third party relationships; and by utilising (iii) digital sales through leads generated from the Group’s current applications.

For the year ended 31 December 2020, the Group's net revenues (being the Group's sales net of the cost of energy resold to customers) were €128.6 million, representing an increase of 12.2% as compared to €114.6 million in the year ended 31 December 2019. For the year ended 31 December 2020, the Group's profit for the year was €23.0 million, representing an increase of 78.0% as compared to €12.9 million in the year ended 31 December 2019.

History

The Group's history spans over 25 years of innovation and strategic growth that has presently made it one of the fastest growing providers of payment and mobility solutions to the CRT industry in Europe and furthered its aim to be an integrated payment ecosystem for the CRT industry, while embracing a sustainable future.

Innovation led growth

Founded in 1995, in the Czech Republic, the Group was established as a petroleum product trader, reselling fuel from refineries in the Czech Republic to agricultural holdings, industrial enterprises and roadside fuel stations. Shortly thereafter, the Group expanded its portfolio to offer a range of other products and services, providing solutions for customers in the CRT industry, starting in 2000, with the launch of its first payment service, the Eurowag fuel card, a smart money-saving solution that enabled customers to purchase fuel at competitive prices from fuel stations in the Group's acceptance network. During this time the Group began to invest resources into building Eurowag branded dedicated truck facilities, offering its first of such facilities, a truck park, in the Czech Republic in 2005. In 2006, the Group introduced a new product to its portfolio and began offering toll payments processing services. The following year, the Group continued to expand its fuel acceptance network with the aim of encompassing all EU member states. At the forefront of innovation, the Group's sites were among the first public unmanned fuel sites in central Europe, introducing new technology to monitor truck driver behaviour. In 2014, the Group began to offer tax refund processing services. By 2015, the Group extended its offering to include Eurowag Vector, the market's first and only comprehensive energy and toll payment service tool for freight forwarders and their subcontractors.

In 2016, over twenty years after the Group was first founded, it began to embark upon a transformation journey towards integrated product offerings, formulating its technological vision and building teams to match its aspirations. The Group began to offer fleet management services, and the following year, the Group obtained a licence to become an EETS provider. This same year, the Group began developing its own proprietary OBU that is being developed to work across Europe. The Group now also support a number of third-party OBUs. In 2018, the Group was granted a Payment Institution Licence by the CNB. The Group has also invested in products focused on electric vehicles ("**eMobility**") and alternative fuels, launching a department for both categories in 2019. Also in 2019, the Group expanded to offer navigation systems, introducing its first navigation system to the market with the acquisition of Sygic and through the rollout of the RoadLords navigation app. Through Sygic, the Group further developed the Sygic Truck Navigation and Sygic Professional Navigation for Fleets ("**Sygic's Navigation for Fleets**") apps. By 2020, the Group had already begun to invest in becoming an integrated digital platform for its customers and obtained its Electronic Money Institution Licence, authorising the Group to develop services related to electronic money.

Strategic acquisitions and equity investments

Through key strategic acquisitions and equity investments throughout its history, the Group has sought to enter into adjacent product markets, increase its customer base and accelerate its vision by acquiring necessary capabilities and talent for its expansion. The history of the Group's key acquisitions and subsequent entry into new product and market spaces is as follows:

- In 2014, the launch of the tax services product line followed from the Group's acquisition of ČESKÁ LOGISTICKÁ a.s., a small Czech tax services company, which the Group renamed Reamon Tax ("**Reamon**") in 2015. The acquisition of Reamon expanded the Group's capabilities, added essential customer competencies for tax refund processing across Europe and helped reduce the Group's dependence on external providers for these services by bringing these services in-house.
- In 2017, the launch of the Group's telematics product line followed from the acquisition of Princip a.s. ("**Princip**") and expanded in 2018 with the acquisitions of Aldobec Technologies, s.r.o. ("**Aldobec**") and Hi Software Development s.r.o. ("**Hi Software**"), each of which expanded the Group's capabilities and enabled them to gain new software like Webdispečník and Dispečer.sk that would be used for its telematics products and provide crucial customer know-how data to expand its research and development capabilities.

This know-how data enabled the Group to develop a unique OBU that became the basis for EVA and its EETS offering.

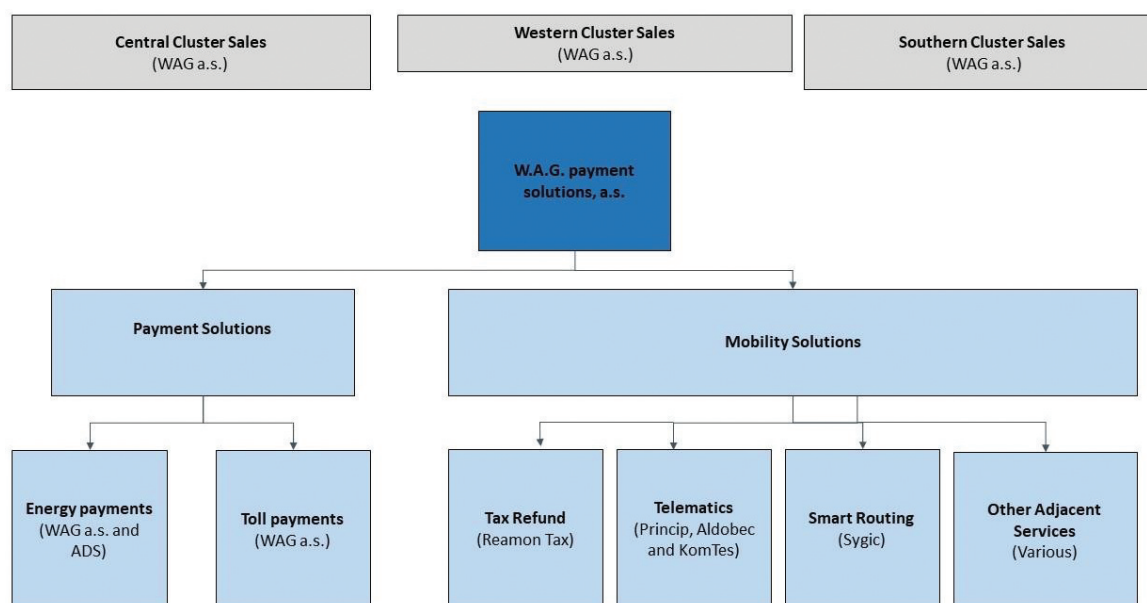
- In 2019, the Group acquired Sygic, a navigation software company, which has enabled the Group to develop its navigation services and navigation software, providing the Group with tools to offer to drivers, dispatchers and suppliers and allowing it to create an integrated digital sales channel. Through the acquisition of Sygic, the Group was also able to begin to develop its eMobility offerings.
- Also during 2019, the Group also acquired a majority stake in ADS, a group of companies operating in Iberia on a similar business model to the Group's. This acquisition further expanded the Group's market presence, enlarged its fuel card acceptance network and accelerated market entry plans into Spain and Portugal.
- In 2021, the Group made three strategic equity growth investments: (1), a strategic partnership (via a 27.75% minority investment) with Dutch-based company Last Mile Solutions ("LMS"), one of the fastest growing eMobility platforms in Europe; (2) a 20% minority investment in Lithuanian-based company Drivitty, a mobile payment solutions integration provider to the CRT industry; and (3) a 51% majority investment in Czech-based company KomTeS, a value-added reseller of the Group's telematics products ("KomTeS"). Each of these companies have contributed to expansion of the Group's customer base, helped to unify the direct sales channel for its telematics business in two of its key markets, the Czech Republic and Slovakia, or enhanced the Group's payment capabilities and eMobility services.

The Group sees mergers and acquisitions as a useful tool for building its integrated payment ecosystem and unlocking growth and synergistic profitability. The above acquisitions and equity investments, have helped the Group to not only expand its offering towards new services, digitising its product portfolio, but are also expected to drive customer lifetime value by equipping its customers across Europe with a full toolkit to address their needs and drive innovation across the CRT industry.

Current Structure

Pictured below is a graphic representation of the current structure of the Group's various businesses:

Figure 1: Simplified organisation chart of the Group showing business units and sales team clusters



For a comprehensive list of the Group's subsidiaries, see "Additional Information—Significant subsidiaries and subsidiary undertakings."

Market Trends Impacting the Industry

Market Overview

The Group operates in the large and growing European CRT industry and offers CRT companies a comprehensive suite of payments and mobility solutions that enable them to operate more efficiently. The

Group focuses on the fleets of both international and domestic small and medium-sized business (“SMBs”). The current CRT market is still an underserved industry in which CRT companies continue to face multiple challenges and needs in their day-to-day operations.

The CRT industry is an essential pillar of the economy with an annual turnover in Europe of approximately €342.5 billion and accounts for 75% of the total European land freight transport volume, according to Eurostat, with the following key features:

- **Highly fragmented industry:** According to Market Data, approximately 96% of the industry’s SMBs have less than 50 employees, with limited opportunities to scale their businesses. This results in lower bargaining power for SMBs and provides ample opportunities for differentiation of service providers through superiority in products and services, which is rewarded by customer loyalty.
- **Underpenetrated market with low adoption of digital solutions:** The digital adoption rate for logistics service providers is at 13%, which is substantially lower than in most industries of the economy that have been digitised over time, according to Market Data estimates. The long-term digital convergence in the logistics market is a substantial tailwind for the Group’s market.
- **Limited ability to optimise operations:** Truckers tend to be overburdened by having to often perform non-driving activities, which creates even more challenges to the already highly complex and time constrained job. The small size of a typical CRT company hampers their ability to digitise many of these operations, as it requires technological investments.
- **Demand for comprehensive integrated one-stop offering:** The Group believes that truckers are looking to streamline their operations by seeking greater convenience, and hence prefer integrated solutions through a single platform with end-to-end integration.
- **Constant focus on optimising working capital resources:** Given the limited amount of information and understanding by finance providers of the typical SMB business model in the CRT sector, such companies also generally have fewer and costlier opportunities to obtain capital from financial institutions and non-bank capital providers. As the hurdle for capital providers is relatively high in this segment, the CRT industry offers multiple opportunities to unlock efficiencies with modern technology.

Market Size and Industry Trends

Road transportation, which featured over 50 million commercial vehicles in Europe in 2018, remains the dominant mode of transportation in Europe, representing approximately 75% of the transportation industry and constituting 5% of European GDP in 2020, according to Eurostat. In 2020, according to IHS Markit and Eurostat estimates, there were approximately 9.1 million CRT trucks in Europe, 26% of which were estimated to be based in Central and Eastern Europe. Of the European total, an estimated 10–15% were international heavy goods vehicles over 12 tonne and 130,000 km p.a. mileage, 40–45% were domestic heavy goods vehicles over 12 tonne and 70,000 km p.a. mileage (“HGVs”) and 40–50% were medium commercial vehicles (“MCV”) over 3.5 tonne and 70,000 km p.a. mileage.

Collectively, in 2020 these CRT trucks were estimated to generate €10.1 billion in net revenues pooled across core fuel card payments, toll, tax and other CRT market solutions. According to estimates from multiple sources including Capital IQ, IHS, Statista and Eurostat, the annual European market for these CRT solutions is expected to increase to €12.7 billion by 2025, representing a CAGR of approximately 5%. Management estimates that between 2020 and 2025, revenue in the European road transport market will grow by a CAGR of more than 2.8%. The Group’s serviceable addressable market has the potential to grow significantly in the future, to a range of €25 to €40 billion over time, as the Group benefits from market growth within payments and mobility solutions, and from a growing set of end-markets that are driven primarily by digitisation trends focused on the digital optimisation of transportation and an increase in demand for improved efficiency, emission reduction and compliance with regulations.

Management further believes that digital disruption is poised to create a substantial additional serviceable market opportunity and is expected to potentially result in:

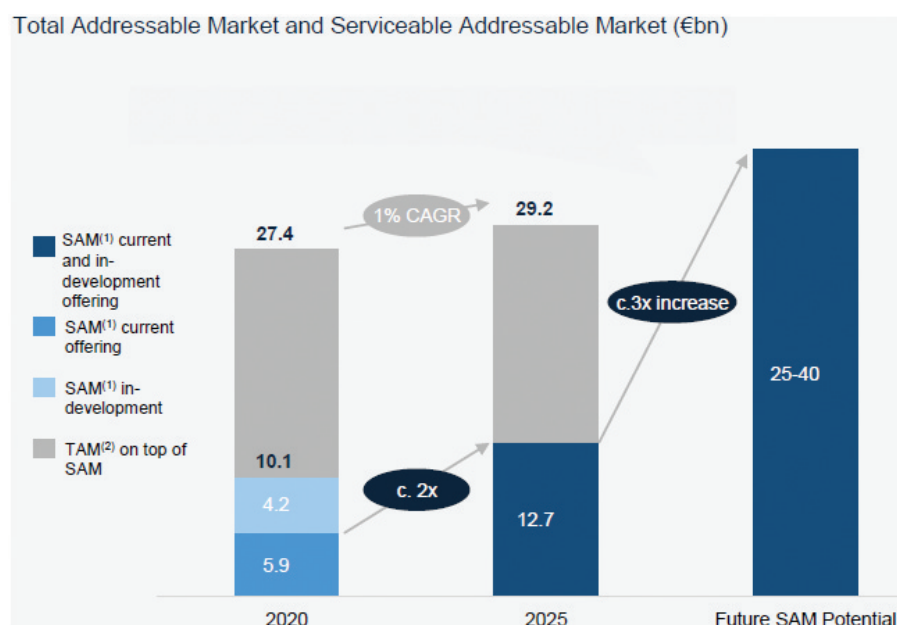
- **Digital Freight Forwarding (“DFF”) boom**—increased DFF penetration, whereby the services of intermediary companies which provide freight forwarding services, is being offered on a more efficient basis using online technology and data to the point where eventually an estimated 70–100% of total CRT volume could be undertaken through DFF, with a consequent increase in DFF fees to providers;
- **a rise in digital payments**—digitalisation and growth in DFF are expected to enable digital payment solutions and thus increase the penetration of alternative payment methods like the Group’s fuel and toll

cards or alternative payment methods, to the point where they could constitute up to 60–80% use for all payments; and

- **financial services at scale**—a rise in digital payments, enabling increased penetration of financing and tailored working capital (and other types of) financing whereby CRT customers’ capital needs are addressable by short-term financing providers; and
- **direct vehicle sale by OEMs**—as OEMs begin working directly with platform providers, they may use platform providers as a sales channel for their new premium vehicle sales. In turn, this may create the potential for a new profit pool of the commission on vehicle sales, with estimates of profits of as much as 10% of a vehicle’s value for each sale on the platform.

Management believes that digitalisation in the CRT market will be a significant factor in the Group’s growth, enabling truckers to outsource tasks or optimise procedures and providing strong competitive benefit to the Group as a result of its status as an EETS provider while ensuring adherence to the EU Mobility Package.

Figure 2: Growing serviceable addressable market driven by CRT digitisation



(1) SAM: Serviceable addressable market consisting of currently sold and in-development products and services, i.e. taking into account real penetration of products.

(2) TAM: Total addressable market consisting of a “theoretical” market assuming full penetration of all products across all customers;

Payment solutions market

The European fuel card market is experiencing strong growth as a result of the need for better transport management, an increasing demand for fuel-saving products, and a growing higher acceptance of fuel cards and new products with improved security. Fuel card adoption also features multiple benefits, such as prevention of unauthorised purchases, energy cost reduction, tracking of non-fuel purchases and fleet spending limits. According to Allied Market Research, the total European fuel card market (including passenger fleets, which were most impacted due to the COVID-19 pandemic) was approximately €156 billion in 2020 and is expected to grow to approximately €361 billion by 2027 despite the relative weakness of the passenger fleets as a result of COVID-19, representing a CAGR of approximately 13% (noting that 2020 provides a somewhat suppressed point of comparison due to the COVID-19 impact in that year). The European toll market is also expected to undergo significant growth, given planned infrastructure investments and the deployment of efficient traffic management solutions and pollution charges and is expected to reach €33 billion by 2027, representing a CAGR of approximately 7%. HGVs accounted for approximately 88% of overall toll collections in Europe and are expected to account for approximately €29 billion by 2027, while EETS-related toll services are expected to account for approximately €12 billion by 2030. In addition, given that SMBs in the industry are currently underserved by banks and non-bank finance providers, the serviceable addressable market for working capital solutions for this group is expected to grow in line with overall revenues of the industry. According to Market Data, outstanding working capital needs of the trucking industry will be approximately €33 billion in 2025.

Against this market backdrop, coupled with the Group's focus on HGVs and MCVs across Europe rather than passenger fleets, Management believes the Group is well positioned to benefit from these trends. In addition, the Group is one of the few registered providers of EETS in the markets in which it operates. The aim of EETS is to simplify tolling by creating a consolidated and interoperable EU-wide toll system, simplifying toll payments with fewer OBUs and reducing the associated costs and administrative burdens. There are various levels of the progress for the implementations of the EETS directive across the European Union. Only a handful of companies, including the Group, are actively engaged in this process of aggregating and simplifying the complexity in the toll infrastructure. In addition, the Group can leverage its segment knowledge and data to target the large outstanding working capital need of the trucking industry.

Mobility solutions market

Tax refund services: The tax refund market is mainly directed by EU and local legislation, with varying Value Added Tax ("VAT") rates across EU countries, ranging from 17% to 25% (and different treatment for rebates and excise duty ("ED")). This has resulted in increasing complexity for truckers from cross-border and international tax regulation disparities. The market is driven largely by international truckers, fuel price movements, the toll payments market and volumes of submitted tax refund requests. The market is also influenced to a lesser extent by other VAT bearing items such as tolls, as certain toll charges also incur VAT, or other miscellaneous items which may incur VAT, such as fines paid by drivers. In recent years, the tax refund provider market has been experiencing a consolidation trend where smaller tax refund providers are being bought out to form larger more efficient players. The Group expects this trend to continue and believes it is currently well positioned in this market with a number three market share in the EU.

Telematics: According to Allied Market Research, BearingPoint, BIS Research and Mordor Intelligence, the number of commercial vehicles using fleet management solutions such as telematics in the EU is expected to increase from 9.1 million in 2018 to 17.6 million in 2023. By 2026, the total European fleet management market is expected to grow to approximately €4.7 billion, according to Mordor Intelligence, representing a CAGR of approximately 17%. The accelerating demand for enhanced efficiency, safety features and control is expected to serve as a catalyst for the market growth in the telematics industry, further reinforced by supportive government regulations.

Smart routing and location based services: The Group views its smart routing and location based services as a key enabler of digital mobility solutions. Working with system integrators, OEMs and insurance companies, the Group's offering spans a number of different industries. A key tool of the Group to highlight is its RoadLords Navigation app, which was built using the capabilities of Sygic and links into the rest of the Group's payment and mobility offering.

The overall CRT market across payments and mobility solutions benefits from multiple underlying tailwinds. Management believes growth of the mobility solutions market to be supported by:

- the growth of cross-border e-commerce generally, which is growing at twice the rate of that of domestic e-commerce and is a material tailwind driving future demand for CRT services according to Market Data;
- deeper penetration of products in core services (e.g. increased utilisation and adoption of fuel cards);
- the growth of fleet management services and digitisation of both logistics (including increasing use of logistics-specific solutions) and of the overall supply chain both of which are gaining more traction among customers due to increasing demands on their time;
- development of new technologies and business models based on large datasets and analytics;
- declining connectivity cost;
- increasing awareness of ESG and industry wide energy transformation driving usage of solutions to aid in the transition to green energy. The Group is energy type agnostic and intends to be ready to support any future type of energy media and further, with its applications, to help to optimise journeys and utilisation of customer assets, thereby reducing emissions;
- rising traffic congestion;
- the expanding economy, growing trade and the growth in the underlying CRT market; and
- the stable expected share of road freight as a proportion of the total European land freight transport volume vis-à-vis other modes of transport, including rail transportation, according to Market Data.

Geographic Presence

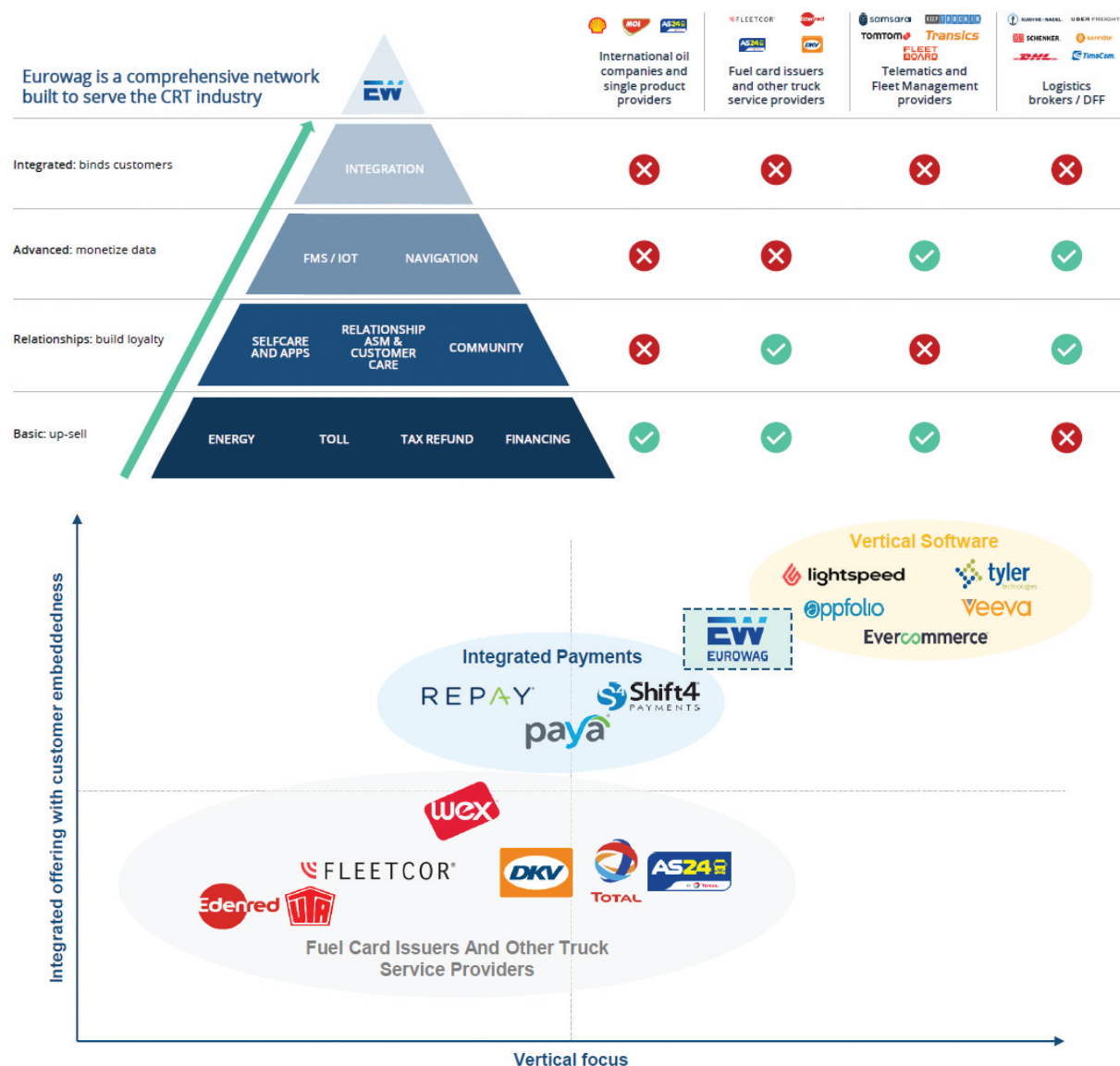
The Group is currently a pan-European company with origins in Central and Eastern Europe, an area that represents an underserved and rapidly growing part of the European market. From these origins, the Group has built a pan-European payment network for CRT customers and merchants.

The Group splits Europe into three geographic clusters—the Central Cluster (comprising the Czech Republic, Estonia, Latvia, Lithuania, Poland, Slovakia, and Ukraine), the Southern Cluster (comprising Bulgaria, Hungary, Italy, Macedonia, Romania, Serbia, and Turkey) and the Western Cluster (comprising Austria, France, Germany, Portugal and Spain) and covers these clusters via 18 sales offices. The number of customers and the number of active trucks from these geographic regions have been growing quickly, ranging from high single digit to strong double digit growth from 2015 to 2020. The Group plans to further expand its market share in existing markets, and enter new geographies within Europe, while supporting its expansion with its extensive payment network.

Competitive Landscape

The Group has faced and expects to continue to face competition in each of its products and services from multiple companies that seek to offer competing capabilities and services, including international oil companies, single product providers of fuel cards and other mobility services providers, including, telematics and fleet management providers, car manufacturers, logistics brokers and domestic freight forwarding operators active in the CRT payments and mobility solutions sectors. Most of these service providers are regional or product specific, whereas the Group differentiates itself by focusing strongly on the CRT customer and offering an end-to-end integrated solution that becomes deeply entrenched into its customers' operations and thus supports long-term 24/7 relationships with its customers. Competitors' technology and solutions are often based on networks built decades ago, while the Group has established itself through innovations starting in the underserved markets of Central and Eastern Europe and managing to build a significant technological and commercial competitive moat, making it difficult for new entrants to enter the market.

Figure 3: Eurowag is differentiated against its competitors



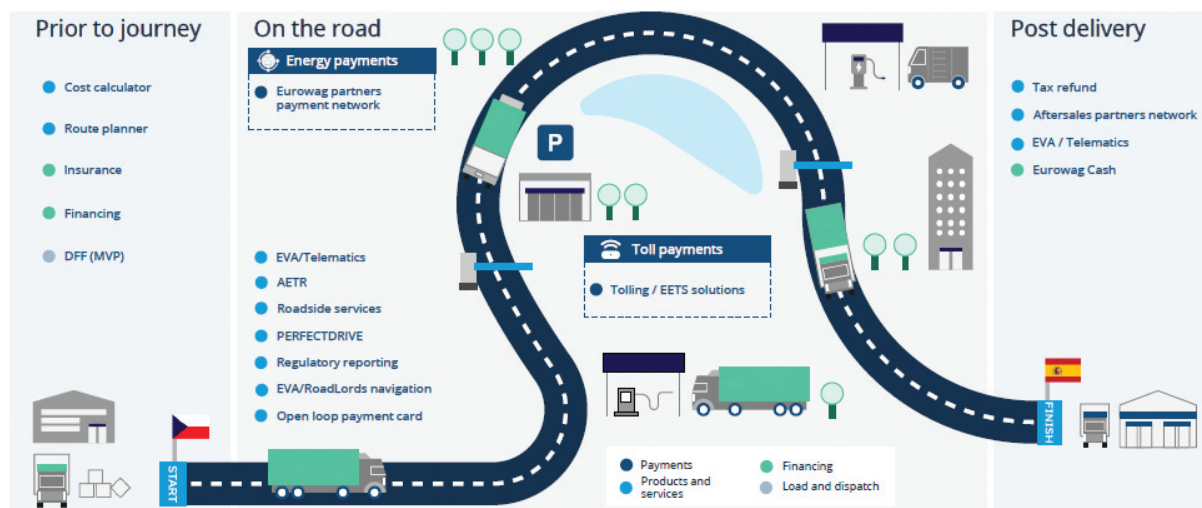
Competitive Strengths

The Group is well positioned to leverage its key competitive strengths in order to continue on its long-term growth path. These include, amongst others, an integrated product offering with its core being a comprehensive payment network designed for the specific needs of the CRT industry. The Group also prides itself on its strong customer engagement and long lasting relationships, offers innovative proprietary technology platform coupled with operational and risk management excellence, and features a highly attractive financial profile and founder-led management team with a wealth of experience.

Integrated product offering

The Group's unique suite of solutions provide a one-stop-shop experience across energy and toll payments and mobility solutions such as tax refund services, telematics, smart navigation, and other adjacent services for customers across Europe. The Group's focus is on making customers' lives easier, better and more profitable, whether prior to the journey, on the road or post-delivery, as shown below.

Figure 4. The Group's integrated product offering



Notes: EVA—Enhanced Vehicle Assistant; AETR—European Agreement concerning the Work of Crews of Vehicles Engaged in International Road Transport; MVP—Minimum Viable Product, in the process of commercialisation

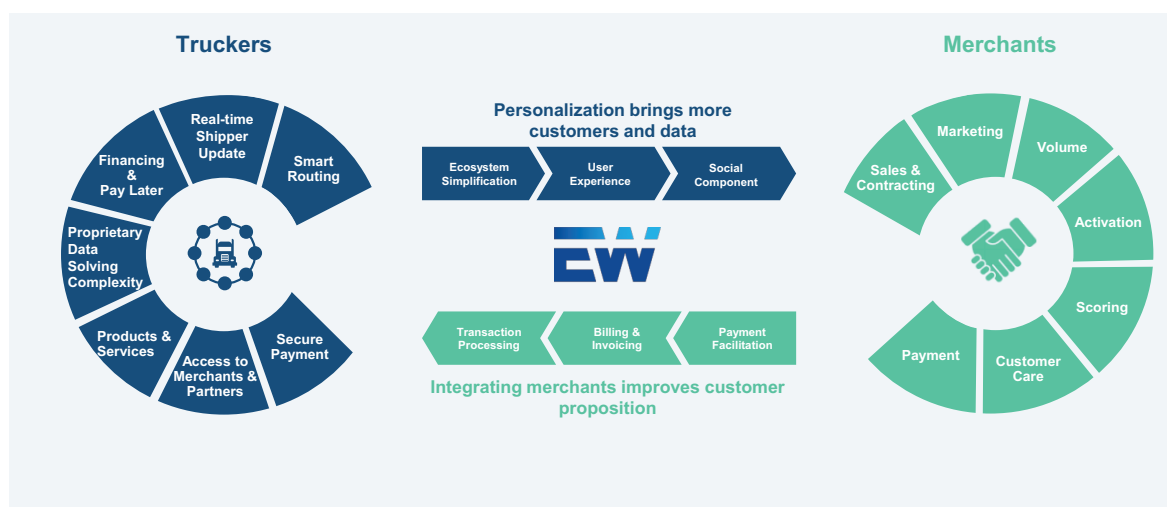
The Group's product offering is built around the principles of efficiency, savings, convenience and safety and social as detailed below:

- **Operational efficiency:** managing working capital requirements; cost reporting; smart navigation and removing the overall administrative burden for truckers.
- **Cost savings:** cost control; fraud prevention; improved purchasing conditions; smart routing and driving pattern enhancement and financing.
- **Convenience:** cashless payments; automatic payments; optimum route suggestions and RoadLords recommendations for drivers for the best facilities and various point-of-interest on the way to their destinations (e.g., water supplies, AdBlue, cleanliness of restrooms, food options etc.)
- **Safety and social:** driver community; safe parking; driving style, track & trace and RoadLords chat (for example, for driver to arrange meetings with each other).

Comprehensive network enabling a business platform built to serve the payment and mobility services needs of the CRT industry

The Group seeks to connect stakeholders across the CRT ecosystem, forming a true network.

Figure 5. The Group's ecosystem



The Group is connecting its customers (owners, dispatchers and drivers) with merchants and partners (energy network, toll chargers and other roadside and mobility service providers) by creating a comprehensive suite of

services across payment and mobility solutions. Such an integrated solution contributes to a superb customer experience. This experience in turn draws the customer in through core payment solutions and, with time, by adding more mobility solutions products, which results in the customers' operations being further enhanced. This creates strong network effects forming a virtuous cycle in which each new participant strengthens the cycle. New products enable even deeper entrenching into customer operations, providing the Group with more data and thus opening further opportunities for new products sales with the final effect of likely increasing customers' tenure and improved unit economics.

These network effects help to create deep competitive moats, making it difficult for new entrants to compete. The following select factors underpin the Group's competitive advantage:

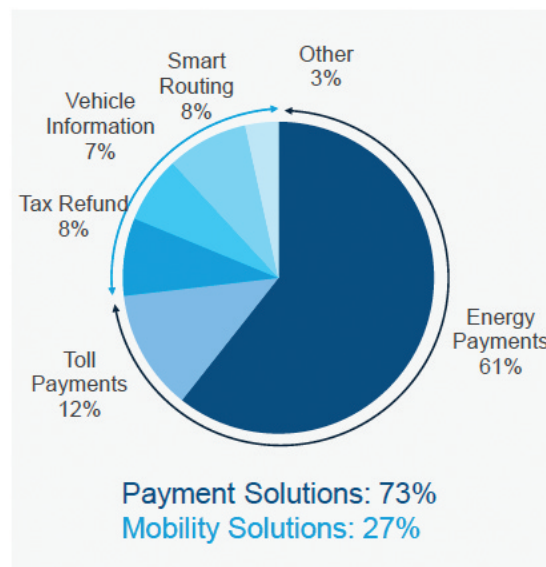
- a comprehensive CRT focused pan-European energy and toll payment network, with significant barriers to entry;
- a proprietary technology platform and integrated offerings including innovative products such as EETS, RoadLords, EVA and Eurowag Vector;
- a customer focus with proven ability to acquire, engage and monetise new customers;
- a broad based geographic coverage with a decentralised sales organisation and an accelerating digital channel;
- ownership of its customers with a large share of the wallet, high average net revenue retention, customer tenure and NPS scores; and
- a history of effective integration of new products and businesses.

Strong customer engagement and retention

The Group is focused on customer retention through a self-reinforcing business model aimed at addressing its customers' pain points and in turn, optimising their business performance along the way, creating a virtuous cycle. The Group offers a comprehensive step-by-step customer acquisition approach through offering payments and mobility and related working capital solutions, and is able to drive improvements in efficiency for its customers and become integral to their operations, thereby strengthening its competitive moat. This process produces a wealth of data, which the Group uses to gain further insights into its customers' needs, enabling it to serve them even better, develop new products and improve existing solutions, and cross-sell and up-sell additional solutions that will also benefit and improve the overall user experience. As a result, the Group has an NPS score of 50 as at 31 December 2020 and the average customer tenure is 7.4 years (excluding ADS and Sygic customers), both of which underline customers' satisfaction and loyalty to the Group and its solutions.

The Group's customer base is not only loyal, but also well diversified and growing. For the year ended 31 December 2020, the ten largest customers represented only 3.1% of net revenues and the 50 largest customers represented 8.5% of net revenues. The diversity of the Group's revenues is shown below.

Figure 6. Breakdown of 2020 net revenues across the Group's products and services



Growth in the Group's customer base is backed by an efficient go to market strategy based on its three geographic clusters (Central Europe, Southern Europe and Western Europe) and an effective approach across sales channels. The approach across sales channels is focused on:

- Direct sales through dedicated area sales managers, supported by its telesales team; and
- Indirect sales through leads generated through third party relationships, focusing on verticals and co-branded solutions.
- In each case, strengthened by digital sales leads.

Innovative proprietary technology platform, operational and risk management excellence

The Group has built an innovative proprietary technology platform focused on simplifying the complex CRT ecosystem, and on enriching the experiences of merchants and customers. The Group's innovative products touch on all areas of the customer experience from on-boarding to merchant screening, risk management as well as customer relationship management ("CRM").

The Group's technology captures data, which enables predictive analytics capabilities, in order to further enhance in-house automated pricing algorithms. In January 2021, the Group introduced new, powerful, automated energy pricing software to handle complex inputs and capture fast market changes.

All of the Group's solutions are built around its commitment to risk management and compliance. The Group has a robust overarching risk management framework with credit, market, liquidity, legal and compliance, as well as operational risk metrics taken into account to create a risk map.

The Group is committed to enhancing its revenue by continuing to invest in its technology platform, expanding both its customer capabilities, such as enhancing its CRM systems, implementing next generation ERP and investing into the customer digital journey, and its product capabilities, such as expanding its toll and EETS capabilities, developing eWallet and the Mobile Payment Management Services offerings and further expanding its telematics and EVA platform.

Highly attractive financial profile at scale, combining organic growth with M&A

The Group has multiple revenue drivers and features a highly re-occurring business model. The Group's net revenues mix comprises mainly re-occurring transactional revenue from its payment solutions business segment, as well as a mix of reoccurring transactional, recurring subscription and other fee based revenue streams from its mobility solutions business segment.

Eurowag's proven ability to cross-sell and up-sell is driving its attractive average net revenue retention rate of over 110%. From 2011 to 2020, the Group's net revenues per customer increased by a factor of 6.6x. This proven ability to cross-sell has driven an increase in the Group's share of customer spending and in net

revenues per CRT customer, and is a testament to the Group's robust business model and strong customer relationships.

Such close relationships and the Group's focus on its customers, has translated to strong financial performance. During the three years ended 31 December 2020, the Group's net revenues increased by 74.5%, reflecting a CAGR of 32%, reaching €128.6 million in the year ended 31 December 2020 from €73.7 million in the year ended 31 December 2018. On a purely organic basis (i.e., excluding the net revenues of the Group's acquisitions of ADS, Sygic, Aldobec, Princip and HiSoftware), the Group benefited from an organic net revenues CAGR of 15% in the same period, increasing to a growth rate of 22% in the six months ended 30 June 2021 as compared to the six months ended 30 June 2020. Following a similar trajectory, the Group's Adjusted EBITDA more than doubled, reaching €58.6 million in the year ended 31 December 2020 from €25.9 million in the year ended 31 December 2018 (a CAGR of 51.0% from 2018 to 2020) while, at the same time, the Group also increased its Adjusted EBITDA margin from 35.1% in the year ended 31 December 2018 to 45.6% in the year ended 31 December 2020.

The Group's total capital expenditures of €24.4 million in the year ended 31 December 2019 and €21.5 million in the year ended 31 December 2020 include a significant portion of transformational expenditure to help the Group drive its capabilities across its technology platform.

Founder-led, high-calibre management team with a strong focus on ESG

The Group's CEO and founder, who built the company and remains the Controlling Shareholder, is supported by highly successful senior executives who combine strong global operating, financial, technology and regulatory experience with deep expertise in the financial services, payments, and technology industries. The Group's dedicated mergers and acquisitions team also has an outstanding record of accomplishment in acquiring and integrating carefully selected targets.

The Group believes that the mix of its entrepreneurial and executive experience and expertise provide it with a key competitive strength.

The Group continues to put an ongoing emphasis on its social and environmental responsibility, aiming to create sustainable financial and technological solutions for the benefit of the CRT industry, society and the environment. In keeping with that aim, the Group seeks to transform the industry and broader society by enabling the energy transition in the European CRT industry, reducing CRT emissions in Europe and by making a positive contribution to truckers' lives, supporting them in their everyday challenges, so they have more time and more opportunities for fulfilment. The Group has had a strong focus on its ESG policy and since its inception, has had a clear agenda which drives all aspects of its environmental, social and governance objectives. Part of this agenda, formalised by its ESG policy, includes investing in the clean mobility transition, energy efficiency, philanthropy as well as supporting gender disclosure, corporate wellbeing and diversity initiatives. In 2020, the Group took an important step towards formalising its approach to ESG by establishing an ESG Committee, with a mandate to provide greater oversight and direction in the Group's environmental and social activities.

Strategy

The Group has developed a strategy to support its vision to democratise the on-road mobility industry through a technological revolution.

At the core of the strategy is to prioritize its CRT customers as it builds its integrated end-to-end digital ecosystem around their needs. The Group is looking to fully embed all stakeholders (including customers, merchants, partners, freight forwarders, shippers and others) into its integrated end-to-end digital ecosystem.

In order to achieve this the Group has set out, as part of its strategy, to:

1. continue to build scale by growing the number of CRT customers, through further innovating its core integrated payment services and by leveraging its integrated end-to-end digital ecosystem;
2. unlock liquidity for the transportation ecosystem and build a platform for third party providers to integrate their offerings;
3. drive digitisation of additional merchants, bringing all stakeholders onto its platform to effectively cross-sell and upsell to its existing customers;
4. explore opportunities for geographic expansion and further market penetration; and

5. use available data to facilitate interactions between the participants of the transportation ecosystem in order to create a seamless end-to-end marketplace.

Figure 7: The Group's integrated end-to-end digital ecosystem



Leverage highly effective go-to-market strategy in new customer acquisition

The Group believes it can access additional pockets of growth to acquire new customers by:

- focusing on penetration of existing markets, winning new customers with its existing suite of products across its traditional sales channels, which utilise the Group's direct and indirect sales strategy, and accelerate growth through its digital sales channels, including digital on-boarding and self-service. According to management estimates, the Company's penetration of operators with 1–4 trucks is approximately half of operators with 5–10 trucks;
- utilising RoadLords to drive prospective customers to the Eurowag platform. Currently, more than 500,000 truckers utilise RoadLords; and
- winning new customers in new geographies, while leveraging lessons learned from previous successful market entries and capitalising on its existing suite of products.

Digital platform expansion

Continued digitisation of the CRT industry is a clear trend of which the Group is already at the forefront. The Group will continue to seek to consolidate its leadership by evolving towards an end-to-end digital ecosystem. The Group intends to be a conduit towards intermediating payments and data exchange between all stakeholders, including but not limited to shippers, truckers, suppliers and other partners and be a conduit for their mutual transactions. This is expected to allow the Group to serve its existing customers better and also to gain the capabilities to expand its client base to include shippers and freight forwarders.

The Group gathers millions of data points from its customers and products, which enables it to develop real-time and contextually aware integrated solutions to address the needs of its customers. In particular, such data provides customer and driver information, truck and trailer data, payment and transaction details, destination and routing information, geo-location and mobility information (including in respect of parking and fines), driver behavioural patterns and other types of data. As the Group continuously develops its infrastructure, it is looking to apply these data points by allowing its customers to improve the quality of their decision-making. The Group is also looking into new ways to visualise and monetise data, including by predicting demand for its services or providing real-time contextualisation of its offers to existing customers. The effective use of data can allow a customer's back-office manual processes to be replaced by newly developed digital products and features, thus enabling the Group to tap large pools of inefficiencies, resulting in substantial cost savings for customers and streamlined execution within their CRT operations.

The Group is also very focused on drivers, who are key players within the CRT ecosystem and has gained significant traction in this regard through RoadLords, providing them with additional insights and social interconnectedness.

Focus on cross-selling and up-selling to existing customers

The Group is focused on retaining and expanding its existing customer relationships, which is reflected in its high NPS scores and the longevity of the relationships. The Group's proven ability to cross-sell and up-sell has driven its attractive average net revenue retention rate of over 110% and average customer tenure of approximately 7.4 years, and its strategy is to further drive net retention of its customers by its proven ability to continuously cross-sell and up-sell to customers across their lifecycle, providing benefits to both the Group as well as its customers. This is expected to be fuelled by the introduction of new products and services, such as eWallet and Mobile Payment Management Services, expanding EETS capabilities, as well as the expansion of the Group's platform to further automate processes and create an even more seamless experience for its customers, binding them to its ecosystem. The Group aims to advance its digital platform and mobile applications, enabling social interactions that further deepens the relationship with its customers.

Pursue value enhancing acquisition opportunities

The Group has a proven track record of acquisitions with a history of successful integration supporting strong business results. It sees acquisitions as a helpful tool for building its ecosystem and unlocking the next phase of growth for driving not only its top line but also its profitability in a synergistic manner.

The Group's key considerations for evaluating acquisition opportunities include:

- enlarging the Group's total addressable market via new geographies and adjacent products and services;
- strengthening the Group's market position;
- accelerating the pace of development of the Group's strategy by supporting innovation, acquiring the necessary technologies and building out capabilities as an integrated end-to-end digital ecosystem;
- increasing customer life-time value and retention.

The Group's mergers and acquisitions team has a clear screening criteria, with a guided leverage target of 1.5–2.5x over the medium term (and noting that this leverage ratio may temporarily exceed the top end of the range at times, depending on the quantum and timing of potential acquisitions). The team is constantly monitoring the market with the aim to deliver successful transactions consistent with Group's strategy and financial discipline. When evaluating an acquisition opportunity, the Group always considers the impact of such acquisition on its goals for sustainability and inclusive culture.

Explore opportunities for geographic expansion and further market penetration

Presently, growth in the Group's customer base is supported by the Group's marketing strategy that uses geographic clusters and three primary sales channels to enable a decentralised sales organisation for its payment solutions and mobility solutions products. In the future, the Group plans to further expand its extensive European payment network and increase its market share within its own existing markets as well as expand into new geographies in Europe. Increased geographical penetration should enable the Group to better provide full coverage to its customers.

Growing with a positive impact

Growing in a sustainable manner is at the core of the Group's values, and the Group aims to create sustainable financial and technological solutions for the benefit of the CRT industry, society and the environment. As such, the Group's ESG strategy places an ongoing and strong emphasis on complying with regulatory requirements while fulfilling industry standards, on being a leader in the industry by exceeding best practice and by helping to transform the industry and broader society. In practice, the Group grows this strategy by focusing on initiatives aimed at reducing GHG emissions to help foster the transition to clean mobility, addressing the inefficiencies in the transport industry and improving business results and well-being of its CRT customers. The Group has set out its ESG objectives in the "*Business Description—Environmental, Social and Governance*".

Financial Guidance

The Group presents various targets in this document relating to the Group's near- and medium-term financial guidance in respect of the measures presented below.

- **Net revenue growth**—Organic net revenue growth between high teens and low twenties over the medium term (with both payment solutions and mobility solutions segments expected to grow at a similar pace).
- **Adjusted EBITDA margin**—Adjusted EBITDA margin initially in the mid-forties and trending into the high forties over the medium term, with incremental costs relating to the Group becoming a UK public listed company having an impact on the level of margin expansion in the short term.
- **Capital expenditure**
 - Ordinary capital expenditure—Capital expenditure (representing the sum of Recurring ordinary capital expenditure plus Recurring infrastructure capital expenditure) in the high single digits as a percentage of Group net revenues over the medium term.
 - Transformational capital expenditure—Capital expenditure (representing the sum of Transformational IT capital expenditure plus Transformational non-IT capital expenditure) expected in the range of €23 million to €24 million in 2021, and of a cumulative €50 million in 2022 and 2023.
- **Leverage**—Targeted financial leverage ranging from 1.5 to 2.5 times Adjusted EBITDA over the medium term (and noting that this leverage ratio may temporarily exceed the top end of the range at times, depending on the quantum and timing of potential acquisitions).

Given the Group's growth strategy, in the period immediately after the Global Offering the Group intends to prioritise growth opportunities in terms of capital allocation and does not intend to declare a dividend in the near term. See "*Business Description—Dividend Policy*."

The above guidance reflects projected growth from existing customers, expected geographic expansion and further market penetration and the Group's planned go-to-market channel expansion, and the assumptions below. It does not reflect any developments in the Group's digital platform, or the possibility of any accretive acquisitions.

The Group's financial targets set forth above constitute forward-looking statements that are subject to considerable uncertainty. The financial targets are based upon a number of assumptions relating to, among other things, the Group's ability to:

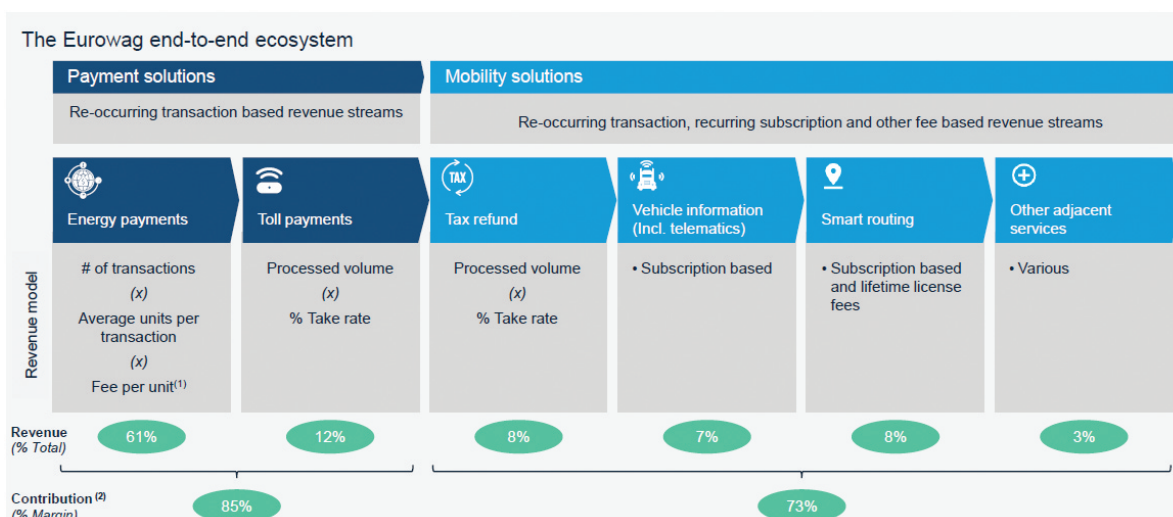
- *expand its customer base and acquire customers;*
- *build on its successful payment solutions and deliver its cross sell strategy*
- *add more solutions as its expands presence in the CRT market;*
- *manage timely execution of its transformation capital expenditure programme;*
- *maintain low customer churn rates, in line with its current track record; and*
- *selectively pursue and integrate value enhancing acquisitions,*

as well as the absence of significant new COVID-related restrictions which severely curtail economic activity in the markets where the Group operates. Any of these assumptions may prove false, and actual events may differ materially from, and be more negative than, those assumed by the Group when preparing its financial guidance. As a result, the Group's ability to reach its financial guidance is subject to uncertainties and contingencies, some of which are beyond its control, and no assurance can be given that the Group will be able to achieve this guidance or that its financial position or results of operations will not be materially different from that provided above. See "Presentation of Financial and Other Information—Forward-Looking Statements".

Business Segments

The Group's business is divided into the payment solutions segment (comprising energy payments and toll payments) and the mobility solutions (comprising tax refund services, including telematics, smart navigation and other adjacent services).

Figure 8: The Group's end-to-end ecosystem



The respective contributions of the Group's two business segments to the Group's net revenues are set out in the table below.

	As at 30 June		As at 31 December		
	2021	2020 (unaudited)	2020	2019	2018
(EUR '000)					
<i>Payment solutions</i>					
Segment revenue from contracts with customers . . .	765,649	588,391	1,218,438	1,330,027	904,428
Segment net revenue	54,136	43,868	94,090	81,157	57,301
<i>Mobility solutions</i>					
Segment revenue from contracts with customers . . .	18,720	16,572	34,516	33,425	16,418
Segment net revenue	18,720	16,572	34,516	33,425	16,418

Payment Solutions Segment

Payments are an essential part of the Group's ecosystem whereby the Group provides economically efficient and secure payment means for energy and tolls. The Group operates a closed loop system that offers secure and reliable payments within the contracted merchant network. The Group has further developed its payment capabilities by expanding to new payment means such as mobile payments or alternative authorisation methods (e.g. bring your own device). These initiatives seek to complement the current ecosystem with the latest technologies, allowing for further integration of third party and internal tools.

Mobile payments capabilities are expected to be provided through the Group's investment in Drivitty. Drivitty is a Payment Card Industry Data Security Standard compatible leader in fuel mobile payments. The Group's investment in Drivitty enables it to unlock additional fuel stations and to benefit from Drivitty's royalty platform and targeted marketing messaging platform. Additionally, through Drivitty's technology system, the Group is able to engage in host-to-host integrations (authorisation centre-to-authorisation centre) with its merchant partners, with the option to integrate mobile ready merchant partners through simple configuration on the POS provider side. This option saves costs and heavily drops the down time required for implementation.

The Group's payment solutions segment, consisting of energy and toll payment solutions, represents the core of its current offering and often serve as the starting point from which customers will utilise the Group's services. As at 30 June 2021, the Group's payment solutions segment served approximately 81,658 active trucks, and for the year ended 31 December 2020, the Company estimates that it processed approximately 29 million payment solutions transactions and served approximately 72,884 active trucks. Within this segment, the Group is also able to offer extended payment opportunities to its customers, thereby providing important liquidity management solutions.

The payment solutions segment accounted for 74.3% of the Group's net revenues in the six months ended 30 June 2021, and 73.2% of the Group's net revenues sales in the year ended 31 December 2020.

Energy Payment Solutions

Energy payment solutions generates mainly re-occurring transactional revenue, whereby the Group earns revenue based on the total number of transactions processed, the unit of each transaction (e.g., litres of fuel, kilos of LNG / CNG or number of kWh for electrical charging) and the Group's fees or margin per unit.

Network: acceptance points, truck parks and bunkering sites

The Group's energy payment solutions network provides ease and convenience to customers on the road, providing competitive prices for their energy consumption needs at accessible locations across Europe through pre-pay or post-pay fuel cards.

Acceptance points

The Group provides payment solutions for energy sales through the use of fuel cards and apps for customers which own fleets of professional transport and forwarding companies, for use at an acceptance point. Customers are able to either pre-pay or post-pay for energy at one of these acceptance points, using a fuel card provided by the Group. As at 30 June 2021, the Group's network had approximately 15,500 acceptance points, including 230 LNG and CNG stations, across approximately 30 countries. These acceptance points allow for the purchase of petroleum products, such as various grades of diesel and gasoline, further bio products such as gasoline, AdBlue and biodiesel, and for alternative fuels like LNG and CNG.

Energy sold through the Group's network of acceptance partners (including those of ADS) represented 44.8% of energy payment solutions net revenues in 2020. With its LNG and CNG acceptance point partners, the Group aims to ensure that there are enough acceptance points in its network offering alternative fuels and has targeted initiatives focused on achieving 30% above the current market penetration of active trucks on alternative energy.

Customer access to an acceptance point is secured through contracts between the Group and fuel stations who become acceptance partner locations in the network. For fuel sold through its acceptance network, the Group buys fuel from the acceptance partner and sells it to its customers at the same time, adding an individual unit margin for each unit of energy sold on top of its cost of fuel, according to various formulas which differ based on the mode of sale. When a customer purchases energy using a Eurowag fuel card at an acceptance point, the transaction is sent to the Group for processing. The Group pays the acceptance partner for the energy its customer consumes, as agreed upon in the conditions of the acceptance contract. If a customer has elected to pre-pay, then customer funds are used to settle the transaction ("**pre-pay**"). If a customer instead elects to post-pay, the Group provides credit for the transactions to the acceptance partner, and seeks collection of the amount and a fee from the customer by issuing an invoice for the energy consumed, with payment generally to be made within 30 days ("**post-pay**"). The benefits of the acceptance point model is that it allows for a substantial network of providers, enabling the Group to provide full geographical coverage to customers.

Truck parks and Bunkering sites

Energy payment solutions also sells fuel directly to customers through the Group's owned, or leased and operated truck parks, including those owned, or leased and operated by ADS and through the Group's maintained bunkering sites, whereby fuel owned by the Group is sold to its customers via 91 third party owned fuel stations and 26 truck parks. Truck parks and bunkering sites represented 55.2% of energy payment solutions net revenues in 2020. In the year ended 31 December 2020, the Group's top five largest truck park locations accounted for 12.3% of energy payment solutions net revenues.

Currently, the Group owns or rents and operates its truck parks, 18 of which are unmanned and fully automated. All are strategically located in key logistics hubs and truck traffic zones close to key intra-EU borders, including those of the Czech Republic, Poland, Spain, Slovakia, Hungary, Romania and Austria.

To supply its truck parks, Eurowag buys fuel directly from refiners or large distributors and sells it directly to customers (adding an individual unit margin on top of its cost of fuel), invoicing them for the energy consumed and leaving the customer to pre-pay or post-pay the invoice. The benefits of truck parks are their sufficient serving capacities at strategic locations combined with their low cost of operation and the full control of service and product quality. The truck parks are designed to achieve high throughput, ensuring fast and efficient re-fuelling.

The Group supplies its own fuel to these stations, and sells it to customers who are using the station. Through partnerships with the stations, the Group adds an individual margin for each unit of energy sold on top of its cost of fuel, and also pays a throughput fee per litre of tanked fuel to the station owners in order to use the

facility for distribution. Bunkering sites allow the Group to share the advantage of its purchasing know-how and power with its customers at more locations. The benefits of this arrangement include the opportunity for branding without ownership responsibilities, lowering of prices for customers and the achievement of a good balance between flexibility and control.

Key features

The Group's energy payment solutions offer customers a more efficient way to purchase and finance their energy needs while on the road. Key features include:

- An extensive network of acceptance points, allowing the Group to use its scale and strong negotiating power to receive competitive energy prices for its customers. Customers are able to use the Group's client portal to see the actual prices of the energy at the various acceptance points and any price changes that follow the market standard. This creates transparency for customers as company owners and dispatchers are able to know the prices they may encounter while on the road in advance.
- A network well-located on major transportation routes and including: 26 truck parks which are well-located on major trans-European transportation routes, 91 bunkering sites, and approximately 15,500 acceptance points, across approximately 30 countries.
- Fuel cards provided by the Group which give customers a cashless means of payment, but also provide customers with anti-fraud protection, security and transparency, as cardholders are only able to make purchases from the Group's acceptance network, only for energy and only for specified payees, all of which provides a measure of anti-fraud protection, security and transparency to the Group's customers.
- Fuel prices which are set and communicated to customers on a periodic basis, taking into account a number of factors including, amongst others, customer behaviour and location differences (to reflect competitive positioning and local market dynamics). This pricing flexibility provides the Group with a buffer to protect against fuel price fluctuations while customers are generally able to purchase fuel at a discount to the displayed fuel price, resulting in cost savings for customers (while also allowing them to manage their working capital needs with post-pay fuel cards). Furthermore, in January 2021, the Group introduced new, powerful automated energy pricing software to capture fast market changes, amongst others.
- At the end of the invoicing period (weekly, bi-weekly or monthly), customers receive a single invoice for all of their energy charges, providing all the relevant energy use data.
- Through Sygic's GPS Navigation app, the Group offers smart routing to more than 300,000 charging points connected across Europe with payment options at approximately 50% of those locations. Through the Group's minority investment into LMS, one of the fastest growing e-Mobility platform providers, the Group provides payment services to an additional 48,000 charging points connected mostly in the Benelux region.

Lastly, using the Group's data analytics captured through each transaction, customers are able to track their energy usage through the Group's unified invoicing and online reporting system, providing them with big picture data on the journey of each truck critical for proper cost allocations and controls.

eMobility payment solutions

Through its minority investment into LMS, the Group is able to provide industry-leading eMobility services, including payment solutions, to eMobility Service Providers ("ESPs") and charge point operators ("CPOs") throughout Europe. LMS offers ESPs a scalable, white label and bespoke billing transaction and charging management platform. ESPs are able to connect to multiple CPOs and their charging networks, manage charge payment cards ("**charge cards**") in their service networks, create custom pricing and offer all services for end-users using the customer's branding and logo on their charge cards and materials. Customers pay LMS a monthly subscription fee for the platform as well as a margin on the price of kWh purchased.

On behalf of its client base, LMS provides access to more than 48,000 connected charging points and has over 269,000 active charge payment cards with users in over 22 countries. For the year ended 31 December 2020, more than 4.1 million transactions were processed on the LMS platform.

The Group also provides charge payment options for eMobility customers through Sygic. In 2020, Sygic GPS Navigation introduced an EV mode, which allows users to plan routes with compatible EV charging points, receive real-time data from charging stations and process payments for their energy needs all within the same app. Through multiple partnerships, including the Group's partnership with LMS and Plugsurfing, Sygic GPS

Navigation offers users access to more than 300,000 charging points connected in 38 countries. The introduction of Sygic's EV mode in 2020 made Sygic the first navigation system globally to integrate EV charging with routing and payments features, enabling the Group to meet its customers' eMobility energy needs.

Toll Payment Solutions

Each European country has its own tolling system and regulations, requiring cross border drivers who transit across many countries to have a variety of different OBUs and services to pay for tolls. This makes for over 135 toll chargers across Europe and requires numerous OBUs and payment solutions to travel from one country to the next or even within a country, if that country relies on multiple toll chargers. The challenges of this system are more complex for businesses operating across borders. Through its toll payment solutions, the Group is able to provide a unified way of processing electronic toll payments on a number of European highways across 23 countries to the fleets of professional transport and forwarding companies owned by its CRT customers. More recently, the EU has established a framework for creating EETS, which aims to simplify tolling by creating a harmonised and interoperable EU-wide toll system, simplifying toll payments with fewer OBUs and reducing the associated costs and administrative burdens. The Group, as one of a handful of companies in Europe, utilised the opportunity created by the EETS framework to build a proprietary EETS toll payment solution, the EVA OBU, which from the outset integrated with the other Group value added services, such as telematics.

Broadly simplified, toll payment solutions generates mainly re-occurring transactional revenue, whereby the Group earns revenue based on the processed volume of toll payments, times the Group's take rate (its commission). When using Eurowag's toll payment solutions, customers pay a monthly rental fee for use of an OBU in their trucks, provided either from the Group or from an appropriate toll charger or toll service provider that the Group has partnered with. This OBU and selected complementary devices, once installed, allows them to pay for tolls electronically, in 23 countries, four tunnels and the Warnow crossing in Rostock, Germany. Transactions are recorded by the OBU once a customer passes through the toll gates (either via Dedicated Short Range Communication toll receptor technology (currently in use in Austria and multiple other EU countries) or via geolocalisation and Global Navigation Satellite System toll receptor technology (currently in use for tolls in countries such as Belgium, Germany, Slovakia and the Czech Republic)). The transaction is then processed upon receipt by the Group from the toll charger or toll service provider. Customers have the option to either post-pay or pre-pay Eurowag for the toll charges incurred on their journeys. For the post-pay option, the Group pays the toll chargers or toll service providers in each country the correct amounts due. In turn, customers pay the Group the toll amounts due, which already comprises a commission paid retrospectively by the toll charger or toll service provider to the Group, and in some instances, the Group charges customers additional toll volume driven percentage fees. In turn, Eurowag pays the toll chargers or toll service providers in each country the full toll amounts due with average payment terms of 25 days. Pre-paid toll customers put a set amount of money on their account with the Group, and the toll amount, plus a commission, is deducted by the Group from their pre-paid amount.

The Group offers toll solutions to its customers which are tailored to their needs. If operating in multiple countries, the Group recommends the appropriate OBU and informs its customers of any discount system or VAT recovery arrangement in place related to a given toll. If operating across multiple countries and tunnels, the Group recommends the appropriate OBUs or EETS OBU, if applicable, and also informs customers of any discount system or VAT recovery in place which can be processed.

Given that there are over 100 toll chargers across Europe, the Group's toll payment solutions rely on three types of partnerships with toll providers and operators: EETS partnerships, agent partnerships and reseller partnerships.

EETS partnerships

As a consequence of the simplification and standardisation inherent to the EETS project, the market for EETS providers is consolidated and currently consists of five large EETS providers with in-house capabilities, including Eurowag, who have invested in proprietary technology for the EETS framework and undertaken the process of certification at the country by country level. Management believes that the inherent barriers to entry introduced by EETS provide the Group with a substantial competitive advantage over toll service providers without EETS capabilities.

As an EETS provider, Eurowag is able to give its customers up-to-date toll payment solutions, providing them with greater technical simplicity by reducing the number of required toll devices and in some cases, depending

on the country, also providing rebates and favourable payment terms. Under EETS, toll customers are able to enter into a contract with an EETS provider, like Eurowag. The EETS provider pays the toll that the customer incurs to the toll authorities, and in turn invoices the customer for the toll amount. A single contract with one EETS provider will allow customers, as soon as all toll chargers fulfil their legal obligations to be EETS compliant, to pay for their tolls in all EETS domains of the European road network.

Customers pay Eurowag a monthly rental fee for the EETS OBU, as well as paying invoices for the toll charges incurred. In addition to its rental fee, the Group charges customers in certain instances, a percentage of the toll value for the toll charges the customer incurs and receives a percentage of the collected toll volume from the toll charger. The Group is engaged in multiple EETS certifications across Europe with various levels of competition depending on the date of the launch of the certification and the readiness of a given toll domain in terms of EETS compatibility. Given the strong benefits for trucking companies to have a single contract with one EETS service provider, management believes that the market is ripe for consolidation and this may present opportunities, given the significant market entry barriers in terms of certification time and investments.

Agent partnerships

Under agency partnerships, the Group is regarded as an agent of the toll charger and cannot directly issue an invoice to customers. Instead, it must issue an invoice on behalf of and in the name of the toll charger, and in its own name issue a request for payment from the toll charger.

Currently, the Group partners with four toll chargers and toll service providers as an agent: Toll4Europe, Czech Toll, Toll Collect, and AGES RUC. On behalf of the toll charger, when acting as the agent the Group may charge customers a percentage fee of the toll value for the toll charges the customer incurred and always receives a percentage of the collected toll volume from the toll charger.

Reseller partnerships

Under reseller partnerships, the Group is regarded as a reseller and can act and issue invoices directly to customers.

Currently, the Group partners with 17 toll chargers and toll service providers as resellers: Axxes, Telepass, AGES ETS, Asfinag, LSVA (EZV)—FCA (Schweizerische Eidgenossenschaft), Baltic tolls SIA, Fréjus Tunnel, Mont Blanc Tunnel, Northgate Public Services (UK) Limited, Kupon, Kapsch Telematic Services, Scala, Dars, Intertoll, AESA. Through its reseller partnerships, the Group may charge customers a percentage fee of the toll value for the toll charges the customer incurred and always receives a percentage of the collected toll volume from the toll charger.

Key features

The Group's toll payment solution business offers the following key features:

- Similar to its energy payment solutions, customers are able to pre-pay or post-pay for their toll payments.
- Depending on the customer's needs, the Group's EETS OBU can significantly reduce the number of OBUs needed to pay for tolls as they travel across countries and use different road systems, providing additional convenience.
- In certain countries, depending on the applicable laws, the Group is able to secure discounted toll prices and rebates for customers.
- Lastly, the Group has developed an innovative EETS solution based on proprietary technology that integrates toll payment functions with other value added services into one solution, which results in greater differentiation and retention of customers with the Group's service.

During the year ended 31 December 2020, the Group serviced approximately 68,000 trucks with its toll services.

Mobility Solutions Segment

Through its mobility solutions segment, the Group is able to offer customers tax refund services, telematics products, smart navigation and other adjacent services to address the needs of the CRT industry. These offerings, when combined with the Group's payment solutions, provide key opportunities to the Group to cross-sell and up-sell its products to customers, increase retention, extend customer lifetime value and provide

additional datasets. The mobility solutions segment provides a mix of re-occurring transactional, recurring subscription and other fee based revenue streams.

This segment accounted for 25.7% of the Group's net revenues in the six months ended 30 June 2021, and 26.8% of the Group's net revenues in the year ended 31 December 2020.

Tax Refund Services

Through the tax refund business, the Group is able to submit tailored VAT refund applications and ED partial refund applications on behalf of its customers to requested tax authorities and customs offices across all the markets in which the Group operates, including the 27 EU Member States ("**Member States**"), the UK and Norway. In order to do so, customers first grant the Group with a power of attorney, allowing the Group to act on their behalf in respect of tax refunds for one year.

Key Features

The Group offers four types of tax refund services:

- Standard VAT ("**standard refund**") refund services,
- ED partial refund services,
- Pre-financed VAT ("**net invoicing**") refund services, and
- Advanced payment of Excise Duty ("**APED**").

Customers submitting a standard refund application or an ED partial refund application to the Group for processing can request financing by the Group.

- For financed tax refunds (the net invoicing and APED services above), the Group issues the payment invoice to a customer and credits the customer with the expected VAT or ED amount in separate invoices issued at the same time, effectively giving customers a tax refund in advance which provides almost immediate access to their refund via a credit note for the difference between the expected refund and Eurowag's fees. The Group then, operating under its power of attorney on the customer's behalf, applies for the refund from the relevant tax or excise authority. Pre-financed tax refunds are financed off-balance sheet through the three banks the Group has arranged to fund its tax refund advance facilities, with €52.5 million in tax refund receivables outstanding as at 30 June 2021.
- For non-financed tax refunds (the standard refund and ED services above), the Group, operating under its power of attorney on the customer's behalf, files for the standard refund or ED which is then remitted to the customer once received from the respective tax or customs authority of the Member States of refund ("**MSRs**") or from the non-Member State tax or customs authority.
- For each of the four types of tax refund services it provides, the Group retains a percentage of the total value processed and charges fees, such as the service activation or invoice processing fees (which are fixed) or, when applicable, a financing fee (which is charged as a percentage of transaction value processed).

The Group processes tax refunds using its own proprietary software, Aequitas, which is able to create and prepare the applications for VAT refunds automatically once the necessary information has been collected from the customer. ED applications are by law paper-based and customers provide the original invoices to the Group, which then submits the paper applications on their behalf. These invoices are then scanned, digitised and uploaded onto Aequitas so that ED application customers can track the status of their applications.

Customers are able to login into a portal created by the Group and track the status of their refunds. For refunds from the Member States, the time by which refunds are to be issued is defined by corresponding VAT and ED directives. Under the directives, MSRs are obligated to pay interest to applicants for delays in payments.

The Group's tax refund business offers the following key features:

- By using the Group's net invoicing or APED services, customers can avoid a wait time for payment from four months to one year for ED refunds or a few weeks to eight months for VAT refunds (depending on which country the application is submitted in and whether the client is an EU-client or not).
- Tax refund services are provided via an automated process that minimises the time and administrative burden connected to customer tax refunds while also alleviating the financial constraints for customers who are able to pre-fund their tax refunds.

- The tax refund services offer customers significant improvement of their cash flows, an efficient process by which they can recover their taxes. Customers are also able to use the Group's online platform to track the status of their refunds.

Telematics

Combining advanced electronic, software and engineering solutions, the Group's telematics products allow its customers to track various fleet operating metrics in real time. As at 30 June 2021, there were approximately 30,000 active trucks utilising the Group's telematics products. Using an OBU which collects data for Eurowag to process and report on, customers are able to track and use metrics on fuel consumption, truck idle time, driving time and carriage load, among others, to optimise planning efficiency and increase their cost-effectiveness. In order to use the Group's telematics products, customers are required to pay hardware fees for an OBU if they are only using the Group's standalone telematics services, and a subscription fee for the Group's fleet management software that is used to translate the OBU data into usable metrics for the customer. Customers can also rent a Vetronics OBU (for standalone telematics services only) or a device like the EVA OBU for trucks that contains the Group's EETS payment solutions. The type of OBU that a customer uses determines the level of integration a customer's trucks will have with the Group's software and the type of software package that a customer subscribes to determines what metrics are provided. Management estimates that over 125,000 OBUs will be required by customers by December 2021.

eFleet management

The Group's telematics products can also be tailored towards fleet management of electric vehicles ("**eFleet management**"). Using an OBU that is installed in the EV to read the EV data, customers can subscribe to different software packages that will give them insight and control over their electric fleet. eFleet management users are able to use the OBU in their vehicles and software to receive transparency on charging costs for all nearby locations (including relevant data comparing business, home and public charging rates), see EV locations on a real-time map which displays critical information (including the battery charge level for each vehicle), manage the performance of their plug-in hybrid vehicles ("**PHEVs**") with a utilisation tool that enables fleet managers to see whether their PHEVs are being charged regularly, and locate the closest charging stations for each EV on live maps according to the individual charging preferences set for each vehicle. Fleet managers are also able to monitor their EV fleets on the go with the use of a mobile app that drivers are also able to access to manage their trips.

EVA

EVA is the Group's proprietary innovation, an OBU which combines telematics, toll payment and energy payment anti-fraud protection capabilities into one device with the following features:

- EVA unit comes bundled with EW Telematics, the Group's fleet management software. After paying a subscription fee for the use of the device and software, customers are able to use the integrated telematics solutions of EVA and EW Telematics to track their trucks in real time, calculate route costs, check fuel station prices, send drivers to the most convenient locations, reduce mileage and cut energy costs, increase utilisation and the lifetime of their vehicles and monitor driver behaviour and driving time.
- For the integrated toll payment system application on EVA, EVA relies on the Group's EETS capabilities to provide toll payments. When bundled with an EETS device from the Group's partner, Toll4Europe, customers are able to make payments across eight countries and three major tunnels.
- The proprietary geolocation technology built into EVA, provides customers with protection from fuel payment fraud due to stolen or skimmed fuel cards by sending an alert to fleet managers who can then block the fuel card once unauthorised card usage is attempted.

Through EVA and the associated packages available for customers to choose from under a SaaS subscription model, customers have access to their respective data as well as several analytics tools. Because EVA is pre-bundled with the Group's telematics technology, users are able to use the most powerful features of the Group's fleet management software. For example, dispatchers are able to download tachograph data remotely, review legal drivers' time and send truck drivers to safe nearby resting locations once they have reached the legal driving-time limit and check engine running and idling time through analytics reports. In the future, the Group intends to expand EVA's offering to include payment, navigation or even insurance services.

Driver Score and Perfect Drive

Driver Score and Perfect Drive are two of the Group's products aimed at reducing CRT emissions and improving driver's wellbeing and safety by providing customers with solutions that are able to measure various aspects of a driver's driving style.

Through Sygic, the Group also offers a mobile app telematics insurance and road safety based solution, Driver Score app. Driver Score seeks to promote commercial vehicle driver safety through fleet management as well as for regular drivers. By combining information from GPS, accelerometer, pedometer, gyroscope and an underlying map, fleet managers are able to recognise signs of distracted driving such as when a driver is driving while interacting with their phone, and measure various aspects of a driver's driving style, such as acceleration, speeding, braking, cornering and pothole detection through the Driver Score app. Fleet managers are then able to create a customisable driver scoring system and educate drivers with in-app coaching that provides warning notifications about speeding, cornering and harsh braking. Through a combination of the score and driver monitoring, fleet managers are able to motivate their drivers to drive more safely and reduce energy consumption and insurance claims.

Using the Group's telematics solutions, customers are also able to monitor and evaluate the driving style of commercial vehicle drivers through Perfect Drive. By monitoring vehicle control parameters such as the engine speed, how often service and engine brakes are engaged, driver foresight, vehicle speed, coasting, cruise control and use of the accelerator, Perfect Drive is able to evaluate a trucker's driving style, producing a driver report for fleet managers and also producing summary reports of a fleet and detailed individual reports. Fleet managers are able to use this information with their drivers to address the negative effects of driving style on fuel consumption and vehicle wear and tear, for road safety and to identify the need for further training for drivers as needed. The data provided can also contribute to insurance cost reductions.

Smart Navigation

The Group offers smart navigation products and location based services through Sygic, a navigation software company it acquired in 2019. Using the Sygic's navigation products, customers are able to create an automated journey book and optimise traffic using integrated digital maps and applications.

RoadLords app

Through Sygic, RoadLords is the Group's truck navigation GPS app for Android users, providing specialised routes for trucks and other large vehicles and a social platform through online features. The app provides users with advanced features, such as specific energy station and parking data, that are also able to identify whether electricity, water supplies, AdBlue and security are available at a given site. Users are able to enter the attributes of their trucks, such as the weight, height and class, and receive routes recommendations which are calculated based on the truck attributes and settings selected, as well as information just for trucks such as environmental zones and other restrictions. A key feature of RoadLords is its social platform, enabling truck drivers to crowdsource unique data and build the trucking community by linking drivers to other drivers.

As at 24 July 2021, RoadLords had over 1,000,000 downloads, 500,000 active installations and a 4.5 out of 5.0 rating on Google Play.

Sygic Professional Navigation for Fleets and Sygic Truck Navigation navigation apps

Sygic's Navigation for Fleets is the Group's professional GPS navigation software offering advanced integration options for various types of fleets. It is also offered to through the Group's indirect sales channel, and integrated within leading fleet and telematics systems worldwide. Sygic's Navigation for Fleets is also connected with the Group's fleet management and telematics systems.

Sygic's Navigation for Fleets provides commercial routing for fleet operators that supports a wide range of use cases and vehicles (accommodating trucks, vans, buses, taxis, utility and emergency vehicles). While using Sygic's Navigation for Fleets, dispatchers can navigate their drivers remotely to a single destination, a series of stops or on an exact route using Sygic's integration software development kit ("SDK"). Such integration enables the dispatcher to remotely set the vehicle's dimensions and apply truck-related road attributes in order to avoid roads that are prohibited for specific trucks and cargo vehicles. Routes can be planned in advance and new waypoints can be added to an existing itinerary at any time and remotely by dispatchers. Drivers are able to see the entire route with estimated time of arrivals for each stop. Integration also allows for bi-directional communication and messaging, including automatic conversion of text messages to speech. Sygic's Navigation

for Fleets allows customisations, mass activation and distribution, and can display and use custom content like geofences and custom points of interests with pictures and icons for truck drivers.

Sygic Truck Navigation is a GPS navigation app for individual truck drivers that offers premium quality maps, routing and key features. Similar to the Sygic's Navigation for Fleets offering, Sygic Truck Navigation allows for customisation based on the vehicle's parameters, and makes available offline maps with truck attributes and truck-related points of interest. However, instead of being designed for fleets and integration with fleet management telematics products, Sygic Truck Navigation is designed for use by drivers in individual trucks, RVs, caravans, buses, coaches and vans.

On 30 June 2021, Sygic Truck Navigation had an average rating of 4.3 out of 5 on Google Play and is installed on more than 220,000 Android devices. From 1 January 2017 until 30 June 2021 Sygic Truck Navigation has been installed on more than 3.2 million Android devices.

Sygic GPS Navigation app

Sygic GPS Navigation is the Group's navigation app that provides GPS navigation for millions of non-CRT users worldwide. The app provides a seamless online and offline navigation experience, high-quality 3-D maps, up-to-date information about fuel prices on fuel stations, speed limit and speed camera warnings, real-time traffic, route sharing, voice navigation and lane guidance. Customers are also able to purchase add-on features that allow for a head-up display, a dashcam feature that enables users to record what is happening on the road ahead, with augmented reality features. The Traffic Lights Add-On ("**Traffic Lights**") for Sygic GPS Navigation is the first-ever real-time traffic light countdown to be commercially available on mobile navigation applications. Traffic Lights has been awarded a CES 2020 Innovation Award.

On 30 June 2021, Sygic GPS Navigation had an average rating of 4.5 out of 5 on Google Play and is installed on 3.8 million Android devices.

Other Adjacent Services

In addition to its core product offerings, the Group provides a variety of solutions for its customers, enabling it address customer needs at every point in their operations. The Group's other adjacent services include, but are not limited to the following:

Eurowag MasterCard

Eurowag MasterCard is the Group's open-loop prepaid or post-paid payment card, operated by Crosscard. Customers typically use Eurowag MasterCard for non-energy related transactions such as tires, towing and fines. Customers have the option to either pre-pay, pay as you go, or post-pay for their transactions and are provided a secure, transparent, fraud preventative and cashless means of payment that can be used anywhere where MasterCard is accepted.

Roadside Assistance

Through ADS, the Group offers 24 hour roadside assistance, providing customers with a set of services including round-the-clock coordination of towing, maintenance and repairs, vehicle unlocking and urgent administrative and fine payment support.

ClientFX

The Group provides cross-border currency exchange services to its customers enabling them to pay for their invoices in the currency of their choice with a flat rate fee built into the currency.

Insurance

Through brokerage partnerships, the Group connects customers to tailor-made local insurance plans by country, including reliable Motor Third Party Liability Insurance ("**MTPL**"), roadside assistance insurance and car insurance, through a network of insurance providers. In exchange, the Group receives commission for the insurance contracts entered into by its customers with partnered insurance providers.

Factoring

Through brokerage partnerships, the Group offers a factoring solution which provides cash payments to trucking companies. The Group's partner purchases a customer's receivable from their debtor and in exchange,

the customer receives the cash that they need for their operations. Partners are also able to provide financial restructuring for clients in need. In turn, the Group receives commission for introducing the customer to the factoring provider.

Parking

The Group offers convenient parking services through its parking sites or its network of parking sites across Europe that are easy to find and integrated in the Group's navigation and telematics offerings. Customers can also use the Group's fuel cards to pay for parking.

Washing

The Group offers specialised washing services at its truck park in the Czech Republic and at its partner sites across Europe.

Administrative support and freight ferry booking

Through a brokerage partnership, the Group's tax refund services are also complemented by the additional provision of administrative support services and a freight ferry booking service. The brokerage offers administrative support services that help companies with the registration of their drivers in relevant member states, for example in relation to minimum wage requirements for truck drivers in certain jurisdictions (referred to as the "posting of drivers") according to the requirements of the EU Mobility Package; in turn, the Group receives a commission for the referral. It offers freight ferry booking services through a similar brokerage and commission model.

Customers

The Group offers a comprehensive suite of payments and mobility technology solutions for CRT companies focusing on the fleets of both international and domestic SMBs and enabling them to operate more efficiently. A typical customer for the Group is a small and mid-sized CRT business with approximately seven employees, managing trucks which each consume approximately 40,000 litres of fuel per year as they move goods across approximately 130,000 kilometres per year, with approximately six OBUs in operation and spending more than 250 days on the road. The Group processed 186 transactions per customer each month as at 30 June 2021. With the Group's product lines, most of the small and mid-sized CRT business' needs can be met and coupled with the negotiating power of the Group to help their cost optimisation, working capital and acquiring the liquidity solutions that they need via extended payment terms within the Group's payment solutions business segment.

The Group has established an active, loyal and diversified customer base, fostered by the Group's commitment to the needs of its customers through its data capabilities in addition to other factors underpinning the Group's competitive advantage. During 2020, the Group's customers in the Central Cluster (numbering approximately 7,250 monthly active payment solutions customers) accounted for approximately 49% of its net revenues, those in the Southern Cluster (numbering approximately 3,450 monthly active payment solutions customers) approximately 26%, those in the Western Cluster (numbering approximately 2,450 monthly active payment solutions customers) approximately 20%, and those for whom no geographic data was recorded (including Sygic and other non-allocated revenue) accounted for approximately 5% of net revenues. See "*Business Description—Competitive Strengths*". Whereas many providers in the CRT industry focus on one aspect of customer needs, such as energy or payment processing services, the Group deploys a proven cross-selling strategy which seeks to achieve lifetime customer relationships by providing an integrated product offering that eases the complexities and fragmentation found in the CRT industry, making them a one-stop shop for all of their customer's needs and driving revenue retention. The Group's relationship with its customers is typically initiated through its energy payment solutions, but ultimately expands into a virtuous sales cycle with the addition of financing, toll payment solution, tax refund, telematics, smart routing and other adjacent services. This is driven by the Group's aim to constantly increase its share of customer wallet and is facilitated by its ability to seamlessly connect stakeholders across the CRT ecosystem. While the Group's services currently cover the majority of the overall customers spending or costs (excluding labour costs which vary depending on geographic location and hence removed from the sample), the Group aims to further increase its share of wallet by the introduction of new products and services.

The Group's customer base included approximately 14,621 payment solutions active customers and 81,658 payment solutions active trucks as at 30 June 2021. From 2016 to 2020, the Group experienced over 110% average net revenue retention from its repeat customers and the length of the Group's average customer relationship was approximately 7.4 years as at 30 June 2021. In 2020, the Group's top 50 customers

(representing only 0.3% of the total number of the Group's payment solutions active customers) represented only 8.5% of total net revenues, highlighting the Group's diversified customer base. Over time, repeat customers use more of the Group services. For example, the average customer with a one-year relationship with Eurowag (excluding ADS) uses on average 2.2 services (representing post-paid financing as a separate product). For the average energy customer with a six-year relationship with Eurowag, the average number of services increases to approximately three services. The Group's customer retention strategy is based on customer segmentation and cohort analysis, customised customer care services, including an internal unit dedicated to post-sale activities, and targeted customer retention campaigns, with different "at risk" classification for each customer segment. In addition, the Group provides a highly customised offering based on its proprietary pricing model that uses its access to millions of data points, including frequency of usage, company size/origin, location, customer price sensitivity, customer behaviour, transactional data and tenure.

The Group's digital on-boarding system is intended to provide a competitive advantage as it facilitates a centralised platform for the creation of customer awareness and deployment of marketing campaigns, actual on-boarding of customers on the client web portal, digital signing of contracts, credit check, order processing and activation, actual usage of purchased services, monetisation and customer engagement. In determining the credit risk of its customers, the Group performs a credit assessment which consists of a financial analysis of recent results and development as well as a business analysis and verification using available databases. The Group's credit risk department conducts ongoing, regular credit exposure monitoring, revising credit limits and updating collateral from customers as needed. The Group accepts cash deposits and advance payments from customers to secure credit exposure. Payments collected from customers unapplied to outstanding invoices are either held as cash advances (for post-paid products and services) or as top-up payments (for pre-paid products and services). The Group may use receivables from tax refunds processed on behalf of customers to secure credit exposure and reserves the right to apply cash collected from tax refunds to settle due debt. The Group also accepts other types of security (such as pledges of assets or promissory notes) to mitigate credit risk. As at 30 June 2021, approximately €4.9 million balance of customer deposits was held as security.

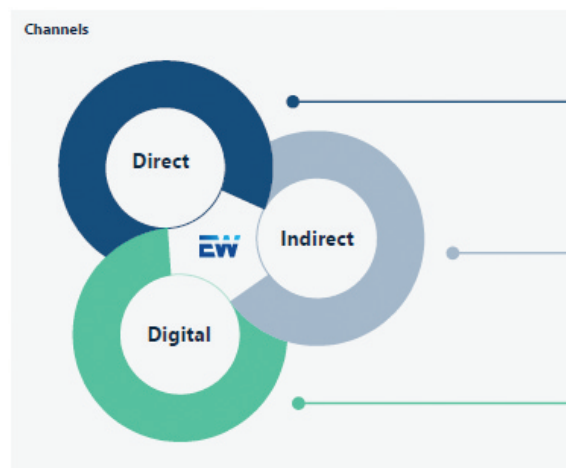
Sales and Marketing

The Group markets its products and services to small and mid-sized CRT customers across Europe through diversified channels including field sales, telesales, direct marketing, point-of-sale marketing, word of mouth and the internet. The Group also utilises its industry expertise through its sales force to target the right customer groups, with the right products and at the right price points. The ability of the Group's products and services to address the pain points of the CRT industry and of the individual truckers is a key selling proposition of the Group.

The Group deploys an efficient go-to-market strategy and operates a decentralised sales model to support customer proximity. The Group's sales force is comprised of approximately 345 full time employees (commercial unit) in 18 sales offices. This sales organisation is based on its three geographic clusters: Central Europe, Southern Europe and Western Europe. The Group's Central European cluster was serviced by 68 sales employees and six sales offices, as at 30 June 2021. Its Southern European cluster was serviced by 43 sales employees and seven sales offices, as at 30 June 2021 and its Western European cluster was serviced by 26 sales employees and five sales office, as at 30 June 2021.

Members of the Group's sales force are assigned specific lead generation methods, and its sales force channels and post-sales services to customers classify customers as Micro (with 1-4 truck(s)), Scaling (with 5-10 trucks), Pro (with 11-50 trucks), Advanced (with over 50 trucks) or a "VIP" customer (which refers to big brands and strategic clients, OEMs and tier 1 suppliers). Sales force effectiveness is measured by the number of new customers, number of trucks, margin per customer, lead conversion rate and revenue per full time employee. The sales force implements a multi-channel sales and marketing strategy to serve a low concentration and geographically diversified customer base that is focused on three main pillars: (i) direct sales; (ii) digital strategy; and (iii) indirect sales.

Figure 9: Group sales and marketing channels



Direct sales and marketing

The Group's direct sales strategy is intended to provide it with full control of customer acquisition. This strategy is based on a sales force team that uses industry expertise and country-specific databases of newly registered trucks and other databases to contact and secure new customers. The sales force team is made up of country sales managers, who manage sales operations for the entire country in target, area sales managers ("ASMs"), who pitch the Group's products and services to potential customers, and remote telesales representatives, who first call contacts to identify potential customers. The country sales managers are also supported in country by credit risk, customer care, tax refund, collections and product specialists teams that provide sales and post-sales support, allowing the Group to react to customer needs and address issues promptly as they arise. Furthermore, the Group's headquarters provides important steering inputs into the sales process, for example in pricing, credit risk assessment, legal department as well as aftersales.

The Group's ASM sales force is primarily made up of industry experts, with many ASMs being former employees in the CRT industry. Using their industry knowledge, ASMs work in collaboration with the efforts of telesales representatives to approach potential customers either from their contacts or the available databases, and pitch the Group's value proposition and key products. ASMs work with customers to create the appropriate combination of the Group's products and services to address each customer's needs. Once on-boarded, the ASM closely monitors the customer's activities using the Group's fully digitised dashboard and uses the data generated from monitoring to identify and pursue key cross-selling and up-selling opportunities.

ASMs and telesales representatives also use the Group's current customer data as it relates to customer payments and movements of goods to identify and pursue cross-sell and up-sell opportunities for tailored product and service bundles.

As at 30 June 2021, the Group's direct sales salesforce consisted of 137 sales employees in 18 offices across Central, Southern and Western Europe. The Group sets targets on a quarterly basis for its salesforce and monitors the results on a monthly basis. Quarterly sales bonus targets are focused on net revenues and strategic targets specified for individual countries (e.g. certain product sales targets or new customer acquisition). The performance of each ASM is monitored by the Group's digital tools and performance tracking systems that help ensure the cross-selling and up-selling of the Group's products and services.

Digital strategy and marketing

Currently, the Group uses a website interface that allows interested customers to provide their contact details and express interest in a product. Sales representatives will then contact customers to discuss and tailor the product and service offerings of the Group with the customer's needs. After a customer is on-boarded, the sales representative will monitor the customer's use of the product and services selected. Based on this data, sales representatives are able to identify and pursue opportunities to cross-sell or up-sell the Group's products and services.

The Group is developing a digital strategy that will use its technology and built-up frontend processes to gather additional data to convert potential new customers and to simplify the cross- and up-selling opportunities for its current customers. One example of this strategy will occur with navigation system users; through

customers' use of the Sygic's navigation apps like RoadLords, the Group will be able to suggest its other products and services such as its fuel cards or telematics products that could be coupled with RoadLords to enhance the user experience and data available to address the customer's needs.

The result will be a new digital strategy that is fully automated and reliant on processing of current customer data and a commerce platform that will have a check-out feature, allowing customers to select a product or service that they are interested in on the platform, tailor the selected product or service to the customer's needs and register them for the product or service.

Indirect sales and marketing

The Group's indirect sales strategy utilises leads generated through third party relationships to identify and pursue opportunities to cross-sell its primary product and service portfolio, with a focus on vertical and co-branded solutions. The current indirect sales and marketing strategy was recently developed towards the end of 2020 with the acquisition of the Sygic sales team and focuses on the automotive business unit. The indirect sales strategy seeks partnerships with OEMs that are actively reselling to their customers and currently partners with two major OEMs in Europe and India. Using these partnerships, the Group identifies opportunities to suggest products and services within its portfolio such as its energy and toll payment solutions, tax refunds or navigation systems to sell to OEMs.

Research and Product Development

The Group devotes significant resources into its research and development. Its product development is data-driven, customer-centric and co-created with employees, customers and partners based on deep-insights on customer pain points. More than 60% of the Group's employees are involved in its product development and delivery, while the remaining are in sales (15%), finance (8%), operations (9%) and other functions (8%). The Group's primary research and development concentrations fall into the following broad categories and initiatives: (i) developing advanced technologies, products and services, for its integrated payments solutions; (ii) innovations for alternative fuel services and delivery; and (iii) innovations in technologies, products and services for its mobility platform solutions.

Advanced technologies for products

The Group is investing in technologies across its product lines aimed at helping its customers operate more cost effectively, while reducing the carbon footprint of the CRT industry. Key research developments of the Group are focused on integrating the Group's products with global environmental sustainability goals. For instance, the Group is developing a total cost of ownership ("TCO") calculator based on energy alternatives to help provide customers with visibility on which vehicles by fuel types would be best for both their operating needs and the environment. Coupled with the Group's telematics and navigation products, customers through the TCO calculator would be able to also use their data to estimate costs of routes per fuel type, estimating toll and energy consumption needs. These estimates could aid the customer in deciding whether to invest in an alternative fuel or synthetic fuel powered vehicle.

Through Sygic, the Group is also developing its navigation systems which include payment for EV. Using Sygic's SDK, the Group is developing ways to further integrate the Group's mapping-related products, apps and web portals. These SDK developments are aimed at further developing and refining vehicle dimensions and truck-related road attributes. For example, the SDK is developing a layered map that can either be viewed on mobile phones or desktops, as well as complex routing and route optimisation algorithms that customers will be able to use for their delivery logistics. The SDK is also implementing search engine technology within the apps and integration through other online services.

The Group, through Sygic, is also committed to improving driver safety on the road through telematics adoption. One key research initiative focuses on how the Group's telematics products and Sygic app, Driver Score, can be used to reduce accidents and casualties on the road. This initiative will also be supported by insurance bundles with the Group's insurance partners, coaching and gamification. In 2019, as part of a year-long campaign that called for responsible usage of mobile phones by young people while driving, Sygic partnered with O2 to offer drivers scoring as well as a reward in the app, to motivate participants to cultivate safe driving habits. The partnership was ranked by the Global SABRE Awards as one of the top 40 in the world in 2020.

Innovations for alternative fuels and synthetic fuels

Using the EU regulations and supporting measures aimed at reducing CO₂ emissions and other greenhouse gases, the Group is investing in new ways, through research and development initiatives in alternative and synthetic fuels such as biofuels and e-fuels, to expand its energy payment solutions to vehicles powered by these types of fuels.

Innovations for automotive and eMobility

The Group's research and development through Sygic, has also focused on ways to further integrate automotive technology with smartphones and data. Sygic's automotive SDK for vehicle manufacturers, combines maps and navigation with new technologies available in cars, including data from internal sensors, voice control modules, and camera systems, all of which can be integrated to deliver a safer and proactive user experience.

The Group is also focusing on integrating data from electric vehicles and from e-charging points in order to improve eMobility, and ultimately facilitate a transition to eMobility worldwide. Integrating charging service data, vehicle data, and real-time driver feedback, the Group is researching ways data and technology can be used to enhance the driving range of electric vehicles. Integrating navigation with predictive routing for electric vehicles that is optimised based on vehicle charging needs and charging locations, the Group is using static and dynamic data from electric vehicles and navigation data to develop eRouting technology to automatically suggest the most efficient route to electric vehicle drivers and allow them to book the best charging spot at the time they will pass it in their route, accounting for whether a charge station is occupied and another station is needed.

In addition, through its partnership with LMS, the Group is exploring initiatives to reduce CO₂ emissions by providing car sharing options for users and by exploring means to incentivise eMobility. One of such initiatives looks at favourable tax policies for companies for charging and using electric vehicles in their fleet.

Information Technology

The Group's technology operates several proprietary processing systems which provide features and functionality needed to run its energy and toll payment solutions, tax refunds, telematics, smart routing and other adjacent services. As one of the fastest growing integrated mobility providers in Europe, the Group recognises the importance of state-of-the-art, secure, efficient and reliable technology for its business and has made significant investments in its software, applications, online platforms and infrastructure. It has implemented a combination of standard and custom-made IT systems, including application-specific measures such as market practice virus and access protection and encryption systems as well as standardised IT infrastructure and applications, which the Group mainly uses for its products and services, finance and human resource management. Custom-made solutions are in place to enable communication and configuration between the various different applications used by the Group. The Group regularly tests and updates its IT systems to accommodate the changing requirements arising from the growth of the Group.

Data centres and resilience

Most of the Group's IT systems and data are hosted and stored in a data centre operated by Vodafone Czech Republic, which the Group leases. The Group also has onsite backup of its data at its headquarters. The Group and Sygic also rely on cloud-based data storage systems hosted by Microsoft Azure. Within the Group's IT systems, which coordinates the operations of the Group's operations and stores data gathered from the Group's products, the Group's servers and backup systems have been designed or selected so that a software failure on a live operational application will failover to either alternative hardware on the Group's own servers, within the data centre or through a disaster recovery facility. Currently, the ADS IT systems and data are hosted and stored on their own systems and are expected be migrated to the Group's systems in the near term.

The Group's IT systems and platforms are designed and regularly tested to accommodate its operational needs as well as the functional needs of its payment and mobility solutions.

Data security

The Group's data security systems and processes have been implemented with the aim of ensuring that the Group's operations remain safe, secure and compliant with all applicable laws and regulations. These systems and processes focus on: (i) developing and improving the Group's ability to detect and address data security vulnerabilities and breaches; (ii) how the Group manages data security risks and its compliance with applicable laws and regulations; (iii) testing the data security of the Group's in house applications, products and systems.

The Group seeks to store and use customer data responsibly and has established clear data collection, storage and processing guidelines. Data is stored securely in line with the legal frameworks of the relevant jurisdictions the Group is operating in, with appropriate controls and regular audits. The Group seeks to be transparent about its use of data, via its privacy policy and through other notifications that it provides to its customers as necessary. Moreover, the Group has established processes and procedures to ensure that any collection of new data, or the use of data for a new purpose, is done lawfully and in line with customer expectations.

The Group conducts regular in-house security testing to ensure that its IT systems remain secure and functioning and that its employees are in compliance with the internal guidelines and policies established. This includes both front- and back-end web, mobile penetration tests as well as annual third party penetration testing of these systems.

The Group's IT team is organised by product units, with the majority of its employees being involved in product development and delivery. In this configuration, approximately 60% of the Group's employees across its offices in Europe are currently working in product units directly related to product development. The Group's products also require third party vendor applications and the Group's technology department has created systems to integrate third party vendor applications and sales and customer relationship management support and back-office support to help maintain these relationships.

Intellectual Property

The Group's solutions-oriented technology contains significant intellectual property, such as trademark, copyright and other intellectual property laws and confidentiality agreements to protect its intellectual property. The Group owns trademark registrations supporting a few of its product lines across the world, and is working to obtain the necessary intellectual property protection rights for the remaining assets. A diligent process of assessment of what IP needs to be protected precedes any registration. Its employees involved in technology development across all of its product lines and geographies are required to sign agreements acknowledging that all intellectual property created by them on the Group's behalf is owned by the Group. The Group also maintains internal policies and controls regarding the protection, disclosure and use of its confidential information.

Employees

The table below provides an overview of the average numbers of permanent employees the Group employed during the half-year ended 30 June 2021 and the years ended 31 December 2020, 2019, and 2018. These numbers are measured in full-time equivalents of the Group's employees ("FTEs").

	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
Total Employees	1031	905	926	904	657
<i>Of which:</i>					
ADS Employees	65	62	62	64	—
Sygic Employees	148	144	144	154	—
Eurowag Employees	770	699	720	686	657
KomTeS Employees	48	—	—	—	—

As at 30 June 2021, the Group had over 1,000 employees (measured in FTEs).

With the exception of certain employees in Italy and Spain, which are subject to industry standard arrangements, none of the Group's employees are subject to collective bargaining agreements.

The Group's Management considers its employee relations to be good. The Group has never experienced a work stoppage. Key pillars of the Group's human resource strategy include providing leadership and talent growth opportunities for its employees, attracting the best talents, fostering a collaborative and inclusive workplace culture, operating a digital and data-driven human resource function while ensuring high employee engagement.

Property

The following is a description of the material properties of the Group as at the date of this document.

Truck parks

The Group owns or leases and operates 26 fuel stations in truck parks that it fully manages. Of these 26, 18 are owned and 8 are leased. The leases are with various counterparties.

Truck wash and shop

The Group operates one truck wash and six shops (all of which are located in the truck parks), each of which it owns.

Headquarters

The Group's main headquarters building, in Prague, Czech Republic is 4,340 square meters and is leased. The Group also leases office buildings in Poland, Slovakia (also covering Hungary), Turkey, Bulgaria, Romania, Spain, and Portugal. ADS' main office is located in Araia, Spain. Sygic's main office is located in Bratislava, Slovakia and is 2,455 square meters and leased.

Regulatory Environment

The Group is subject to laws and regulations in the jurisdictions in which it operates and that apply to business offering payment solutions, card servicing, toll services, fuel distribution or managing customer data. The following, while not exhaustive, is a description of the regulations that are most material to the Group's business.

EETS Regulation

The EETS is a unified toll collection system regulated by EC Directive 2004/52/EC which is currently being rolled out in the EU. Its aim is to enable users to drive on all toll roads across the EU using only one single on-board device. With the unification, states only have to deal with a limited amount of certified toll collectors, EETS providers' must have completed ISO 9001 certification, verifying an effective Quality Management System ("QMS") and their OBUs must meet interoperability standards as determined through a rigorous testing procedure. EETS providers' must also demonstrate competency and experience in the provision of electronic tolling services or in relevant domains and the provider must be in good financial standing as determined by a credit assessment, security deposit or a guarantee from a bank. EETS providers' are also required to have a risk management plan to be audited every two years and must be in good reputational standing.

Eurowag is one of the few registered EETS providers in the Czech Republic and has its certification in Austria. Eurowag has successfully completed the pilot-phase for its certification in Belgium and is awaiting its certificate. The Group maintains all of its requirements as an EETS provider in each of the respective jurisdictions.

Regulation of fuel distribution and sale

Certain aspects of the Group's energy payment solutions operations are subject to licensing or notification requirements in the respective jurisdictions in which it operates. These requirements include:

- wholesale permits, which licence fuel distribution through the Group's bunkering sites in the Czech Republic, Austria, Denmark and Belgium;
- retail permits, which licence the sale of fuel at the Group's truck parks and fuel stations in the Czech Republic, Slovakia, Austria, Poland and Romania;
- fuel station operating licences, which permit the Group to operate the fuel stations it owns and rents in truck parks in the Czech Republic, Slovakia, Hungary, Poland and Romania; and
- notifications, which enable the retail sale of fuel at the Group's truck parks and fuel stations in Hungary.

In some of the jurisdiction in which the Group operates, due to their fuel sales model, local regulations do not require the Group to obtain a licence or permit for its operations and the Group is not subject to any special reporting requirements.

Energy efficiency regulations

In addition, energy efficiency regulations, which apply to companies (such as the Group) which sell transport fuel to end users, govern the level of energy savings which must be derived from fuel sold from the Group's truck parks, as compared to established benchmarks. In certain recent periods the Group has been required to pay energy efficiency contributions to regulatory authorities in respect of the mandated energy efficiency levels of fuel sold by the Group. See "*Risk Factors—Changes in laws, regulations and enforcement activities may adversely affect the Group's products and services and the markets in which it operates.*"

GDPR and Privacy and Electronic Communications Regulations

Many of the Group's businesses involve the use of customer data and are therefore subject to data protection laws and regulations in the jurisdictions in which it operates. The extent of regulation of data protection in Europe has increased in recent years. In particular, the GDPR regulations significantly changed the data protection landscape in the EU, strengthening the rights of individuals and imposing stricter controls over the processing of personal data, by both controllers and processors of personal data, and imposing heavy sanctions with substantial administrative fines and potential claims for damages from individuals for breach of their rights. GDPR also offers individuals the option to allow privacy organisations to litigate on their behalf, including collecting potential damages, which may result in a substantial increase in claims being brought. Should a serious data breach occur, the GDPR provides for increased obligations to notify regulators and individuals whose personal data has been compromised, and this may result in the imposition of significant sanctions and penalties, which require heightened escalation and notification processes with associated response plans. The Group and Sygic each have policies and procedures in place to ensure compliance with GDPR and other applicable requirements.

Payment Services Directive

The PSD2 and the Electronic Money Directive (Directive 2009/110/EC) ("**EMD**") were transposed into the Czech law via the Act No., 370/2017 Coll., on Payment Systems, which came into effect on 13 January 2018 with some provisions coming into force in September 2019. The Act on Payment Systems stipulates rules and licensing requirements for e-money institutions and rules on issuing of electronic money. The Act on Payment Systems applies to entities performing activities of payment institutions, e-money institutions, electronic money issuers or small-scale payment service providers.

The PSD2 aims to further develop the integrated internal market for electronic payments within the EU. Its objective is to the way in which digital payments are made, make transactions more secure and safeguard consumers. The PSD2 is addressed to all payment service providers—from banks to the fintech companies, telecommunication competitors, and third party providers—and requires banks to grant third party providers secure access to their customers' accounts on the basis of the availability of information on payment accounts, with the aim of creating a more efficient EU payments market.

The Act on Payment Services (a transposition of the PSD2 and EMD) regulates the pursuit of business in a Member State (the "**host State**") other than the Member State where the payment institution has its registered office and where it obtained authorisation to carry on business (the "**home Member State**") under the single European passport/licence through a branch (freedom of establishment) or on the basis of cross-border provision of services (freedom to provider services).

When a payment institution intends to provide payment services in another Member State, the supervision of these activities in principle remains with the home Member State. Consequently, the PSD2 regulates detailed passporting procedure. The passporting procedure aims to ensure better cooperation and information exchange between the national competent authorities. Though the entity is supervised by the regulator in the home Member State, the host Member State may require entities operating in its territory to report regularly on their activities. Where immediate action is required, the host Member State is allowed to take precautionary measures with regard to the payment institution concerned, in parallel to the host's duties of cooperation with the home Member State to find a remedy.

The regulation of PSD2 and EMD however, currently does not cover so-called closed-loop schemes, therefore, the Group's fuel cards are currently viewed as being out of the scope of regulation under PSD2, on the basis that these cards provide the means of authorising the initiation of a chain of purchase and sale, rather than acting as payment cards. The legal status of fuel cards as being out of scope of PSD2 is however not universally acknowledged among experts in the field, some of whom may interpret the regulation to mean that fuel cards do actually fall under the scope of PSD2, but are in turn covered by a "closed-loop" exemption therefrom.

The Act on Payment Systems excludes the (closed-loop) fuel cards (as a tool representing the issue or payments of funds intended solely for the payment of goods or services in premises used by the issuer of the instrument or goods or services to a narrowly defined range of suppliers or for the payment of a narrowly defined range of goods and services) from the definition of the payment services under the act however, the operator of the fuel cards taking advantage of the “closed-loop” exemption from PSD2 is obliged to notify such activity to the CNB once the volume of the transactions exceeds EUR 1 million in the period of 12 months. Out of an abundance of caution, given the interpretive leeway surrounding the classification of its fuel cards, the Group made the relevant notification to the CNB as an operator of “closed-loop” cards in 2018. Benefitting from the “closed-loop” exemption is a matter of factual assessment which is not conditional upon the notification or any prior registration with the CNB. The classification of fuel cards may be changed in the upcoming PSD3 or related closed-loop guidelines that are currently being prepared by EBA.

As home Member State, the CNB is a supervisory authority for W.A.G. IS as a holder of the Electronic Money Institution Licence. Based on the passporting procedure and the single European licence it may provide services under Electronic Money Institution Licence in Belgium, Bulgaria, Croatia, Denmark, Estonia, Finland, France, Ireland, Iceland, Italy, Cyprus, Liechtenstein, Lithuania, Latvia, Luxembourg, Hungary, Malta, Netherlands, Norway, Poland, Portugal, Austria, Romania, Greece, Slovakia, Slovenia, Germany, Spain and Sweden. W.A.G. IS outsources most of its IT related activities to the Operating Company, which must also comply with PSD2 requirements.

The CNB also serves as supervisory authority in relation to the notifications regarding the operations of the fuel cards by the Group.

In the absence of the “closed-loop” exemption from PSD2, the Group would be required to obtain a payment licence for its fuel card offering, incurring additional compliance costs, which could be significant, as well as requiring significant on-boarding time for its customers. Any such changes to PSD2 could also prove an opportunity for the Group, despite higher compliance costs in the short term, on the basis that the Group’s wholly-owned subsidiary W.A.G. IS is licenced by the CNB as an electronic money institution, and could therefore be used to comply with any new PSD3 requirements along these lines. This could provide the Group with a competitive advantage as compared to peers without such a licence.

The Group may also be required to modify the acceptance network business model and incur significant additional costs and operational disruption if the Vega International case and other recent cases in the European Court of Justice determine that the Group’s fuel card operations are considered the provision of credit rather than the supply of fuel.

See “Risk Factors—Changes in laws, regulations and enforcement activities may adversely affect the Group’s products and services and the markets in which it operates.”

The Czech National Bank

The payments services and issuance of electronic money is supervised by the CNB. The CNB exercises regulatory and supervisory powers in the area of payments and electronic money, as well as the rest of the Czech financial sector (including the banks, capital markets, insurance, pension funds and credit unions as well as the foreign exchange sector). The CNB promotes operation of the payment system and contributes to the safety, soundness and efficiency of payment systems and to the development thereof.

As a general rule, the CNB exercises banking supervision over payment services provided by the entities domiciled in the Czech entities or entities operating through the branch or permanent establishment subsidiaries in the Czech Republic.

Distribution of insurance (intermediation)

The Group’s insurance distribution is provided through its entities W.A.G. IS and Liserteco, pursuant to their respective insurance distribution licences (which are granted under regulations applicable to the distribution of insurance in the Czech Republic, specifically Act No. 170/2018 Coll., on distribution of insurance and reinsurance, which became effective on 1 December 2018). Both entities are in compliance with the requirements applicable under its insurance distribution licences.

W.A.G. IS is registered as the independent distributor of insurance in the Czech Republic and, based on EU passporting procedures, may thereby also provide insurance distributor services in Belgium, Bulgaria, Croatia, Denmark, Estonia, Finland, France Ireland, Iceland, Italy, Cyprus, Liechtenstein, Lithuania, Latvia, Luxembourg, Hungary, Malta, Netherlands, Norway, Poland, Portugal, Austria, Romania, Greece, Slovakia,

Slovenia, Germany, Spain, Sweden. Liserteco is registered as an insurance intermediary by the Insurance Institute of Portugal.

Anti-Money Laundering and Counter Terrorism Regulations

The applicable laws and regulations in the various jurisdictions in which the Group provides its products and services have significant AML and anti-terrorism compliance and due diligence requirements. The Group is in compliance with these obligations.

Regulatory Opportunities for the Group

EU Mobility Package

The EU Mobility Package (“**Mobility Package**”) is a set of EU initiatives concerning the governance of CRT in the EU and is designed to ensure adequate working conditions for drivers, harmonise administrative requirements and support developments within the sector. The harmonisation and implication of rules regarding CRT in the EU is aimed at ensuring consistent enforcement across all Member States, supporting social fairness, fair competition, improving the environmental performance of road transport operations and encouraging innovation. The key proposals for the Group in the Mobility Package focus on CO2 monitoring and reporting of heavy duty vehicles, clean vehicles directives, a battery initiative, digitisation of freight transport documents and deployment of advanced vehicle technology.

European Green Deal

The European Green Deal is a strategic document presented by the EU Commission aimed at transitioning the EU economy to a sustainable economic model. The overarching objective of the EU Green Deal is for Europe to become the first climate neutral continent by 2050, resulting in a cleaner environment, more affordable energy, smarter transport, new jobs and an overall better quality of life. There are several funding mechanisms in place to facilitate the EU Green Deal, totalling over €1 trillion and aimed at investing in the delivery of policy reform needed to transform the EU’s economic growth and climate neutrality. The Group already puts a strong emphasis on environmental responsibility, aimed at reducing GHG emissions, inefficiencies in the transport industry and fostering the gradual transition to clean mobility and expects that the European Green Deal will contribute to an increased demand for its eMobility, alternative fuels and administrative products and services over time. The Group has a policy and clear agenda to drive all aspects of its environmental sustainability objectives.

Environmental, Social and Governance

The Group has built an ESG framework that embeds ESG into its way of working. The three key components of this framework focus on compliance, leadership and transformation. Through compliance, the Group meets its regulatory requirements and also fulfils industry standards in areas such as supply chain sustainability and responsible procurement, ethical business conduct and in its selling practices. Through leadership, the Group leads the industry by exceeding best practices in key areas such as by reducing emissions directly attributed to the Group, inclusive recruiting and employment and by creating high quality local job opportunities. Through transformation, the Group helps to transform the industry and broader society, enabling the energy transition in the European CRT industry, reducing CRT emissions across Europe, helping small customers be more successful and by improving truckers’ wellbeing and safety.

In order to provide greater oversight over the Group’s ESG activities, an ESG programme and an ESG Committee were established in 2020.

Through its own organisation, the Group has implemented various sustainability measures and initiatives around ESG related themes to support its members and community, of which some examples are included below.

Environmental

- The Group continues to expand its services and offerings while also investing in research and developments for alternative fuels and electric mobility.
- The Group was one of the first in the region to introduce the diesel engine pollution reducing additive, AdBlue, as well as high grade biofuels of first generation.

- The Group launched the Alternative Fuels Advisory Service, to guide and advise its customers on the adoption of clean fuels and related products services.
- In 2021, the Group plans to start measuring its own carbon footprint and, in the future, to align these measures and report under global reporting standards, including ESG reporting standards of the Task Force on Climate-related Financial Disclosures (“TCFD”) and Global Reporting Initiative (“GRI”).

Social

- The Group’s leadership has built a collaborative environment where its employees thrive as evidenced by the Group’s employee high engagement, reflected in an eNPS score of 16.6 and an 82% retention rate. Total turnover decreased by 5% in the year ended 31 December 2020 when compared the year ended 31 December 2019, whereas voluntary turnover was only 11% by the end of 2020. In the six months ended 30 June 2021, total turnover similarly decreased by 2% when compared to the six months ended 30 June 2020.
- The Group commits to distributing 1% of earnings before tax and partakes in a number of philanthropic schemes and corporate initiatives, such as “Philanthropy & You”, Eurowag’s own strategic charitable programme, and “Truck-Help Foundation”, a foundation that the Group supports on a long-term basis for families who have lost members during their work as professional drivers, that enable it to support the communities built around it. In addition, all employees are encouraged to use “Be Better” volunteering days all year and 80% of employees are involved in the Group’s social responsibility engagements.
- A key priority for the Group as it grows its culture is to access a broader and more diverse pool of talent. Currently, 80% of the Group’s senior managers are non-Czech and the Group employs people from 30 different nationalities, aged 20 to 70 and has flexible working options for employees’ work-life balance needs, with 12% of its employees working on a part-time basis. The majority of the Group’s employees fall between ages 20–50 (excluding Sygic and KomTes acquisitions, where the majority is expected to be between 20–40), with approximately 25% being 20–30, 45% being 30–40 and 25% being 40–50.
- The Group has focused on building a diverse leadership team to help bring together a broader range of experience and thinking in its business. As at the year ended 31 December 2020, the Group’s gender breakdown was 54% men and 46% women, with 20% of the senior leadership team identifying as women. As at the date of this document, 22% of the Group’s executive committee identifies as women.

Governance

- The Group is ISO 14001:2015 certified, which defines the minimum operating standards related to its Czech fuel stations and car washes. The Group is currently in the process of receiving its certification in other countries.
- The Group has developed assurance functions around customer privacy and data security, anti-corruption and anti-bribery, ethical business conduct, transparency and financial regulatory compliance and selling practices.
- The Group established an ESG committee in 2020.

The Group has also developed a materiality matrix that identifies the most critical ESG matters associated with its business. Together with its external advisers, the Group also continues to assess areas where it can further strengthen its position of responsible and transparent market player.

ESG policy

All elements of the Group’s ESG agenda are linked to its purpose which is to create sustainable financial and technological solutions for the benefit of the CRT industry, society and the environment. The Group’s ESG policy establishes three core objectives for the Group: (1) that ensure an ongoing understanding of how ESG impacts the Group’s business, (2) implements processes for reliable identification of ESG issues that are most material to the Group and its business, and (3) introduce robust governance structures to manage and report of ESG risks and opportunities in line with common standards and reasonable expectations. Initiatives targeted at delivering its ESG ambitions are incentivised by the Group and overseen by dedicated executive and non-executive committees. Accountability is enhanced by external reporting of ESG KPIs and the communication of ESG strategy.

Risk Management

The Group believes that effective risk management is essential to its financial strength and for setting and achieving its business objectives. The following provides a summary of how risk is managed by the Group through its internal governance, regulatory and compliance standards, financial risk management framework, credit risk management system and “know your customer” and anti-money and laundering processes and procedures.

Internal Governance

The Group has established three lines of defence to understand and manage the risks it is exposed to: (1) its management is accountable for the design, implementation and practice of risk management policies and primarily responsible for risk identification, measurement, management, monitoring and reporting lines, (2) its risk and compliance function is responsible for setting up a formal framework, guidance processes and group wide policies. Additionally, the risk and compliance function challenges risk identification, measurement, management, monitoring and reporting and (3) its internal audit is responsible for assessing and reporting the effectiveness of the design and operation of the control framework. The internal audit enables risk to be assessed and managed appropriately.

The Group employs 14 risk, compliance and audit professionals. Furthermore, in 2020, the Group conducted over 30 internal and external audits.

Regulatory and Compliance Standards

The Group is licensed to issue and distribute electronic money and provide payment services to customers. Additionally, the Group has a deep understanding of local and European regulatory environments, while also maintaining longstanding relationships with multiple regulators.

Furthermore, the Group maintains a comprehensive compliance framework that reflects its business and is aligned with globally recognised standards. The Group continually monitors its compliance framework and has adopted a number of key policies, including a code conduct, anti-money laundering and countering the financing of terrorism, anti-bribery and anti-corruption, conflicts of interests, whistle-blower and discrimination and harassment. The Group’s compliance framework is consistent with international sanctions regimes.

Financial Risk Management Framework

The Group’s financial risk management framework enables it to appropriately monitor credit, foreign currency, liquidity and interest rate risks.

The Group utilises expected loss based risk and proprietary models that are automated for small exposures in select markets to monitor its credit risks. The Group also employs credit insurance. In 2020, the Group’s credit loss was 23 bps of total payments processed, including tolling.

The Group also utilises natural hedging, contractual hedging and financial hedging to manage its foreign currency risk. Additionally, the Group employs systematic and proactive management of payments with centralized collections and cash management to manage its liquidity risk. As of 31 December 2020, the Group’s current ratio was 1.0x. The current ratio was defined as current assets divided by current liabilities.

Furthermore, 100% of the Group’s interest rate exposure is hedged through interest rate swaps.

Credit Risk Management System

The Group’s key pillars for its credit risk management system are its: (1) customer credit scoring, which is semi-automated and handled by its team of credit professionals and enables enterprise resource management and customer relationship management integration, (2) scoring parameters such as, financial reports, debit registers, credit agencies, history of payment discipline and on boarding questionnaires for sole traders, (3) customer profile which includes a diversified base, low market concentration and geographical splits, (4) risk model, which produces: country specific scorecards, probabilities of default derived for each customer, expected loss vs expected net revenues of customers and formulated behavioural probabilities of customer default, used to update expected loss and (5) process, which includes a manual annual application score, an automated monthly behavioural score, centralised credit expertise, local sales support and cash collection teams, weekly credit calls per country and bi-weekly group cash committees.

Furthermore, the Group is developing a rules-based Automatic Credit Approval System (“ACAS”) to be rolled out in 2021 initially for individual exposures up to €5,000. Additionally, the Group is developing an early warning system to enhance existing credit risk management processes.

“Know Your Customer” and Anti-money and laundering processes and procedures

The Group has developed “know your customer” and anti-money and laundering processes and procedures that enable it to protect its business while simplifying on boarding customers and reducing costs and operational burden.

Insurance

The principal risks covered by the Group’s insurance policies relate to property damage, third party liability, business interruption, product liability, directors’ and officers’ liability and certain other coverage consistent with customary practice for the type of business the Group operates. The Group believes that its insurance coverage, including the excess set, maximum coverage amounts and terms and conditions of the policies are standard for the Group’s industry and are appropriate.

In addition, the Group has credit insurance to ensure against the risk of default from customers on its trade and other receivables (and includes coverage of the factored receivables as discussed in the *“Operating and Financial Review—Trade Receivable Factoring Facilities”*).

The Group’s credit includes limits on an aggregate basis over the year and also on an individual customer exposure basis.

Health, Safety, Security and Environment

The Group is committed to protecting the health, safety, security, environment and well-being of its employees, contractors and visitors to its office locations and to ensuring that it is in compliance with health and safety regulations. Amidst the COVID-19 pandemic, the health and safety of the Group’s employees has been of vital importance to the Group. In early 2020, the Group implemented a COVID-19 task force to prioritise its response to the pandemic. Operating on the task force and local regulatory requirements, the Group pivoted to a remote work environment in March 2020 and instituted a series of employee-focused initiatives such as remote working webinars, to help employees adjust to working from home in line with government restrictions, and the Group provided employees with loans for families who had members that lost their job due to the pandemic. For employees and contractors operating at the Group’s offices, truck parks and other customer services, the Group implemented temperature checks and rules and procedures around social distancing and hand-washing to provide a safe working environment for all. These measures met and in some cases exceeded the legal requirements imposed by government authorities.

The Group continues to provide frequent communication and information to its employees through a dedicated Chief People Officer, Kristi Ansberg. To ensure a safe and healthy workplace, the Group has performance indicators in place, including but not limited to the employee engagement and satisfaction with environment, policies and guidelines to assure equal opportunities for all employees and potential employees in the Group’s hiring, during employment and upon exit. The Group’s measures the engagement of its employees on an annual basis and creates improvement plans based on the measurements collected. In 2021, the Group partnered with diversity and inclusion advisors in order to start building more inclusive and diverse workplace for all current and future employees.

The Group also offers its employees a number of development opportunities and resources including leadership skills programmes, e-learning courses and trainings, and a performance evaluation process where their growth and development is supported by their line managers who work with them to build personal development goals and receive feedback regarding their progress and achievements. As part of its focus on employee health, the Group also provides additional vacation and health days, arranges educational online sessions regarding mental health and provides free access to psychology consultations to all employees and occasional online fitness sessions.

Dividend Policy

The Company prioritises investments into organic and inorganic growth including into technology transformation and its end-to-end integrated digital platform. The Company does not intend to distribute profits to shareholders and retains any profit or loss on the balance sheet. The Directors may propose a change of the dividend policy. Any final dividend is subject to approval of shareholders.

DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

Board of Directors

The principal duties of the Board are to provide the Company's strategic leadership, to determine the fundamental management policies of the Company and to oversee the performance of the Company's business. The Board is the principal decision-making body for all matters that are significant to the Company, whether in terms of their strategic, financial or reputational implications. The Board has final authority to decide on all issues save for those which are specifically reserved to the general meeting of shareholders by law or by the Company's Articles of Association.

The key responsibilities of the Board include:

- determining the Company's strategy, budget and structure;
- approving the fundamental policies of the Company;
- implementing and overseeing appropriate financial reporting procedures, risk management policies and other internal and financial controls;
- proposing the issuance of new ordinary shares and any restructuring of the Company;
- appointing executive management;
- determining the remuneration policies of the Company and ensuring the independence of Directors and that potential conflicts of interest are managed; and
- calling shareholder meetings and ensuring appropriate communication with shareholders.

Members of the Board are appointed by the shareholders for three-year terms, subject to annual re-election in accordance with the Governance Code. Board members may serve any number of consecutive terms.

The Company expects that the Board will consist of the eight members listed below from the date of Admission.

Name	Age	Nationality	Position	Date of Appointment to Board
Paul Manduca	69	British	Chair	7 September 2021
Martin Vohánka	45	Czech	Chief Executive Officer	3 August 2021
Magdalena Bartoś	41	Polish	Chief Financial Officer	3 August 2021
Joseph Morgan Seigler	44	American	Non-Executive Director	7 September 2021
Mirjana Blume	46	Swiss	Senior Independent Non-Executive Director	7 September 2021
Caroline Brown	59	British	Independent Non-Executive Director	7 September 2021
Sharon Baylay	53	British	Independent Non-Executive Director	7 September 2021
Susan Hooper	61	British	Independent Non-Executive Director	7 September 2021

The business address of each of the members of the Board is Horton House, Exchange Flags, Liverpool, Merseyside L2 3PF, United Kingdom.

The management expertise and experience of each of the Directors is set out below:

Paul Manduca (*Independent Non-Executive Director and Chair*)

Paul Manduca has had a long career in the business and financial services sectors, including in a number of senior executive and non-executive leadership positions. Paul is the Chair of St James's Place plc and Templeton Emerging Markets Investment Trust plc. Until 2020, Paul was also the Chair of Prudential plc, a role he held since 2012, having originally been appointed to the board as Senior Independent Director in 2010, and Chair of RateSetter, a role he held since 2017. Paul also held roles as Non-Executive Director of WM Morrison Supermarkets Plc from 2005 until 2011 (including roles as Audit Committee Chair and as Remuneration Committee Chair), as Non-Executive Director and Audit Committee Chair of KazMunaiGas Exploration & Production from 2006 until the end of 2012 and as Chair of Henderson Diversified Income Limited from 2007 until 2017. Paul was appointed to the role of global Chief Executive Officer of Rothschild Asset Management in 1999 and subsequently held the role of European Chief Executive Officer of Deutsche Asset Management from 2002 to 2005. Earlier in his career, Paul served as Chair of the Association of Investment Companies, as Chair of TheCityUK's Leadership Council and as founding CEO of Threadneedle Asset Management Limited. Other previous appointments include as Chair of Aon UK Limited from 2008 to

2012, having served as a Non-Executive Director since 2006, JPM European Smaller Companies Investment Trust Plc and Bridgewell Group plc and as a director of Henderson Smaller Companies Investment Trust plc, Eagle Star Insurance Company and Allied Dunbar.

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

Martin Vohánka (*Chief Executive Officer*)

Having founded the Group in 1995 shortly after leaving high school, Martin is the Chief Executive Officer of the Group, a role which he has held since the business' inception.

In 2014, Martin was a finalist in the EY Entrepreneur of the Year.

Martin holds an MBA from the University of Pittsburgh and is currently completing an executive management course (Owner/President Management) at Harvard Business School. Martin lectures at the University of Economics in Prague.

Magdalena Bartoś (*Chief Financial Officer*)

Magdalena is the Chief Financial Officer of the Group, having been appointed to the role in September 2019. Magdalena has extensive financial leadership experience in the areas of fuel and energy, manufacturing, services and consultancy, having previously served as Chief Financial Officer of Paged S.A. from January 2017 to September 2018, PGE Polska Grupa Energetyczna S.A. from January 2014 to March 2016, ENEA Operator Sp. z o.o. from August 2013 to December 2013, and Zelmer S.A. from December 2009 to March 2012. Magdalena has also held the role of Finance Director for Poland at Nike, where she worked from April 2012 until July 2013. Magdalena spent her early career working in consultancy at EY.

Magdalena holds a postgraduate degree in Business (Africa Business and Beyond) from SWPS University in Warsaw, and a master's degree in Management, Capital Investments and Corporate Financial Strategies from the University of Economics and Business in Poznań.

Joseph Morgan Seigler (*Non-Executive Director*)

Morgan is a Managing Director at TA Associates and co-head of its European Technology Group. In addition to leading TA Associates' investment into the Group in 2016, his other investments at TA Associates have included Auction Technology Group, Netrisk, Compusoft Group, Datix Ltd, Access Technology, ITRS, Flashtalking and Thinkproject!. Prior to joining TA Associates in 2002, Morgan worked for Morgan Stanley and Raymond James.

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

Mirjana Blume (*Senior Independent Non-Executive Director*)

Mirjana has more than 20 years' experience in the areas of corporate finance, turnaround management, structuring of companies and management of complex corporate transactions. She is a member of the Board and the Audit Committee of Orell Füssli Ltd, a Swiss business operating in the security printing, bookselling and publishing sectors listed on the SIX Swiss Exchange, IWB Industrielle Werke Basel Ltd, a Swiss electricity, water, biogas, IT and telecom services provider (where she is Vice-Chair of the Board and Chair of the Audit Committee), EWE Ltd, a Swiss provider of energy, telecommunications, and information technology solutions, Eniso Partners Ltd, a Swiss Asset Management firm and secretary of the Board of Qnective Ltd, a Swiss communications solutions provider. Mirjana held the role of Chief Financial Officer at Qnective Ltd until 2018 and, earlier in her career, was Chief Executive & Financial Officer of Edisun Power Europe Ltd, Chief Financial Officer of MediService Ltd and Chief Financial Officer for Novartis Oncology Switzerland.

Mirjana holds an MBA from the University of St. Gallen and a bachelors degree in Business Economics.

Caroline Brown (*Independent Non-Executive Director*)

Caroline has over 20 years main board experience across the technology, financial services and industrials sectors. Currently she is a Non-Executive Director of three listed entities on the London Stock Exchange: IP Group plc, a business commercialising intellectual property in life sciences and technology (where she chairs the Audit and Risk Committee); Georgia Capital plc a listed private equity firm; and Luceco plc, an industrial technology manufacturing business. Dr. Brown is also a Non-Executive Director of NYSE-listed Rockley

Photonics Holdings Limited, a health-tech business, and is an external member of the Clifford Chance Partnership Council. Her early career was spent in corporate finance with BAML (New York), UBS and HSBC advising global corporations and governments on capital markets and mergers and acquisitions.

Caroline holds a first class undergraduate degree and PhD in Natural Sciences from the University of Cambridge, an MBA from the Cass Business School, University of London and is a Fellow of the Chartered Institute of Management Accountants.

Sharon Baylay (*Independent Non-Executive Director*)

Sharon has had a successful career in technology, media and digital roles, and has extensive corporate governance experience. Sharon has been appointed Chair of Restore plc, which is the AIM-listed provider in integrated information and data management, technology recycling, and commercial relocation services, with effect from October 2021, and where she currently holds the roles of Senior Independent Non-Executive Director and Chair of the Risk Committee. Additionally, Sharon currently holds roles as Non-Executive Director and Chair of the Remuneration Committee and the ESG Committee of Hyve Group plc, the organiser of international trade exhibitions and conferences which is listed on the main market of the London Stock Exchange. Sharon is a former Non-Executive Director of Ted Baker plc and was acting Chair from December 2019 until she stepped down from the board in July 2020. Sharon is Non-Executive Chair at Unique X Ltd, an independent technology consultancy and Non-Executive Chair at DriveWorks Ltd, an independent design automation company—both of which are backed by the Business Growth Fund. Sharon is also Non-Executive Chair at Foundation SP Ltd, backed by Lloyds Development Capital. She has previously been Marketing Director and main Board Director of the BBC, responsible for Marketing Communications and Audiences, and spent 16 years at Microsoft where she was a Board Director of Microsoft UK and Regional General Manager of MSN International.

Sharon holds a graduate Diploma in Marketing from the Chartered Institute of Marketing and is also a Fellow of Chartered Institute of Marketing. She also holds an FT/Pearson Non-Executive Director Diploma. Sharon is an Advanced Coach & Mentor, accredited by the Chartered Institute of Personnel and Development and a Member of Women in Advertising and Communications Leadership.

Susan Hooper (*Independent Non-Executive Director*)

Susan has extensive experience within a broad range of large consumer-facing businesses in both executive and non-executive roles. Susan is a Non-Executive Director of Moonpig Group plc (where she is also Chair of the Remuneration Committee, ESG lead and designated representative for workforce engagement), Uber UK, The Rank Group plc (where she is also Chair of the ESG and Safer Gambling Committee) and Affinity Water Limited (where she is also Chair of the Remuneration Committee). Susan is also a founding director of ChapterZero.org.uk, an organisation dedicated to helping board directors and chairs get the knowledge and insight on climate change for use in board discussions. Until June 2020, Susan was a Non-Executive Director of Wizz Air plc, and, until March 2020, she was a Non-Executive Director for the Department for Exiting the European Union. Susan has held multiple board roles in UK, US and Europe in listed, private equity and family run businesses. Susan has previously held roles as Managing Director of British Gas Residential Services and as Chief Executive of Acromas Group's travel division (including the brands Saga and the AA). Prior to this, Susan held senior roles at Royal Caribbean International, Avis Europe, PepsiCo International, McKinsey & Co, and Saatchi & Saatchi.

Susan holds bachelor's and master's degrees in International Politics and Economics from the Johns Hopkins University and the Johns Hopkins University's School of Advanced International Studies (SAIS).

Senior Management

<u>Name</u>	<u>Year of birth</u>	<u>Nationality</u>	<u>Position</u>
Martin Vohánka	1975	Czech	Chief Executive Officer
Magdalena Bartoś	1980	Polish	Chief Financial Officer
Ivan Jakúbek	1978	Slovak	Chief Strategy Officer
Sundeep Mehta	1975	British	Chief Commercial Officer

The business address of each of the members of the senior management is Horton House, Exchange Flags, Liverpool, Merseyside L2 3PF, United Kingdom.

For detail of the management expertise and experience of Martin Vohánka and Magdalena Bartoš refer to “—Board of Directors”. The management expertise and experience of each of the senior management team is set out below:

Ivan Jakúbek (Chief Strategy Officer)

Ivan is the Chief Strategy Officer of the Group, having been appointed to the role in July 2021. Ivan previously served as the Group’s Chief Corporate Development Officer from April 2017 to July 2021. Before joining the Group, Ivan was a Vice President at the central European private equity group Enterprise Investors, which he joined in August 2005. As part of this role, Ivan gained extensive experience in leading fast-growing businesses on a global scale. He held Non-Executive Director roles at AVG Technologies, (later acquired by AVAST), a then NYSE-listed cybersecurity software company, and was a Supervisory Board member at Kofola, a Prague-listed soft drinks producer, and STD Donivo, a leading central-European international freight and haulage company. Prior to joining Enterprise Investors, Ivan worked as a corporate finance associate at Deloitte.

Ivan holds a master’s degree in Finance, Banking and Investments from Ekonomická univerzita in Bratislava. Ivan completed executive management courses in leadership and product management at the University of California, Berkeley (Haas School of Business) and the London Business School.

Ivan holds an ACCA qualification and is a Fellow member of the Association of Chartered Certified Accountants.

Sundeep Mehta (Chief Commercial Officer)

Sundeep is the Chief Commercial Officer of the Group, having been appointed to the role in October 2020. Sundeep has over 20 years of commercial leadership experience specialising on rapidly growing technology businesses. Prior to joining the Group, Sundeep spent six years at Google between 2014 and 2020 as General Manager establishing a new Business Unit in Products and Services. In the period between 2009 and 2014, Sundeep established the European iPhone Business and lead the scaling efforts across the region at Apple.

Earlier in his career, Sundeep held positions at Telefonica, Siemens, and Hutchison Whampoa between 2000 and 2008.

Sundeep holds a Postgraduate Diploma in Corporate Strategy from the University of Nottingham and is a Chartered Management Accountant.

Corporate Governance

The Board is firmly committed to the high standards of corporate governance. At Admission, the Company will comply with the provisions of the UK Corporate Governance Code issued in July 2018 by the Financial Reporting Council, as amended from time to time (the “**Governance Code**”), and the Company intends to comply in full with the Governance Code over time. Thereafter the Company intends to continue to comply with the relevant principles and provisions of the Governance Code on an ongoing basis.

As envisaged by the Governance Code, the Board has established an audit committee, a nomination committee and a remuneration committee. If the need should arise, the Board may set up additional committees as appropriate.

The Governance Code recommends that at least half the board of directors of a UK-listed company, excluding the chairperson, should comprise non-executive directors determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director’s judgement (“**Independent Non-Executive Directors**”). As at the date of this document, the Board consists of the independent non-executive chair (the “**Chair**”), four independent non-executive Directors (the “**Independent Non-Executive Directors**”), the Chief Executive Officer and the Chief Financial Officer (together, the “**Executive Directors**”) and one non-executive Director (a “**Non-Executive Director**”). The Company regards the Chair “independent” upon appointment and all of the Independent Non-Executive Directors an “independent”, in each case within the meaning of the Governance Code and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

The Governance Code also recommends that the chairperson, on appointment, should meet such independence conditions.

The Governance Code recommends that the Board should appoint one of its Independent Non-Executive Directors to be the senior independent director (“**SID**”) to provide a sounding board for the Chair and to serve as an intermediary for the other Directors when necessary. The SID should be available to Shareholders if they

have concerns that the normal channels of Chair, Chief Executive Officer or other Executive Directors have failed to resolve, or for which such channel of communication is inappropriate. The Company's SID is Mirjana Blume.

The Governance Code further recommends that directors should be subject to annual re-election. The Company intends to comply with this recommendation.

Audit and Risk Committee

The Audit and Risk Committee assists the Company's Board in discharging its responsibilities with regard to financial reporting, external audits and internal controls and risk reporting.

Its role includes reviewing and monitoring the integrity of the Company's annual and interim financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the Company's relationship with external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of the internal control review function. The Audit and Risk Committee assists the Board with risk appetite, tolerance and strategy, and the monitoring of internal controls and risk systems. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board.

The Disclosure Guidance and Transparency Rules require that a majority of members of the audit committee be independent and that at least one member has competence in accounting and/or auditing. In addition, the Governance Code recommends that the audit committee should comprise at least three Independent Non-Executive Directors, that at least one member has recent and relevant financial experience and that the committee as a whole has competence relevant to the sector in which the Company operates. The Board considers that the Company complies with the requirements of the Disclosure Guidance and Transparency Rules and the recommendations of the Governance Code in those respects.

The current members of the Audit and Risk Committee are Caroline Brown, Mirjana Blume, Susan Hooper and Sharon Baylay. Caroline Brown is the Chair of the Committee, and Caroline Brown and Mirjana Blume have recent and relevant financial experience and competence in accounting and/or auditing. The Audit Committee is required to meet at least four times a year.

Nomination Committee

The Nomination Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board and, in particular, for monitoring the independent status of the Independent Non-Executive Directors. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or committee members as the need may arise.

The current members of the Nomination Committee are Paul Manduca, Caroline Brown, Mirjana Blume, Susan Hooper and Sharon Baylay. The Nomination Committee is required to meet at least two times a year. The Governance Code recommends that a majority of the nomination committee should comprise Independent Non-Executive Directors. The Board considers that the Company complies with the recommendations of the Governance Code in this respect.

The terms of reference of the Nomination Committee covers such issues as membership and the frequency of meetings, as mentioned above, together with requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Nomination Committee to carry out its duties.

Remuneration Committee

The Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration and workforce engagement, including making recommendations to the Board on the Company's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of the Company's remuneration policy and determining the individual remuneration and benefits package of each of the Company's Executive Directors, senior management and, if the role is occupied by an individual, the Company Secretary.

The current members of the Remuneration Committee are Sharon Baylay, Caroline Brown, Mirjana Blume and Susan Hooper. The Governance Code recommends that the Remuneration Committee should comprise at least three members who are Independent Non-Executive Directors, one of whom may be the Chair (but who may

not chair the Remuneration Committee), and that before appointment as chair of the Remuneration Committee, the appointee should have served on a remuneration committee for at least 12 months. The Board considers that the Group complies with the recommendations of the Governance Code in this respect. The Remuneration Committee is required to meet at least three times a year.

The terms of reference of the Remuneration Committee covers such issues as membership and the frequency of meetings, as mentioned above, together with requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Remuneration Committee to carry out its duties.

Share Dealing Code

The Company has adopted, with effect from Admission, a code of securities dealing in relation to the Ordinary Shares and a policy with respect to the entry into transactions with persons related to the Company which is based on the rules of the UK Market Abuse Regulation. The code adopted will apply to the Directors and other relevant employees of the Group. The policy is based on the mandatory provisions of the UK Market Abuse Regulation and of the Listing Rules which apply to the Company and persons related to the Company.

SELECTED FINANCIAL INFORMATION AND OPERATING DATA OF THE OPERATING GROUP
SELECTED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
			(EUR '000)		
Revenue from contracts with customers	784,369	604,963	1,252,954	1,363,452	920,846
Costs of energy sold	(711,513)	(544,523)	(1,124,348)	(1,248,870)	(847,127)
Net energy and services sales	72,856	60,440	128,606	114,582	73,719
Other operating income	341	314	942	762	235
Employee expenses	(26,567)	(19,235)	(41,407)	(38,117)	(26,348)
Depreciation and amortisation	(10,457)	(8,728)	(18,246)	(18,708)	(7,767)
Impairment losses of financial assets	(1,152)	(3,763)	(4,061)	(6,798)	(4,042)
Technology expenses	(2,782)	(2,082)	(4,049)	(3,339)	(1,970)
Other operating expenses	(15,009)	(11,232)	(24,600)	(24,788)	(18,594)
Operating profit	17,230	15,714	37,185	23,594	15,233
Finance income	31	36	141	2,430	957
Finance costs	(4,571)	(4,602)	(8,488)	(7,488)	(2,639)
Share of net loss of associates	(295)	—	—	—	—
Profit before tax	12,395	11,148	28,838	18,536	13,551
Income tax expense	(3,588)	(2,290)	(5,886)	(5,648)	(4,329)
PROFIT FOR THE PERIOD	8,807	8,858	22,952	12,888	9,222
OTHER COMPREHENSIVE INCOME					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Change in fair value of cash flow hedge recognised in equity	3,123	(5,786)	(4,002)	545	(1,352)
Exchange differences on translation of foreign operations	925	(1,477)	(835)	(279)	(177)
Deferred tax related to other comprehensive income	—	103	46	(136)	267
COMPREHENSIVE INCOME FOR THE PERIOD	12,855	1,698	18,161	13,018	7,960
Total profit for the period attributable to equity holders of the operating company . .	8,657	8,118	21,239	11,308	9,222
Total profit for the period attributable to non- controlling interests	150	740	1,713	1,580	—
Total comprehensive income for the period attributable to equity holders of the operating company	12,688	957	16,468	11,428	7,960
Total comprehensive income for the period attributable to non-controlling interests	167	741	1,693	1,590	—

SELECTED CONSOLIDATED BALANCE SHEET

	As at 30 June	As at 31 December		
	2021	2020	2019	2018
		(EUR '000)		
ASSETS				
Non-current assets				
Intangible assets	183,992	171,364	165,474	42,165
Property, plant and equipment	33,925	32,975	35,889	28,344
Right-of-use assets	8,074	8,644	10,591	9,417
Investments in associates	13,551	—	—	—
Financial assets	139	258	125	1,243
Deferred tax assets	8,840	7,057	5,636	1,378
Derivative assets	—	—	445	—
Other non-current assets	4,329	4,395	5,009	1,547
Total non-current assets	252,850	224,693	223,169	84,094
Current assets				
Inventories	4,075	5,289	7,374	4,229
Trade and other receivables	305,898	236,432	250,298	165,205
Income tax receivables	2,646	1,212	2,383	—
Derivative assets	1,193	526	1,748	24
Cash and cash equivalents	78,477	118,105	59,783	40,805
Total current assets	392,289	361,564	321,585	210,263
TOTAL ASSETS	645,139	586,257	544,755	294,357
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital	4,169	4,158	4,158	4,132
Share premium	3,127	2,927	2,927	2,679
Foreign currency translation reserve	1,163	255	1,070	1,359
Reserve fund	437	437	428	428
Cash flow hedge reserve	(832)	(3,955)	1	(408)
Business combinations equity adjustment	(23,501)	(46,009)	(41,745)	—
Retained earnings	80,760	72,177	50,258	42,850
Equity attributable to equity holders of the operating company	65,323	29,990	17,097	51,040
Non-controlling interests and other equity	8,524	34,115	32,487	—
Total equity	73,847	64,105	49,584	51,040
Non-current liabilities				
Interest-bearing loans and borrowings	153,609	128,965	130,838	23,057
Lease liabilities	6,308	7,155	9,114	8,338
Provisions	—	—	—	3
Deferred tax liabilities	4,907	3,858	4,838	350
Derivative liabilities	1,433	2,691	1,239	559
Other non-current liabilities	27,388	22,273	45,782	1,187
Total non-current liabilities	193,645	164,942	191,811	33,494
Current liabilities				
Trade and other payables	334,017	305,957	251,428	168,630
Interest-bearing loans and borrowings	32,261	42,274	42,990	33,673
Lease liabilities	2,629	2,208	2,183	1,448
Provisions	1,766	1,380	3,486	4,327
Income tax liabilities	6,972	4,332	1,870	1,256
Derivative liabilities	2	1,059	1,403	489
Total current liabilities	377,647	357,210	303,360	209,823
TOTAL EQUITY AND LIABILITIES	645,139	586,257	544,755	294,357

SELECTED CONSOLIDATED STATEMENT OF CASH FLOWS

	For six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Cash flows from operating activities			(EUR '000)		
Cash flows from operating activities					
Profit before tax for the period	12,395	11,148	28,838	18,536	13,551
Non-cash adjustments:					
Depreciation and amortisation	10,457	8,728	18,246	18,708	7,767
Gain on disposal of non-current assets	22	(2)	(48)	(39)	(11)
Interest income	(21)	(24)	(50)	(39)	(17)
Interest expense	2,234	2,975	5,469	3,417	781
Movements in provisions	375	1,712	1,883	(1,003)	421
Impairment losses of financial assets	1,152	3,763	4,061	6,798	4,042
Movements in allowances inventories	—	41	89	—	(36)
Foreign currency exchange rate differences	5	(1,419)	1,372	331	437
Fair value revaluation of derivatives	140	(365)	(1,057)	(30)	106
Other non-cash items	1,305	345	565	2,392	2,154
Working capital adjustments:					
(Increase)/decrease in trade and other receivables and prepayments	(65,262)	(59,677)	1,047	(14,875)	(41,604)
(Increase)/decrease in inventories	1,422	2,250	1,855	(1,761)	(1,180)
Increase in trade and other payables	45,942	29,890	36,698	36,991	32,579
Interest received	21	24	50	39	17
Interest paid	(2,014)	(2,615)	(5,086)	(5,861)	(711)
Income tax paid	(4,173)	(1,488)	(7,273)	(9,572)	(5,028)
Net cash flows (used in)/from operating activities	4,000	(4,714)	86,659	54,032	13,268
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment	89	25	89	116	69
Purchase of property, plant and equipment	(2,445)	(2,264)	(3,221)	(8,136)	(7,155)
Purchase of intangible assets	(13,283)	(6,275)	(19,954)	(16,398)	(8,754)
Purchase of financial instruments	—	(111)	(127)	(139)	(1,802)
Investment in subsidiaries, net of cash acquired	(27,749)	—	—	(104,880)	(678)
Investment in associates	(10,685)	—	—	—	—
Net cash (used in)/from investing activities	(54,074)	(8,625)	(23,213)	(129,437)	(18,320)
Cash flows from financing activities					
Payment of lease liabilities	(1,047)	(1,088)	(2,145)	(1,872)	(1,258)
Proceeds from borrowings	39,786	11,972	12,147	235,646	3,156
Repayment of borrowings	(8,593)	(2,221)	(4,494)	(126,176)	(4,812)
Dividend payments	(3,480)	(2)	(65)	(24,436)	—
Proceeds from issued share capital	211	—	—	274	442
Net cash provided by (used in) financing activities	26,877	8,661	5,443	83,436	(2,472)
Net increase in cash and cash equivalents	(23,196)	(4,678)	68,889	8,031	(7,524)
Effect of exchange rate changes on cash and cash equivalents	—	—	(217)	4	73
Cash and cash equivalents at beginning of period	88,961	20,289	20,289	12,254	19,705
Cash and cash equivalents at end of period	65,765	15,611	88,961	20,289	12,254

Non-IFRS Financial and Operating Data

The tables below present certain non-IFRS financial measures, which are not liquidity or performance measures under IFRS, and which the Group considers to be APMs. These APMs are prepared in addition to the figures that are prepared in accordance with IFRS and are not audited. 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. For more information regarding these measures, including definitions thereof, see "*Presentation of Financial and Other Information—Non-IFRS Information*".

	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
	(unaudited) (EUR '000, except percentages)				
Operating profit	17,230	15,714	37,185	23,594	15,233
Depreciation and amortisation	10,457	8,728	18,246	18,708	7,767
EBITDA	27,687	24,442	55,431	42,302	23,000
Non-recurring M&A-related expenses ⁽¹⁾	111	34	376	1,914	919
Non-recurring IPO-related expenses ⁽²⁾	2,827	—	330	—	—
Strategic transformation expenses ⁽³⁾	764	681	1,238	1,211	—
Share-based compensation ⁽⁴⁾	1,665	581	1,224	1,673	1,945
Adjusted EBITDA	33,054	25,738	58,599	47,100	25,864
<i>Adjusted EBITDA margin</i>	<i>45.3%</i>	<i>42.6%</i>	<i>45.6%</i>	<i>41.1%</i>	<i>35.1%</i>

(1) Non-recurring M&A-related expenses represent non-recurring fees and other costs relating to the Group's acquisitions activity.

(2) Non-recurring IPO-related expenses relate to non-recurring advisory and other expenses relating to the Admission.

(3) Strategic transformation expenses represent costs relating to broadening the skill bases of the Group's employees (including in respect of executive search and recruiting costs) as well as costs related to transformation of key IT systems.

(4) Share-based compensation represents equity-settled and cash-settled compensations provided to the Group's management.

	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
	(unaudited) (EUR '000)				
Profit for the period	8,807	8,858	22,952	12,888	9,222
Amortisation of business combination adjustments ⁽¹⁾	2,710	2,843	5,577	8,525	1,565
Amortisation due to transformational useful life changes ⁽²⁾	851	—	261	—	—
Specifically disclosed items affecting Adjusted EBITDA ⁽³⁾	5,367	1,296	3,168	4,798	2,864
Tax effect ⁽⁴⁾	(2,584)	(850)	(1,838)	(4,060)	(1,415)
Adjusted earnings (net profit)⁽⁵⁾	15,151	12,146	30,120	22,152	12,236

(1) Unaudited. Amortisation of business combination adjustments represents assets recognised at the time of an acquisition (primarily, ADS and Sygic).

(2) Unaudited. Amortisation due to transformational useful life changes represents assets being replaced by new technologies.

(3) Specifically disclosed items affecting Adjusted EBITDA is comprised of the items presented in the preceding table which reconcile EBITDA to Adjusted EBITDA.

(4) Unaudited. Tax effect represents a decrease in tax expense as a result of above adjustments.

(5) Unaudited. 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.

	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
	(unaudited)				
	(EUR '000, except percentages)				
Segment revenue from contracts with customers					
<i>Payment solutions</i>	765,649	588,391	1,218,438	1,330,027	904,428
<i>Mobility solutions</i>	18,720	16,572	34,516	33,425	16,418
Segment net revenues					
<i>Payment solutions</i>	54,136	43,868	94,090	81,157	57,301
<i>Mobility solutions</i>	18,720	16,572	34,516	33,425	16,418
Contribution ⁽¹⁾	60,812	48,198	104,766	91,015	57,238
Of which:					
<i>Payment solutions</i>	47,780	36,146	79,726	66,634	47,645
<i>Mobility solutions</i>	13,032	12,052	25,040	24,382	9,592
Contribution margin ⁽²⁾	83%	80%	81%	79%	78%
Of which:					
<i>Payment solutions</i>	88%	82%	85%	83%	84%
<i>Mobility solutions</i>	70%	73%	73%	72%	56%
Corporate overhead and indirect costs ⁽³⁾	(27,758)	(22,460)	(46,167)	(43,915)	(31,374)
Specifically disclosed items affecting Adjusted EBITDA ⁽⁴⁾	(5,367)	(1,296)	(3,168)	(4,798)	(2,864)
Depreciation and amortisation	(10,457)	(8,728)	(18,246)	(18,708)	(7,767)
Operating profit	17,230	15,714	37,185	23,594	15,233

(1) Contribution represents, for each of the Group's two operating segments, that segment's net energy and services sales (i.e., its net revenue), less those elements of operating costs that can be directly attributed to or controlled by the segment. Contribution does not include indirect costs and allocation of shared costs that are managed at Group level and are therefore shown separately as corporate overhead and indirect costs.

(2) 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 (i.e., its net revenues).

(3) Corporate overhead and indirect costs represent costs that cannot be directly attributed to or controlled by the segment.

(4) Specifically disclosed items affecting Adjusted EBITDA are the income or expenses that have been recognised in a given period which, due to their one-off and non-recurring nature, should be disclosed separately to give a more comparable view of the adjusted financial performance over time. Specifically these are comprised of the items presented in the table above which reconcile EBITDA to Adjusted EBITDA.

	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
	(unaudited)				
	(EUR '000, except percentages)				
Adjusted EBITDA	33,054	25,738	58,599	47,100	25,864
Recurring ordinary capital expenditure ⁽¹⁾	1,644	1,452	3,291	3,853	3,388
Recurring infrastructure capital expenditure ⁽²⁾	1,963	1,469	1,842	6,983	6,440
Operating free cash flow	29,447	22,817	53,466	36,264	16,036
Operating free cash flow conversion ⁽³⁾	89.1%	88.7%	91.2%	77.0%	62.0%

(1) Recurring ordinary capital expenditure represents ordinary course investments intended to refresh and update existing technology, including small improvements or updates of existing systems or services (and without any transformational or innovation aspects).

(2) Recurring infrastructure capital expenditure represents investments in the Group's operating assets which are not technology related, including in respect of the Group's truck parks and other physical assets.

(3) Represents Operating free cash flow divided by Adjusted EBITDA.

The tables below present certain key performance indicators that are not defined or recognised under IFRS. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based require a level of judgement and can vary from company to company. These key performance indicators are included because Management believes that they are used widely by certain investors, securities analysts and other interested parties as supplemental measures of operating performance. These are not measures of operating performance derived in accordance with IFRS and should not be considered in isolation or as a substitute for analysis of the Group historical financial results based on IFRS.

For more information regarding these measures, including definitions thereof, see “*Presentation of Financial and Other Information—Operating Data and Key Performance Indicators*”.

	As at and for the six months ended 30 June		As at and for the year ended 31 December		
	2021	2020	2020 (Unaudited)	2019	2018
Number of payment solutions active customers ⁽¹⁾	14,621	12,754	13,180	11,919	9,114
Number of payment solutions active trucks ⁽²⁾	81,658	69,367	72,884	66,592	50,113
Number of payment solutions transactions ⁽³⁾	16,318,102	14,130,194	29,101,053	26,624,154	18,414,583

- (1) Number of payment solutions active customers represents the number of customers who have used the Group’s payment solutions services in a given period, calculated as the average of the number of active customers for each month in the period. A customer is considered an “active customer” if it uses the Group’s payment solutions products at least once in a given month.
- (2) Number of payment solutions active trucks represents the number of customer vehicles which have used the Group’s payment solutions services in a given period, calculated as the average of the number of active customer vehicles for each month in the period. A customer vehicle is considered an “active truck” if it uses the Group’s payment solutions products at least once in a given month.
- (3) 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. A fuel transaction is defined as one completed (i.e. not cancelled or otherwise terminated fuelling transaction). AdBlue transactions are not counted as standalone fuel transaction. A toll transaction is defined as one truck passing through a given toll gateway per day and per merchant country (meaning multiple passages by the same truck through any toll gateway in one merchant country in a given day is still counted as one transaction).

OPERATING AND FINANCIAL REVIEW

This discussion of the Group's financial condition and results of operations contains forward-looking statements which, although based on assumptions that the Group considers reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. For a discussion of risks and uncertainties facing the Group as a result of various factors, see "*Presentation of Financial and Other Information—Information Regarding Forward-Looking Statements*" and "*Risk Factors*". In addition, certain industry issues also impact the Group's financial condition and results of operations, as described in "*Market Trends Impacting the Industry*".

Overview

The Group's business involves the provision of services to the CRT industry which are focused on two primary segments:

- Payment solutions, comprising (i) energy payments through pre-pay or post-pay fuel cards and (ii) toll payments; and
- Mobility solutions, comprising (i) tax refund services; (ii) telematics; (iii) smart routing apps; and (iv) other adjacent services.

The Group's payment solutions segment generated €54.1 million of net revenues in the six months ended 30 June 2021 (74.3% of Group net revenues) and €94.1 million of net revenues in the year ended 31 December 2020 (73.2% of Group net revenues). The mobility solutions segment generated €18.7 million of net revenues in the six months ended 30 June 2021 (25.7% of Group net revenues) and €34.5 million of net revenues in the year ended 31 December 2020 (26.8% of Group net revenues).

By combining its technological innovations and solutions for the CRT industry, the Group has built an innovative proprietary technology platform that is focused on simplifying the complex CRT payments ecosystem by enriching and simplifying customer and merchant interactions. The Group's rapidly growing pan-European payments and mobility platform has evolved around making truckers' lives easier, better and more profitable, whether prior to their journey to deliver goods, on the road or after their delivery. Through this platform, the Group offers a set of solutions that provide a one-stop-shop experience for CRT customers to access payment solutions for their energy needs and tolls, and mobility solutions for telematics products, smart navigation, tax refund services and other adjacent services.

The Group's integrated payment solutions provide customers with a cashless, secure and efficient means to pay for their energy needs and toll transactions, all with the use of the Group's proprietary technology and its extensive network of key partnerships across approximately 30 countries. The Group's mobility solutions seek to provide its customers with streamlined and efficient processes in relation to their tax refund needs that significantly improve their cash flows, provide premium and quality maps and location-based technology services that can be customised to customer needs, and offer telematics products that provide customers with various fleet operating metrics in real time contributing to efficiency in customer operations and helping to reduce the carbon footprint of the CRT industry. As part of its mobility solutions segment, the Group also offers customers other adjacent services such as an open-loop prepaid or post-paid payment card operated by Crosscard that customers typically use for non-energy related transactions and cross-border currency exchange services. The Group also acts as a broker for key service providers to offer its customers access to insurance, factoring, and roadside services (including parking and washing) and offers administrative support services to help companies with the registration of their drivers in relevant member states, for example, in relation to minimum wage requirements for truck drivers (referred to as the "posting of drivers") according to the requirements of the EU Mobility Package.

The Group's primary customer base is made up of small and mid-sized CRT businesses that typically have approximately seven employees, manage trucks which each consume approximately 40,000 litres of fuel per year and move goods across approximately 130,000 kilometres annually. The Group's products and services are intended to elevate the capabilities of its customers, alleviate many of the burdens associated with the CRT industry and streamline truck and back-office operations by coupling them with the Group's extensive CRT focused network, technology solutions and negotiating power. This helps customers optimise their costs and working capital, increase utilisation of their assets and reduce labour intensity.

The Group has developed a diverse, active and loyal customer base that it seeks to expand by using its data capabilities to target customer needs and cross-sell and upsell appropriate products. Growth in the Group's customer base is supported by the Group's marketing strategy that uses geographic clusters and three primary sales channels, which are (i) direct sales through a dedicated in-country team and a telesales team; (ii) indirect

sales through the Group's OEM partnerships and leads generated from third party relationships; and by utilising (iii) digital sales through leads generated from the Group's current applications.

For the year ended 31 December 2020, the Group's net revenues (being the Group's sales net of the cost of energy resold to customers) were €128.6 million, representing an increase of 12.2% as compared to €114.6 million in the year ended 31 December 2019. For the year ended 31 December 2020, the Group's profit for the year was €23.0 million, representing an increase of 78.0% as compared to €12.9 million in the year ended 31 December 2019.

Recent Developments and Outlook

Trading in July 2021 was in line with the underlying results experienced in the six months ended 30 June 2021, reflecting continued growth in the Group's net revenues, number of active payment solutions customers, number of active payment solutions trucks and number of payment solutions transactions as compared to the same period in 2020 (and noting the strong July 2020 comparison period which was an exceptionally strong month in trading terms, due to the relaxation of certain COVID-19-related restrictions in various jurisdictions, which boosted CRT activity).

Overall, the Group continues to grow net revenues and its customer base as compared to the same period in 2020. The business is continuing to perform in line with expectations and the Directors view the outlook for the remainder of the financial year with confidence.

Key Factors Affecting Results of Operations

The Group's results of operations have been, and will continue to be, affected by many factors, some of which are beyond the Group's control. This section sets out certain key factors the Group considers to have affected its results of operations for the last three years and which could affect its results of operations in the future.

Energy prices, spreads and volumes

The Group's energy payment solutions business represented 61% of the Group's net revenues in 2020. This business segment includes revenue from two distinct business models: (1) the acceptance business model, which features energy sales through acceptance partner locations (third party-owned fuel stations), allowing customers to use Eurowag fuel cards to purchase fuel at those stations, (2) fuel sold by fuel stations in Eurowag owned, or leased and operated truck parks directly to customers and bunkered fuel owned by the Group which is sold to its customers via third party owned fuel stations.

For all three of these business models, the Group's energy revenue reflects the total value of all energy sold, and therefore is subject to variations in wholesale energy prices, on the basis that higher fuel prices raise the value of the transactions processed by the Group, and lower energy prices decrease the aggregate value of such transactions. The Group's costs of energy sold, representing the wholesale prices paid by the Group to suppliers for the energy sold, also will increase or decrease according to underlying energy prices, resulting in a mitigating impact of higher or lower energy prices, when reflected in the Group's net energy and services sales line item. As a result, while volatility in underlying fuel prices does have an impact on the Group's net energy and services sales, the impact on net revenues and on operating profit is minimal. Moreover, in all three models, the Group's net energy and services sales is driven by the total volume of energy sold rather than its value. This provides the Group a fuel price agnostic revenue model, unaffected by fuel price volatility, resulting in protection for the Group on both fluctuations in wholesale energy prices and from a decline in gross revenues.

Presented below is a discussion of the impact of energy prices and fuel price spreads on each of these three business models.

- For energy sold through its acceptance network, (which, including ADS, represented 44.8% of energy payment solutions net revenues in 2020), the Group buys energy from an acceptance partner and sells it to its customers at the same time, adding an individual margin for each unit of energy sold on top of its cost of energy, and as a result the Group's net energy and services sales is not affected by wholesale energy price fluctuations. As a result, in this model the risk of fuel price fluctuations is entirely borne by its acceptance partners, rather than the Group itself.
- For fuel sold through fuel stations in the Group's owned, or leased and operated truck parks directly to customers and bunkered fuel owned by the Group which is sold to its customers via third party owned fuel stations (which, including those owned, or leased and operated by ADS, represented 55.2% of energy payment solutions net revenues 2020), the Group buys fuel directly from refiners or large distributors and

either sells it to customers directly (in its truck parks) or through bunkering sites which support both 91 third party owned fuel stations and the Group's 26 truck parks. Such fuel typically turns over within a day, thereby minimising the Group's commodity price risk on its inventory. The Group adds an individual unit margin on top of its cost of fuel, also mitigating its exposure to fuel price volatility at the level of the Group's net energy services sales. For bunkered fuel, the Group also pays a throughput fee per litre sold to the station owner in order to use the facility for distribution. This throughput fee is reflected in the individual unit margin charged by the Group to its customers.

For each of the above business models, the individual unit margin added by the Group to energy sales volumes is comprised of a mix of credit and financing charges and a unit sales margin, both of which are reasonably stable. Increases or decreases in the level of sales volumes are therefore the key factor determining changes in the Group's net energy revenue between periods.

As a result of the above pricing and distribution structure, the Group is not exposed to any significant negative impact from energy price fluctuations with regards to its energy payment solutions. In general, low and stable wholesale energy prices favour the Group's energy payments business, by making the use of the CRT market attractive to shippers (who bear part of the cost of any increase in energy prices). In addition, increased volumes of energy consumed by the CRT sector, which reflect growth in GDP, higher retail sales, and increasing industrial outputs, are generally favourable to the Group's energy payments business.

Economic conditions and volume of trade in Europe

The Group's revenue is substantially driven by the volume of cross-border trade conducted by its customers. These trade volumes are determined by a number of factors, including, economic conditions and cycles globally and in the key markets of operation for the Group and consumer behaviour.

The CRT industry is an essential pillar of the economy with an annual turnover of approximately €324.5 billion and accounts for 75% of the total European land freight transportation volume, according to Eurostat. Unfavourable economic conditions such as declining consumer confidence, increasing unemployment, inflation or recession, government austerity measures or constrained credit markets tend to impact cross-border trade volumes as they each can lead to a reduction or plateau in spending or impact the cost to move goods from one country to another. The cost of transport can contribute substantially to total prices paid by consumers which in turn can lead to reduced cross-border trade and consumers opt for potentially cheaper, local goods. Inversely, actual or anticipated improvements in economic conditions generally result in higher demand for goods which in turn positively drives cross-border trade volumes.

Changing preferences in consumer behaviour can also impact the volume of cross-border trade. Currently, the growth in e-commerce is evidence of changing consumer behaviour with regards to the purchase and delivery of goods and is expected to impact the CRT industry, according to Market Data. A key feature for the CRT industry of e-commerce that is driving trade volumes is the last-mile delivery model, in which goods are delivered to customers in the quickest means possible. Due to the low bottlenecks in infrastructure and low costs, land transport is typically the preferred means of transport for such goods and according to market data, last-mile delivery is expected to grow in the future, increasing cross-border movement of goods and in turn the Group's revenue.

According to Market Data, local consumption aspects of consumer behaviour have also grown and can impact the volume of cross-border trade. The promotion of sustainability initiatives and the purchasing of local goods and produce could lead to lower freight transport or shorter average distances travelled which could in turn reduce the volume of cross-border trade conducted by the Group's customers. However, Market Data shows that the overall freight transport industry has been growing historically and is still expected to grow by approximately 2 to 3% per year. This coupled with the rising use of sustainable road transport vehicles that rely on alternative fuels or zero emission standards create favourable options for consumers and can result in maintained or increased volumes of trade and transport of goods which are expected to positively impact the Group's revenue.

The impact of the changing regulatory environment

The Group is subject to laws and regulations in the jurisdictions in which it operates and that apply to businesses offering payment solutions, card servicing, toll services, fuel distribution or managing customer data. The Group's business lines are affected by the complex and changing requirements of the countries in which the Group's customers operate, and which vary from country to country.

For instance, the Group's fuel cards are currently viewed as being out of the scope of regulation under PSD2, or as being subject to PSD2 but able to operate under a "closed-loop" exemption therefrom. However, there is no assurance that this exemption will continue to be available, and, as such, the Group's on-road mobility business may come under regulation, thus increasing the Group's compliance costs and on-boarding time for its customers.

Any such changes to PSD2 could also prove an opportunity for the Group, despite higher compliance costs in the short term, on the basis that the Group's wholly owned subsidiary WAG IS is licenced by the CNB as an electronic money institution, and could therefore be used to comply with any new PSD3 requirements along these lines. This could provide the Group with a competitive advantage as compared to peers without such a licence. The Group may also be required to modify the acceptance network business model and incur significant additional costs and operational disruption if the Vega International case and other recent cases in the European Court of Justice determine that the Group's fuel card operations are considered the provision of credit rather than the supply of fuel. In addition, the introduction of a "reverse charge" VAT system for energy products would significantly reduce demand for the Group's tax refund business. See *"Risk Factors—Changes in laws, regulations and enforcement activities may adversely affect the Group's products and services and the markets in which it operates."*

There is also a risk that demand for fuel, and consequently the fuel volumes sold by the Group, may be reduced by factors such as the implementation of fuel efficiency standards, or additional environmental regulations that control or limit GHG emissions. While the Group continues to make extensive efforts to advance clean mobility, and is introducing alternative fuels like LNG and CNG through certain of its own as well as some of its acceptance point partner stations, its energy business remains considerably reliant on the level of payment transactions for fossil fuels. See *"Risk Factors—Legislation and regulation of greenhouse gases ("GHG") could adversely affect the Group's business."* The Group intends to mitigate this risk further by implementing its strategy, including by the expansion of its product and service offering, investing in its digital platform (enabling connecting of more merchants and customers), enabling energy transition through alternative fuels, and by expansion of its eMobility capabilities.

Changing regulations can also prove a source of market opportunities for the Group's business, as regulatory requirements create greater complexity and favour companies like the Group which have the scale and experience to operate across multiple jurisdictions in a changing regulatory environment. For example, more robust environmental regulations that control or limit GHG emissions are expected to increase demand for the Group's e-mobility offerings, as well as its navigation products and fleet management solutions, in the telematics business. In particular, the European Green Deal strategic framework, which aims at making Europe the first climate neutral continent by 2050, is expected to contribute to increased demand for the Group's eMobility and alternative fuel offerings over time. Increased regulation in general also introduces ever more administrative burden and complexity for the Group's customers, making them more likely to rely on external providers such as the Group for assistance. For example, in relation to registration of employees under minimum wage requirements for truck drivers, the Group has begun to offer administrative support services to customers through a brokerage partnership. Over the longer term, the Group is also evaluating opportunities to offer new products and services in response to the additional requirements imposed on its customers in respect of driver working conditions under the EU Mobility Package, which has been in force since August 2020.

Acquisitions

The Group has completed multiple acquisitions and equity investments throughout its history, by which it has sought to enter into adjacent product markets, increase its customer base and accelerate its vision by acquiring necessary capabilities and talent for its expansion. Generally, the Group's acquisitions are targeted at either gaining market/customer portfolio advantages or increasing capacity with respect to technology or other competencies. Payment for the first category, such as the ADS acquisition, is largely in line with market/industry standard valuations. Consideration for the second category—technology acquisitions, such as Sygic, LMS or Drivitty, includes alongside the market/industry standard valuations an assessment on the uniqueness of the asset and its fit to the Group's overall strategy. The Directors intend to continue to seek opportunities to use mergers and acquisitions to build the Group's integrated mobility ecosystem and unlock growth and synergistic profitability.

The impact of acquisitions has significantly contributed to the growth of the Group's revenues and expenses, and may continue to have a significant impact on the Group's results of operations going forward. The Group has also benefited from, and expects to continue to experience, significant organic growth in its existing businesses. The Group's acquisitions also require it to incur certain direct expenses (representing fees and other costs of negotiating and executing acquisitions) as well as strategic transformation expenses (which are partly

driven by, or accelerated by, acquisitions) representing costs relating to broadening the skill bases of the Group's employees, including in respect of executive search and recruiting costs) as well as costs related to transformation of key IT systems.

Of particular note:

- On 24 January 2019, the Group acquired a 75% stake in ADS, which expanded its market presence and accelerated market entry plans in Spain and Portugal, for cash consideration of €74.1 million. The Group consolidated the results of ADS in its consolidated statement of comprehensive income from that date (and subsequently acquired the remaining 25% stake in ADS on 9 March 2021, for cash consideration of €27.0 million). From the date of acquisition until 31 December 2019, ADS contributed €304.5 million of energy revenue, €18.6 million of net energy and services sales, €1.8 million of profit after tax and €12.4 million of Adjusted EBITDA. The Group's Historical Financial Information does not include the financial information for ADS for the period from 1 January 2018 through 23 January 2019, which affects the comparability of the Group's results.
- On 15 April 2019, the Group also acquired a 70% stake in Sygic, a developer and provider of mobile navigation solutions, for cash consideration of €45.5 million. The Group has the option to purchase the remaining 30% stake for the price calculated on the basis of a specific formula taking into consideration factors such as the enterprise value of Sygic and its subsidiaries on cash free debt free basis, the increase in value between the date of the Sygic acquisition and the date the Sygic Call Option is calculated and the relevant balance sheet date, and certain additional adjustments in respect of changes to Sygic's net working capital. The Group consolidated the results of Sygic in its consolidated statement of comprehensive income from that date. From the date of acquisition until 31 December 2019, Sygic contributed €11.4 million of mobility solutions net revenues, €1.7 million of profit after tax and €4.2 million of Adjusted EBITDA. The Group's Historical Financial Information does not include the financial information for Sygic for the period from 1 January 2018 through 14 April 2019, which affects the comparability of the Group's results.

Additional information about the impact on the Group's operating results from the ADS and Sygic businesses is provided below under "*Results of Operations*."

On 15 January 2018, the Group acquired Aldobec, which expanded its telematics capabilities. This contributed €0.8 million of net revenues and €0.1 million of Adjusted EBITDA in 2018.

As a result of its recent acquisition activity, the Group expects non-recurring acquisition-related depreciation and amortisation expenses of approximately €5 million in each of 2021, 2022 and 2023 (assuming no new acquisitions).

Operating leverage

The Group's largely fixed cost business model generates strong operating leverage and scalability. Operating expenses (representing all cost items between net energy and services sales and operating profit) principally comprise employee expenses, depreciation and amortisation, and other operating expenses. During the period under review, the Group's ability to leverage its operating model has resulted in operating expenses growing at a CAGR of 25.4% during the three years ended 31 December 2020, as compared to net revenues which grew at a CAGR of 32% across the same period. The operating leverage inherent to the business model also has enabled the Group to increase its Adjusted EBITDA margin. During the years ended 31 December 2018, 2019 and 2020, the Group's Adjusted EBITDA margin was 35.1%, 41.1% and 45.6%, respectively. Management believes there is room for further operational cost improvements as the business grows.

Seasonality

Historically, the Group's revenue has exhibited certain strong seasonal trends, which may cause fluctuations in its net revenues and adjusted EBITDA during any given year. In a typical year, the seasonality of the Group's business parallels the seasonality of the CRT sector, featuring increased volumes transported from September to November (reflecting the re-opening of economies after summer holidays, as well as the build-up to the pre-Christmas retail sales peak). August, by contrast, is generally the Group's lowest trading month, as a large number of industrial sites are closed, or producing at lower capacity (due to holidays in most of the Group's markets). As a result, the final quarter of the year is generally the strongest, and the third quarter the weakest, in the CRT sector as a whole and also for the Group. In addition, the specific timing of the number of public holidays and timing of public holidays in any given month can also have an impact on the Group's results.

During the periods under review, the seasonal effects described above, when applied to the Group's business performance, have been somewhat diminished by the steady growth of the business, both organically and from acquisitions. During 2020, as a result of restrictions on movement put in place in many jurisdictions by government authorities in response to the COVID-19 pandemic, there was also a non-typical slowdown in operations, business activity and revenues between early April and May, after which more typical season patterns re-emerged.

Pre-IPO Share and Bonus Expenses

In connection with the Global Offering, the Group expects to incur certain additional costs associated with pre-IPO share subscriptions by certain directors, senior managers and employees, including the Chief Financial Officer and Chief Strategy Officer, such subscriptions being at a discount to their estimated value at the time of the subscriptions, (the "**Pre-IPO Share Subscription**"), and with the award of Ordinary Shares to certain directors, senior managers and employees in recognition of services provided in connection with the Global Offering (the "**Staff IPO Bonus**"). For further details of the Pre-IPO Share Subscription, see "*Additional Information—Share Capital—3.5*". In addition, on Admission, certain directors, senior managers and employees, including the Chief Financial Officer and Chief Strategy Officer, will be awarded, in aggregate, 578,000 Ordinary Shares in recognition of services provided in connection with the Global Offering (the "**Pre-IPO Bonus**"). For further details of the Pre-IPO Bonus, see "*Additional Information—Share Incentive Plans—13.1 Pre-IPO Bonus*." The maximum anticipated costs associated with the Pre-IPO Share Subscription and the Pre-IPO Bonus, are anticipated to be €5.1 million in the second half of 2021 (including €1.4 million for the IPO Bonus swap), €6.9 million in 2022, €6.1 million in 2023 and €2.6 million in 2024.

These charges will appear as employee expenses on the Group's consolidated income statement.

Key Line Items

Set out below is a brief description of key line items in the Group's consolidated income statement.

Revenue from contracts with customers

The Group recognises revenue from sale of energy under each of the three distinct energy payment solutions business models described above (the acceptance business model, the bunkering model, and direct sales through the Group's own fuel stations) at the moment in time when the energy is delivered to the customer, and in an amount which reflects the value of the energy sold.

Revenues from the Group's toll payment solutions are recognised as commission fee for toll volumes processed over time as customers consume toll services through EETS or provided by the Group's partners.

Revenues from the Group's tax refund business are recognised as a percentage commission fee for the tax refunds over time as the customer receives the benefits provided by the Group, based on an assumption of the amount of time needed for preparation and submission of a request for refund.

Revenues from the Group's telematics business are recognised as revenue from its subscription fees for services provided across the period covered by the subscription.

Revenue from the Group's smart navigation business, from licensing of navigation software and digital map content to customers, is recognised as revenue from its subscription fees for services at the start of the three month or annual period covered by the subscription.

Revenue from the Group's other adjacent services includes revenue from 24 hour roadside assistance services, administrative support services, insurance brokering, and factoring services through Eurowag Cash.

Costs of energy sold

Costs of energy sold represents the costs to the Group of procuring the fuel sold under each of the three distinct energy payment solutions business models described above.

Other operating income

Other operating income represents insurance and indemnity income and one-offs, such as gains from sale of fixed assets.

Employee expenses

Employee expenses consists of wages and salaries, stock-based compensation, social security and health insurance, social costs, an option plan, other personnel costs such as unused vacation, and own work capitalised (representing employee costs incurred in generating intangible assets). Employee expenses includes research and development costs that were not capitalised.

Depreciation and amortisation

Depreciation and amortisation expenses represent the systematic allocation of the depreciable amount of an asset over its useful life. Depreciation refers to the allocation of costs relating to property, plant and equipment whereas amortisation refers to the allocation of costs relating to intangible assets.

Impairment losses of financial assets

Impairment losses of financial assets represents credit losses on trade receivables which are determined to be uncollectible, or for which collectability is deemed to be uncertain, and is calculated on the basis of expected loss.

Technology expenses

Technology expenses represent principally the operating costs of the Group's IT infrastructure.

Other operating expenses

Other operating expenses consists of market research and consultancy, marketing expenses, facilities maintenance costs, raw materials and energy consumed, costs of legal and accounting services, costs of services provided by third parties, premiums for insurance of the Group's trade receivables, subsidiary acquisition costs, changes in provisions, deficits and damages, gifts to foundations, repair and maintenance costs, travel costs, advisor costs, telephone and internet services, short-term lease expenses, lease expenses, and various other expenses.

Finance income

Finance income includes interest earned on cash balances, foreign exchange translation gains (representing non-cash gains arising on settlement or translation of monetary items which are recognised in the consolidated income statement), and gains from revaluation of derivatives.

Finance costs

Financial costs consists of bank guarantees fee, interest expense, factoring fee, loss from the revaluation of derivatives, foreign exchange translation losses (representing non-cash losses arising on settlement or translation of monetary items which are recognised in the consolidated income statement) and other items.

Income tax expense

Income tax expense relates to the taxation that is chargeable on the Group's profits for the period, together with deferred taxation.

Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in the statement of other comprehensive income or the statement of changes in equity.

The Group's effective tax rate during the periods under review was 31.9% in 2018, 30.5% in 2019 and 20.5% in 2020, and is expected to return to a more normalised level in the mid to high twenties range in the near term.

Results of Operations

The following table summarises the Group's financial performance for the years ended 31 December 2020, 2019 and 2018 and for the six months ended 30 June 2021 and 30 June 2020.

	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
			(EUR '000)		
Revenue from contracts with customers	784,369	604,963	1,252,954	1,363,452	920,846
Costs of energy sold	(711,513)	(544,523)	(1,124,348)	(1,248,870)	(847,127)
Net energy and services sales	72,856	60,440	128,606	114,582	73,719
Other operating income	341	314	942	762	235
Employee expenses	(26,567)	(19,235)	(41,407)	(38,117)	(26,348)
Depreciation and amortisation	(10,457)	(8,728)	(18,246)	(18,708)	(7,767)
Impairment losses of financial assets	(1,152)	(3,763)	(4,061)	(6,798)	(4,042)
Technology expenses	(2,782)	(2,082)	(4,049)	(3,339)	(1,970)
Other operating expenses	(15,009)	(11,232)	(24,600)	(24,788)	(18,594)
Operating profit	17,230	15,714	37,185	23,594	15,233
Finance income	31	36	141	2,430	957
Finance costs	(4,571)	(4,602)	(8,488)	(7,488)	(2,639)
Share of net loss of associates	(295)	—	—	—	—
Profit before tax	12,395	11,148	28,838	18,536	13,551
Income tax expense	(3,588)	(2,290)	(5,886)	(5,648)	(4,329)
PROFIT FOR THE YEAR	8,807	8,858	22,952	12,888	9,222

Segment Breakdown

	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
			(EUR '000)		
Segment revenue from contracts with customers					
<i>Payment solutions</i>	765,649	588,391	1,218,43	1,330,027	904,428
<i>Mobility solutions</i>	18,720	16,572	34,516	33,425	16,418
Segment net energy and services sales					
<i>Payment solutions</i>	54,136	43,868	94,090	81,157	57,301
<i>Mobility solutions</i>	18,720	16,572	34,516	33,425	16,418

Results of operations for the six months ended 30 June 2021 as compared to the six months ended 30 June 2020

Revenue from contracts with customers

The Group's revenue increased by 29.7% to €784.3 million in the six months ended 30 June 2021, from €604.9 million in the six months ended 30 June 2020, primarily due to payment solutions.

The Group's payment solutions revenue increased by 30.1% to €765.6 million in the six months ended 30 June 2021, from €588.4 million in the six months ended 30 June 2020, primarily due to the impact of higher fuel prices (reflecting an increase in Brent crude from an average price of \$66.2 per barrel in the six months ended 30 June 2021 to \$38.9 per barrel in the six months ended 30 June 2020), as well as a 15% increase in the number of payment solutions active customers.

The Group's mobility solutions revenue increased by 12.7% to €18.7 million in the six months ended 30 June 2021, from €16.6 million in the six months ended 30 June 2020, primarily due to the KomTes acquisition and an increase in tax refunds driven by a higher number of submissions. Partially offsetting the decrease were lower Sygic revenues.

Costs of energy sold

The Group's costs of energy sold increased by 30.7% to €711.5 million in the six months ended 30 June 2021, from €544.5 million in the six months ended 30 June 2020, primarily due to costs within energy payment solutions reflecting higher fuel prices (due to an increase in Brent crude from an average of \$66.2 per barrel in the six months ended 30 June 2021 as compared to \$38.9 per barrel in the six months ended 30 June 2020) and a 15% increase in the number of payment solutions active customers.

Other operating income

The Group's other operating income remained the same at €0.3 for the six months ended 30 June 2021 and the six months ended 30 June 2020.

Employee expenses

The Group's employee expenses increased by 38.5% to €26.6 million in the six months ended 30 June 2021, from €19.2 million in the six months ended 30 June 2020, primarily due to higher headcount (an average increase of 101 employees compared to the six months ended 30 June 2021) connected with organic growth, as well as the KomTes acquisition and share-based payments connected with the Global Offering, partially offset by higher internal capitalisation (due to higher spend on development).

Depreciation and amortisation

The Group's depreciation and amortisation expenses increased by 20.7% to €10.5 million in the six months ended 30 June 2021, from €8.7 million in the six months ended 30 June 2020, primarily due to new software or recent enhancements in use (relating to telematics and EETs), as well as due to transformational useful life changes and the KomTes acquisition.

Impairment losses of financial assets

The Group's impairment losses decreased by 68.4% to €1.2 million in the six months ended 30 June 2021, from €3.8 million in the six months ended 30 June 2020, primarily due to enhancements to the Group's credit risk management and improved collections.

Technology expenses

The Group's technology expenses increased by 33.3% to €2.8 million in the six months ended 30 June 2021, from €2.1 million in the six months ended 30 June 2020, primarily due to SAP ERP system related expenses, cloud services and improvements in IT security.

Other operating expenses

The Group's other operating expenses increased by 33.9% to €15.0 million in the six months ended 30 June 2021, from €11.2 million in the six months ended 30 June 2020, primarily due to expenses related to the Global Offering. To a lesser extent, the increase was also driven by rigorous cost management in the six months ended 30 June 2020 due to the uncertainties related to COVID-19, mostly recruitment and marketing expenses, which returned to more normalised levels in 2021.

Finance costs

The Group's finance costs remained the same €4.6 million in the six months ended 30 June 2021, and the six months ended 30 June 2020, primarily due to lower interest expense caused by lower leverage in 2021 and higher drawn volumes of overdrafts and revolving facilities in the six months ended 30 June 2020, completely offset by higher foreign exchange losses.

Income tax expense

The Group's income tax expenses increased by 56.5% to €3.6 million in the six months ended 30 June 2021, from €2.3 million in the six months ended 30 June 2020, primarily due to higher profit before tax in the six months ended 30 June 2021, adjustments in respect of prior periods in the six months ended 30 June 2021 and recognition of deferred tax assets in the six months ended 30 June 2020 which had not been recognised in prior periods.

Results of operations for the year ended 31 December 2020 as compared to the year ended 31 December 2019

Revenue from contracts with customers

The Group's revenue decreased by 8.1% to €1,253.0 million in the year ended 31 December 2020, from €1,363.5 million in the year ended 31 December 2019, primarily due to payment solutions.

The Group's payment solutions revenue decreased by 8.4% to €1,218.5 million in the year ended 31 December 2020, from €1,330.1 million in the year ended 30 December 2019, primarily due to the impact of lower fuel prices (reflecting a decline in Brent crude from an average price of \$64.6 per barrel in 2019 to \$41.6 per barrel in 2020). Partially offsetting the decrease in energy payment solutions was an 11% increase in the number of payment solutions active customers as compared to the year ended 31 December 2019. Also contributing to the increase in energy payment solutions was the full twelve months of results from ADS in 2020, as compared to only eleven months of ADS results in 2019.

The Group's mobility solutions revenue increased by 3.3% to €34.5 million in the year ended 31 December 2020, from €33.4 million in the year ended 31 December 2019, primarily due to higher volumes in tax refund, an expanded product portfolio and higher value of pre-financed tax refunds (which drive higher percent commission levels), largely offset by lower Sygic revenues resulting from government imposed movement restrictions which limited customer movements and thereby reduced the sales volumes of its mobility solutions.

Costs of energy sold

The Group's costs of energy sold decreased by 10% to €1,124.3 million in the year ended 31 December 2020, from €1,248.9 million in the year ended 31 December 2019, primarily due to lower fuel prices (reflecting a decline in Brent crude from an average price of \$64.6 per barrel in 2019 to \$41.6 per barrel in 2020).

Partially offsetting the decrease in costs of energy sold was an 11% higher number of payment solutions active customers as compared to 2019, as well as a full twelve months of costs from ADS in 2020, as compared to only eleven months of ADS costs in 2019.

Other operating income

The Group's other operating income increased by 23.6% to €0.9 million in the year ended 31 December 2020, from €0.8 million in the year ended 31 December 2019, primarily due to a gain on settlement of the terminated factoring programme in 2020.

Employee expenses

The Group's employee expenses increased by 8.7% to €41.4 million in the year ended 31 December 2020, from €38.1 million in the year ended 31 December 2019, primarily due to an increase in the number of full time employees from 904 at the end of 2019 to 926 at the end of 2020, including key management personnel, as well as a full twelve months of results from ADS and Sygic in 2020, as compared to only eleven months of ADS results in 2019 and only nine months of Sygic in 2019.

Depreciation and amortisation

The Group's depreciation and amortisation expenses decreased by 2.5% to €18.2 million in the year ended 31 December 2020, from €18.7 million in the year ended 31 December 2019, primarily due to the end of the amortisation period for the 2017 acquisition of Princip and ADS tradename (which period ended in January 2020, resulting in a full twelve months of amortisation of this asset in 2019, compared to one month in 2020). Largely offsetting the decrease in depreciation and amortisation expenses were higher amortisation charges relating to a key ERP system (Navision), for which the decision was made in 2020 to replace it with a SAP system, resulting in a shorter than expected useful life of the Navision system, and consequently in higher amortisation charges.

Impairment losses of financial assets

The Group's impairment losses decreased by 40.3% to €4.1 million in the year ended 31 December 2020, from €6.8 million in the year ended 31 December 2019, representing lower credit losses on trade receivables as a result of enhancements to the Group's credit risk model and diligent credit risk management by the Group during the COVID-19 pandemic.

Technology expenses

The Group's technology expenses increased by 21.3% to €4.1 million in the year ended 31 December 2020, from €3.3 million in the year ended 31 December 2019, primarily due to increased costs of cloud services and licences reflecting investments in core applications.

Other operating expenses

The Group's other operating expenses decreased by 0.8% to €24.6 million in the year ended 31 December 2020, from €24.8 million in the year ended 31 December 2019, primarily due to €1.9 million in acquisition costs, attributed to the ADS and Sygic acquisitions, which were not repeated in 2020. Partially offsetting the decrease in other operating costs were higher costs of receivables insurance in 2020.

Finance income

The Group's finance income decreased by 94.2% to €0.1 million in the year ended 31 December 2020, from €2.4 million in the year ended 31 December 2019, primarily due changes in foreign exchange translation gains and revaluation gains on its derivatives in 2019 compared to a loss on these in 2020.

Finance costs

The Group's finance costs increased by 13.3% to €8.5 million in the year ended 31 December 2020, from €7.5 million in the year ended 31 December 2019, primarily due to higher interest expenses (which increased from €3.4 million in 2019 to €5.5 million in 2020, reflecting a full twelve months interest charged in 2020, compared to only seven months in 2019 on the Senior Facilities (which were secured at the end of May 2019, replacing a smaller bridge facility previously in place), and €0.9 million in losses from revaluation of derivatives in 2020, compared to a derivatives gain in 2019. The increase in finance costs was partly offset by lower factoring fees, which decreased from €1.3 million in 2019 to €0.4 million in 2020, reflecting lower factoring utilisation in the first half of 2020, and termination of the Group's factoring programme by the end of June 2020.

Income tax expense

The Group's income tax expenses increased by 4.2% to €5.9 million in the year ended 31 December 2020, from €5.6 million in the year ended 31 December 2019, primarily due to higher profit before tax in 2020, partially offset by a lower effective tax rate in 2020 (20.5% in 2020 compared to 30.5% in 2019), resulting from recognition of deferred tax assets which had not been recognised in prior periods, and lower levels of non-deductible expenses.

Results of operations for the year ended 31 December 2019 as compared to the for the year ended 31 December 2018

Revenue from contracts with customers

The Group's revenue increased by 48.1% to €1,363.5 million in the year ended 31 December 2019, from €920.8 million in the year ended 31 December 2018, primarily due to payment solutions.

The Group's payment solutions revenue increased by 47.1% to €1,330.1 million in the year ended 31 December 2019, from €904.4 million in the year ended 31 December 2018, primarily due to the acquisition of ADS in January 2019, resulting in eleven months of revenue being included in 2019 for the acquired business, contributing €304.5 million of the increase in revenue. Also contributing to the increase were a 10% increase in the number of payment solutions active customers (excluding ADS) as compared to the year ended 31 December 2018. Partially offsetting the increase in revenue was a decrease in fuel prices (reflecting a decline in Brent crude, from an average price of \$71.6 per barrel in 2018 to \$64.6 per barrel in 2019).

The Group's mobility solutions revenue increased by 103.6% to €33.4 million in the year ended 31 December 2018, from €16.4 million in the year ended 31 December 2018. The increase was primarily due to the acquisition of Sygic in April 2019, resulting in €13.5 million of revenue being included in 2019 for the acquired business, compared to none in 2018, as did tax refund revenue, due to new customer acquisitions.

Costs of energy sold

The Group's costs of energy sold increased by 47.4% to €1,248.8 million in the year ended 31 December 2019, from €847.1 million in the year ended 31 December 2018, primarily due to the acquisition of ADS in

January 2019, resulting in eleven months of energy costs being included in 2019 for the acquired business. Also contributing to the increase were a 10% increase in the number of payment solutions active customers (excluding ADS), as compared to 2018.

Partially offsetting the increase in costs of energy sold was a decrease in fuel prices (reflecting a decline in Brent crude from an average price of \$71.6 per barrel in 2018 to \$64.6 per barrel in 2019).

Other operating income

The Group's other operating income increased by 224.3% to €0.8 million in the year ended 31 December 2019, from €0.2 million in the year ended 31 December 2018, primarily due to gain from the sale of fixed assets, and other one-off income items.

Employee expenses

The Group's employee expenses increased by 44.9% to €38.1 million in the year ended 31 December 2019, from €26.3 million in the year ended 31 December 2018, primarily due to an increase in the number of full time employees from 657 at the end of 2018 to 904 at the end of 2019. The increase was principally due to the new employees added to the Group as a result of the ADS acquisition in January 2019 and the Sygic acquisition in April 2019.

Partly offsetting the increase in employee expenses was higher capitalisation of employee expenses in 2019.

Depreciation and amortisation

The Group's depreciation and amortisation expenses increased by 140.9% to €18.7 million in the year ended 31 December 2019, from €7.8 million in the year ended 31 December 2018, primarily due to higher amortisation charges from software (which increased from €1.9 million in 2018 to €6.3 million in 2019, relating to the acquisition of certain software owned by Sygic) and from client relationships (which increased from €1.6 million in 2018 to €4.9 million in 2019, relating to the acquisition of certain ADS assets). Also contributing to the increase were certain charges relating to patents, brands and tradename assets of both ADS and Sygic, and the full 12 month impact of amortisation charges in 2019 from the investments in the Group's data warehouse and ERP Navision16 software in 2018.

Impairment losses of financial assets

The Group's impairment losses increased by 68.2% to €6.8 million in the year ended 31 December 2019, from €4.0 million in the year ended 31 December 2018, primarily due to the write-off of certain trade receivables acquired with the ADS acquisition (accounting for €1.2 million of the increase), with the remainder due to a higher level of Group trade receivables determined to be uncollectible, based on a higher gross value of trade receivables aged over 90 days (and particularly driven by a large single debtor in Romania).

Technology expenses

The Group's technology expenses increased by 69.5% to €3.3 million in the year ended 31 December 2019, from €2.0 million in the year ended 31 December 2018, primarily due to increased costs of cloud services and licences reflecting investments in core applications and also due to technology expenses in Sygic, which was not consolidated in 2018.

Other operating expenses

The Group's other operating expenses increased by 31.7% to €24.5 million in the year ended 31 December 2019, from €18.6 million in the year ended 31 December 2018, primarily due to the acquisition of ADS and Sygic, which created €1.9 million in acquisition costs in 2019 which were not present in 2018. These acquisitions were also the main reason for the growth in the Group's costs of services provided in 2019 as compared to 2018, which increased from €1.9 million to €3.7 million, and for higher market research and consultancy costs, which increased from €2.1 million to €3.8 million.

Finance income

The Group's finance income increased by 153.9% to €2.4 million in the year ended 31 December 2019, from €1 million in the year ended 31 December 2018, primarily due to changes in foreign exchange translation gains, and revaluation gain on derivatives as the Group recognised a revaluation gain on its derivatives in 2019 compared to a loss on these in 2018.

Finance costs

The Group's finance costs increased 183.7% to €7.5 million in the year ended 31 December 2019, from €2.6 million in the year ended 31 December 2018, primarily due to interest expense (which increased from €0.8 million in 2018 to €3.4 million in 2019), which resulted from the entry into the Senior Facilities at the end of May 2019. Also contributing to higher finance costs in 2019 were factoring fees, which increased from €0.4 million in 2018 to €1.2 million in 2019, driven by higher volumes of trade receivables sold to the Group's factoring banks, reflecting the entry into the Banca IMI factoring relationship in 2019.

Income tax expense

The Group's income tax expenses increased by 30.5% to €5.6 million in the year ended 31 December 2019, from €4.3 million in the year ended 31 December 2018, primarily due to higher profit before tax in 2020. The Group's effective tax rate remained relatively stable at 30.5% in 2019 and 31.9% in 2018.

Liquidity and Capital Resources

Overview

The Group's principal sources of liquidity have been net cash flows from its operating activities (with customer receivables generally paid within 30 days) and borrowings under its committed and uncommitted credit facilities (including the Senior Facilities and available overdraft, factoring, leasing facilities, and bank guarantees).

The Group's business and growth strategy has in the past required substantial liquidity to fund acquisitions, expand its operations, fund customer advances on financed tax refunds (net invoicing and APED), provide for capital expenditures and fund the working capital requirements of its payment solutions segment. The Group's working capital requirements are generally moderate to negative, and are principally driven by payables and receivables. The table below shows the progression of the Group's net working capital over the periods indicated.

	31 Dec 2018 ⁽¹⁾	31 March 2019	30 June 2019	30 Sept 2019	31 Dec 2019 ⁽¹⁾	31 March 2020	30 June 2020	30 Sept 2020	31 Dec 2020 ⁽¹⁾	31 March 2021	30 June 2021 ⁽¹⁾
	(EUR '000)										
Current assets											
Trade and other											
receivables	165	272	281	255	250	304	299	280	236	305	305
Inventory	4	5	5	5	7	6	5	4	5	6	4
Current liabilities											
Trade and other											
payables	(169)	(262)	(276)	(261)	(251)	(259)	(270)	(295)	(279)	(325)	(334)
Net working capital .	(0)	15	10	(1)	6	51	33	(10)	(37)	(14)	(24)

(1) Audited

(2) Table excludes put option redemption liability.

As at 30 June 2021, the Group had total cash and cash equivalents of €65.8 million, and total interest bearing loans and borrowings, including bank overdrafts, of €185.9 million.

Historical cash flow data

The following table presents the primary components of the Group's cash flows for each of the periods indicated.

	For six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
	(unaudited)		(EUR '000)		
Net cash flows from operating activities	4,000	(4,714)	86,659	54,032	13,268
Net cash used in investing activities	(54,074)	(8,625)	(23,213)	(129,437)	(18,320)
Net cash provided by (used in) financing activities . .	26,877	8,661	5,443	83,436	(2,472)
Net increase in cash and cash equivalents	(23,196)	(4,678)	68,889	8,031	(7,524)
Cash and cash equivalents at end of period	65,765	15,611	88,961	20,289	12,254

Net cash flows from operating activities

The Group's net cash flows from operating activities increased to €4.0 million in the six months ended 30 June 2021, from an outflow of €4.7 million in the six months ended 30 June 2020, primarily due to higher gross profit (while non cash adjustments came at comparable level) and higher level of trade payables, partially offset by an increase in trade receivables and higher income tax paid.

The Group's net cash flows from operating activities increased by 60.3% to €86.7 million in the twelve months ended 31 December 2020, from €54.0 million in the twelve months ended 31 December 2019, primarily due to higher levels of profit before tax (resulting from an increase in net energy and services sales) and improvement in working capital levels (resulting from stable payment discipline of customers and strengthened focus on collection from customers), partially offset by lower factoring of receivables as at 31 December 2020.

The Group's net cash flows from operating activities increased to €54.0 million in the twelve months ended 31 December 2019, from €13.3 million in the twelve months ended 31 December 2018, primarily due to higher levels of profit before tax and improvement in working capital levels (resulting from the receivables factoring programme introduced in 2019).

Net cash used in investing activities

The Group's net cash used in investing activities increased to an outflow of €54.1 million in the six months ended 30 June 2021, from an outflow of €8.7 million in the six months ended 30 June 2020, primarily due to investments in subsidiaries (in particular, the acquisition of the remaining minority shareholding in ADS group, the acquisition of the 51% shareholding in KomTes and investment in LMS and Drivitty) and higher purchases of intangible assets as part of the Group's technology transformation programme.

The Group's net cash used in investing activities decreased by 82.1% to €23.2 million in the twelve months ended 31 December 2020, from €129.4 million in the twelve months ended 31 December 2019, primarily due to the acquisitions of ADS in January 2019 and of Sygic in April 2019 as well as by lower investments in property, plant and equipment.

The Group's net cash used in investing activities increased to €129.4 million in the twelve months ended 31 December 2019, from €18.3 million in the twelve months ended 31 December 2018, primarily due to the acquisitions of ADS in January 2019 and of Sygic in April 2019 and higher investments in intangible assets partially offset by limited purchase of financial instruments in 2019.

Net cash provided by financing activities

The Group's net cash from financing activities increased to an inflow of €26.9 million in the six months ended 30 June 2021, from an inflow of €8.7 million in the six months ended 30 June 2020, primarily due to higher proceeds from borrowings (representing Senior Facility draw down used to acquire the remaining minority shareholding in ADS in January 2021), partially offset by higher repayments of borrowings (due to higher debt amortisation in the first six months of 2021 and waived quarterly repayment in the second quarter of 2020) and higher dividends paid to shareholders of non-controlling interests.

The Group's net cash provided by financing activities decreased by 93.5% to €5.4 million in the twelve months ended 31 December 2020, from €83.4 million in the twelve months ended 31 December 2019. Net cash provided by financing activities in 2019 was the result of the fact that the Group drew €235.6 million under the Senior Facilities in May 2019, resulting in net borrowing proceeds after debt repayments of €109.4 million in 2019 (compared to net borrowing proceeds after debt repayments of €7.7 million in 2020). The overall decrease was partially offset by cash outflow relating to payment of a €24.4 million dividend in 2019 (of which €19.4 million were paid out of ADS retained earnings to its previous owners, and €5.0 million were Eurowag dividends to its shareholders), which was not repeated in 2020.

The Group's net cash from financing activities changed from net cash provided financing activities of €83.4 million in the twelve months ended 31 December 2019, compared to net cash used in financing activities of €2.5 million in the twelve months ended 31 December 2018. Net cash provided by financing activities in 2018 reflected net repayments of debt after new borrowings of €1.7 million (compared to net borrowing proceeds after debt repayments of €109.4 million in 2019, as a result of the fact that the Group drew €235.6 million under the Senior Facilities in May 2019).

Capital Expenditure

The following table sets out the Group's capital expenditure for the periods indicated. The Group defines capital expenditure as purchases of transformational and recurring assets. Total capital expenditures reconcile to the Group's consolidated additions of property, plant and equipment and intangibles on its balance sheet, with the exception of client relationships, which result from mergers and acquisitions. Intangible assets comprise mainly computer software.

Capital expenditure was financed from cash on balance sheet for the period under review.

	For six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
	(EUR '000, except percentages) (unaudited)				
Transformational non-IT capital expenditure ⁽¹⁾	5,220	2,795	6,213	4,982	3,164
Transformational IT capital expenditure ⁽²⁾	6,426	3,319	10,153	8,549	4,746
Recurring ordinary capital expenditure ⁽³⁾	1,644	1,452	3,291	3,853	3,388
Recurring infrastructure capital expenditure ⁽⁴⁾	1,963	1,469	1,842	6,983	6,440
Total capital expenditures	15,253	9,035	21,499	24,366	17,739
Ordinary capital expenditure as a percentage of net revenue	5%	5%	4%	9%	13%
Total transformational capital expenditure ⁽⁵⁾	11,646	6,114	16,366	13,531	7,910

(1) Transformational non-IT capital 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.

(2) Transformational IT capital expenditure represents investments as described above, but specifically deployed into information technology systems (and also including capitalised personnel costs relating to staff working on such investments).

(3) Recurring ordinary capital expenditure represents ordinary course investments intended to refresh and update existing technology, including small improvements or updates of existing systems or services (and without any transformational or innovation aspects).

(4) Recurring infrastructure capital expenditure represents investments in the Group's operating assets which are not technology related, including in respect of the Group's truck parks and other physical assets.

(5) Represents the sum of Transformational non-IT capital expenditure and Transformational IT capital expenditure.

The Group's capital expenditure for the six months ended 30 June 2020 consisted mainly of transformational IT and non-IT investments, primarily relating to a new SAP ERP system and further development of the EETS platform and CRM system. Compared to the six months ended 30 June 2020, the increase of transformational investments was predominantly due to ERP and CRM systems.

The Group's capital expenditure for the year ended 31 December 2020 consisted mainly of transformational IT and non-IT investments, primarily the EETS platform development, telematics software and hardware and CRM system. Compared to 31 December 2019, the increase of transformational investments was predominantly related to investments in the new ERP system (SAP), the CRM system and pricing software. Recurring infrastructure capital expenditure was significantly lower for the year ended 31 December 2020 due to very limited truck park expansion and partly also due to rigorous expenditure management related to COVID-19 uncertainties.

The Group's capital expenditure for the year ended 31 December 2019 consisted mainly of €13.5 million of transformational investments and €10.8 million of recurring investments. The largest expenditure represented the EETS toll platform development and telematics software and hardware, but also recurring infrastructure capital expenditure which included mainly investments in Pruszcz Gdanski (PL) and Kozomín (CZ) truck parks.

Compared to 31 December 2018, the increase in transformational investments was predominantly related to the EETS platform.

The Group's capital expenditure for the year ended 31 December 2018 consisted mainly of recurring capital expenditure including infrastructure investments which consisted primarily of truck parks in Figueres (ES), Pecica (RO), Lindach (AT) and Gorzycki (PL).

The Group expects transformational capital expenditure in the year ended 31 December 2021 in the range of €23 million to €24 million, primarily in connection with investments in ERP, EETS platform and telematics software and hardware. As a result of its recent transformational capital expenditures activity, and on the assumption of no expansion of its existing transformation plan, the Group expects non-recurring transformation-related depreciation and amortisation expenses of approximately €2 million in each of 2021 and 2022.

Indebtedness

The following table sets out the Group's borrowing levels as at the dates indicated. Data for 31 December 2018 has been omitted on the basis of the refinancing which took place in 2019, making the Group's 31 December 2018 indebtedness non-comparable.

	30 June 2021		31 December 2020		31 December 2019	
	Limit	Drawn	Limit	Drawn	Limit	Drawn
	(EUR '000)					
Bank Loans						
Term Loan Facility A	47,500	34,941	47,500	38,815	47,500	42,618
Term Loan Facility B	47,500	46,772	47,500	46,702	47,500	46,561
Term Loan Facility C	95,000	91,078	95,000	55,967	95,000	44,121
Other bank loans—CZK	366	366	611	611	1,035	1,035
Revolving Facilities / Overdrafts						
Original Revolving Facility ⁽¹⁾	60,000	12,713	60,000	29,144	60,000	39,493
Total borrowings		185,870		171,239		173,828
<i>Of which current</i>		<i>32,261</i>		<i>42,274</i>		<i>42,990</i>
<i>Of which non-current</i>		<i>153,609</i>		<i>128,965</i>		<i>130,838</i>

(1) Includes a €45.0 million revolving credit facility and a €15.0 million overdraft facility. Does not include an additional € 29.0 million ancillary facility made available under Incremental Facility II in 2020.

On 27 May 2019, the Group entered into a senior multicurrency term and revolving facilities agreements (the “**Senior Facilities**”) with a consortium of lenders. For full details see “*Additional Information—Material Contracts—Senior Facilities*” and Note 27 of Section B of “*Historical Financial Information*”.

The term loan tranches of the Senior Facilities mature in May 2025 and bear floating rates of interest as follows:

- Facility A—an opening margin of 2.00% per annum and is subject to a margin ratchet between 1.80% and 2.20% per annum;
- Facility B—an opening margin of 2.20% per annum and is subject to a margin ratchet between 2.00% and 2.40% per annum; and
- Facility C—an opening margin of 2.10% per annum and is subject to a margin ratchet between 1.90% and 2.30% per annum.

The Original Revolving Facility also matures in May 2025 and bears a floating rate interest with an opening margin of 2.00% per annum and is subject to a margin ratchet between 1.80% and 2.20% per annum.

In addition, under the Senior Facilities, as supplemented by the Incremental Facility II which was extended on 20 July 2020, the Group has access to bank guarantees amounting to €92.0 million.

During and as a result of the COVID-19 pandemic, as at 31 March 2020 and 30 June 2020, the Group did not comply with the cashflow cover covenant of its Senior Facilities due to changes in working capital reported at the end of the first quarter of 2020. Amidst the uncertainty related to various lockdowns introduced across European countries at the onset of the pandemic collections from customers deteriorated and trade receivables aged beyond regular terms. The Group discontinued the use of factoring facilities for trade receivables financing at the same time which further exacerbated the imbalance between trade receivables and trade payables on the 31 March 2020 testing date. The Group repaired the working capital position in the second quarter, collected overdue payments from customers and improved the aging profile of trade receivables, but because the cashflow covenant was tested on the basis of the Group's cumulative working capital movements over the last twelve months, the Group remained in breach of this covenant on the 30 June 2020 testing date. The lending banks acknowledged that the volatility of the covenant limits its meaningful interpretation and agreed to waive breaches retrospectively and prospectively in 2020. The lending banks also agreed to replace the cashflow cover covenant with interest cover in the amendment of Senior Facilities executed on 27 August 2021 (see “*Additional Information—Material Contracts—Senior Facilities*”).

The Group's weighted average cost of debt as at 31 December 2020 was 1.91% p.a. (calculated on the basis of the weighted average margin across Facility A, B and C of the Senior Facilities) and remained the same as at 30 June 2021. The Group's net leverage was 2.12, calculated on the basis of Total Net Debt on the last day of the relevant period to Adjusted EBITDA as per the covenant definition in the Senior Facilities Agreement.

At its present level of indebtedness, the Group expects to make principal repayments on its existing indebtedness in the amount of approximately €5 million per quarter.

Factoring

Trade Receivables Factoring Facilities

As part of its working capital management, the Group is a party to two factoring arrangements for the financing of trade receivables. The Group transfers eligible trade receivables (i.e. covered by an insurance policy) to the factoring provider after each billing run in exchange for cash drawdown. As at 30 June 2021, the aggregate value of the customer receivables factored under these arrangements was €38.2 million, under limits then in place with its factoring providers.

The Group's arrangements in respect of its trade receivables factoring are as follows:

- W.A.G. IS is party to a trade receivables factoring arrangement with HSBC Factoring France. Although this agreement is generally non-recourse, HSBC Factoring France retains certain rights of recourse to the Group for receivables that would cease to be covered by the Group's credit insurance policy. Under this arrangement, the Group is permitted to draw prepayments equal to a 90% of the factored receivable amounts, up to an aggregate limit of €45.0 million at any point in time. As at 30 June 2021, the aggregate value of the customer receivables factored under this arrangements was €32.6 million, leaving an available headroom against the aggregate limit of a further €12.4 million which could be factored as at that date.
- W.A.G. IS is party to a second trade receivables factoring arrangement with Factoring České spořitelny, a.s. ("FCS"), an affiliate of Erste Group Bank AG, which provides for the use of several types of factoring services, including domestic or export factoring, post-financing, and recourse and non-recourse factoring up to a maximum aggregate funding balance of CZK 600.0 million when aggregated with the Group's use of the FCS tax refund advance facility, as described below. As at 30 June 2021, the aggregate value of the customer receivables factored under these arrangement was €5.5 million.

Tax Refund Advance Facilities

The Group also has in place three arrangements to fund financed tax refund advances to its customers (net invoicing and APED). The Group creates a customer receivable for the amount of financing provided to a customer, and transfers that receivable to one of the following factoring providers in exchange for a cash drawdown. The Group's arrangements in respect to its tax refund advance facilities are as follows:

- With ČSOB Factoring, a.s.—this arrangement is non-recourse to the Group, and provides for a maximum aggregate funding balance of CZK 250.0 million at any point in time. As at 30 June 2021, the tax refund advances funded under this arrangement amounted to CZK 246.7 million (€9.7 million).
- With FCS—this arrangement is non-recourse to the Group, and its framework includes services relating to receivables management. The Group's FCS arrangements are subject to a maximum aggregate funding balance of CZK 600.0 million when aggregated with the Group's use of the FCS trade receivables facility, as described above. As at 30 June 2021, the tax refund advances funded under this arrangement amounted to €12.0 million.
- With UniCredit Factoring Czech Republic and Slovakia, a.s.—this arrangement is non-recourse to the Group, and provides for a maximum aggregate funding balance of CZK 320.0 million at any point in time. As at 30 June 2021, the tax refund advances funded under this arrangement amounted to CZK145.3 million (€5.7 million).

The lenders under the above agreements are not committed to provide funding, and the limits indicated represent their maximum funding amounts under the terms of these agreements, rather than committed amounts.

Commitments and Contingencies

As at the dates indicated below, the contractual commitments, including future interest obligations, of the Group's liabilities were as follows:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
			(EUR '000)			
30 June 2021						
Interest-bearing loans and borrowings ⁽¹⁾	—	18,581	17,397	162,437	—	198,415
Lease liabilities ⁽²⁾	—	661	1,922	4,880	1,998	9,461
Trade and other payables ⁽³⁾	—	305,529	3,441	25,446	—	334,416
Total	—	324,110	22,760	192,763	1,998	542,292
31 December 2020						
Interest-bearing loans and borrowings ⁽¹⁾	—	31,946	13,834	140,106	—	185,886
Lease liabilities ⁽²⁾	—	572	1,637	6,206	1,786	10,201
Trade and other payables ⁽³⁾	—	281,027	2,311	20,902	—	304,240
Total	—	313,545	17,782	167,214	1,786	500,327
31 December 2019						
Interest-bearing loans and borrowings ⁽¹⁾	—	4,520	19,009	88,880	79,821	192,230
Lease liabilities ⁽²⁾	—	557	1,671	9,705	20	11,953
Trade and other payables ⁽³⁾	—	231,343	23	43,445	—	74,811
Total	—	236,420	20,703	142,030	79,841	478,994

(1) Interest-bearing loans and borrowings represent amounts due under the Senior Facilities and the Original Revolving Facility, and include future interest payments due in the periods shown.

(2) Lease liabilities represent amounts due under the Group's lease agreements relating to offices and its leased truck parks, leases and include future interest payments due in the periods shown under these agreements.

(3) Trade and other payables represent amounts due to counterparties under the terms of the Group's contracts, including the value of the put options held by the sellers of various companies acquired by the Group, presented at their nominal (future undiscounted) value.

In addition, as at the dates indicated, the Group had the following off balance sheet commitments, representing unfunded customer credit limits in respect of trade receivables from customers (in each case, calculated on the basis of the amounts the Group has determined, based on its credit risk assessment processes, that it is willing to accept as outstanding receivables for each customer).

	30 June 2021	31 December 2020	31 December 2019
		(EUR '000)	
Unfunded customer credit limits	278,388	308,407	285,774

The above indicated exposures are not committed amounts, and the Group retains full discretion as to whether to raise or lower its exposure to any customer's trade receivables at any time. Any such amounts extended to customers as financing, are financed from the Group's operating cash flows and borrowings under the Senior Facilities.

Other than the above, the Group has no material off-balance sheet arrangements.

Quantitative and Qualitative Disclosure about Credit Risk, Liquidity Risk and Market Risk

The Group's activities expose it to a variety of financial risks that include credit risk, liquidity risk and market risk, which arise in the normal course of business. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. For more information on the Group's financial risk management, see Note 31 of Section B of "Historical Financial Information".

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily

from its trade receivables), and monitors the outstanding balances of trade receivables and compliance with credit limits on a regular basis.

As at 30 June 2021, the Group had trade and other receivables (representing amounts due from customers, tax authorities, miscellaneous receivables, prepaid expenses and accrued income and contract assets) of €305.9 million. The Group had no significant concentration of credit risk on this date, as there were no individually significant customers.

The Group insures eligible receivables and accepts bank guarantees and collateral pledges to mitigate credit risk. The Group does not use credit derivatives to mitigate credit risk.

The ageing of receivables is regularly monitored by the Group management to assess credit risk, based on expected loss calculations which evaluate probability of default, exposure at default and loss given default. Once a trade receivable amount is determined to be uncollectible, or if collectability is deemed to be uncertain, it is written off (on the basis of the expected loss) and recognised on the Group's consolidated income statement as impairment losses of financial assets.

Liquidity Risk

Liquidity risk arises when a company encounters difficulties in meeting commitments associated with its liabilities and other payment obligations. Such risk may result from inadequate cash reserves, unexpected events, counterparty failures, or refinancing problems. Liquidity risk is managed by maintaining adequate reserves and banking facilities and by closely monitoring forecasted and actual cash flows and, where possible, matching the maturity profiles of financial assets and liabilities. The Group performs regular monitoring of its liquidity position to keep sufficient financial resources to settle its liabilities and commitments.

The Group purchases fuels for sale to customers, and also provides working capital funding to customers by pre-paying or financing their energy, toll and tax refund payments prior to collecting amounts due from customers or from tax authorities. To fund its fuel purchases and to finance its customers' toll payments and tax refunds, the Group relies on the availability of cash on hand, on its trade receivables factoring facilities (in respect of invoices issued to customers who opt for post-pay of their energy consumption and toll balances), on its tax refund advance facilities (in respect of net invoicing and APED tax refund advances to its customers), and on the availability of long term and short term financing under the Senior Facilities. Its ability to meet its payment obligations to suppliers and lenders, refinance its indebtedness and both its strategic plans and capital expenditure will depend on its continued ability to generate, access or borrow cash.

The Group's operating cash flows are subject to fluctuations on a month-by-month basis throughout the year, depending on its customers' payment discipline and the intervals at which toll authorities remit customer refund payments to the Group, as well as the Group's ability to match any changed payment terms agreed with customers to similar changed payment terms with its suppliers.

Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

Interest Rate Risk

Interest rate risk is risk that the cash flows for future interest payments will fluctuate because of changes in market interest rates, due to the fact that the Group has borrowings at floating rates. The Group has certain euro denominated debt outstanding (principally the Senior Facilities), which means that, aside from interest rate risk, there is also a degree of foreign currency risk embedded in its borrowings. To manage interest rate risk, the Group has entered into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As at 30 June 2021, after taking into account the effect of interest rate swaps, the total nominal amount of the Group's outstanding borrowings earning a fixed rate of interest was 100% (as compared to 100% of outstanding borrowings as at 31 December 2020, and 94% as at 31 December 2019, noting that the Group did not hedge its interest rate risk in 2018). As a result, the Group is effectively fully hedged against increases in interest rates, and a sensitivity analysis based on a reasonably possible change in interest rates indicates an immaterial impact on the Group's profit before tax. See Note 4.12 of Section B of "*Historical Financial Information*" for more information on interest rate sensitivity.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). See *"Risk Factors—Fluctuations in foreign currency exchange rates could affect the Group's operating profit before tax."*

The Group is subject to foreign currency translation risk as a result of the fact that the functional currencies of the various Group entities include the Euro, Czech Koruna, Polish Zloty (PLN), Hungarian Forint (HUF), Romanian Leu (RON), Bulgarian Lev (BGN), Turkish Lira (TRY), British Pound, Danish Krone, Croatian Kuna, Swiss Franc, Swedish Krona and Serbian Dinar. The Group's exposure to the translation risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). Because the Group's consolidated historical financial information are presented in EUR, it must translate revenue, income and expenses, as well as assets and liabilities, into EUR at exchange rates measured using the relevant functional currency of each Group entity at each balance sheet date. As a result, increases or decreases in the value of the EUR on any balance sheet date against any other currencies that the Group uses to conduct business is likely to affect its revenue, net income and the value of balance sheet items denominated in those currencies. Accordingly, volatility in such foreign currency exchange rates against the relevant Group functional currency, could result in non-cash foreign exchange translation losses (which are shown as financial costs on the Group's consolidated income statement). See Note 4.5 of Section B of *"Historical Financial Information"* for more information on foreign currency exchange rate sensitivity to this translation effect.

The Group is subject to foreign currency transaction risk as a result of the fact that it invoices its customers for payment mainly in euros, whereas it also has certain sales and purchases in currencies other than the euro, in particular CZK and PLN. In addition, the Group makes certain purchases in currencies different from that of the jurisdictions where it operates. The Group benefits from a natural hedge provided by the proportion of expenses in major currencies roughly matching the proportion of revenues in those currencies, and as a result is not currently subject to material foreign exchange transaction risk. The Group manages its foreign currency risk by using foreign currency forwards and swaps. See *"Risk Factors—Derivative transactions may cause volatility in its operating profit before tax."*

Commodity Price Risk

Commodity price risk is the risk to the Group's operating results or the value of its assets resulting from changes in the market price of certain natural resources, specifically fuel. As a result of pricing and distribution structure of each of the three business models within its energy payment solutions business, and the rapid turnover of its goods inventories (which were valued at €4.1 million as at 30 June 2021 and €5.3 million as at 31 December 2020), the Group is not exposed to any significant negative impact from fuel price fluctuations, and is therefore not significantly exposed to commodity price risk. As a result of this minimal exposure, the Group does not hedge its fuel price exposure. See *"Key Factors Affecting Results of Operations—Energy Prices, Spreads and Volumes"* above.

Critical Accounting Policies and Estimates

The preparation of the Group's consolidated historical financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts. Some of these estimates require management to make assumptions about matters that are highly uncertain at the time the accounting estimates are made, and as a result these estimates may differ from the actual results. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, and these assumptions and estimates are evaluated on an ongoing basis. In many instances, however, management reasonably could have used different accounting estimates and, in other instances, changes in the Group's accounting estimates could occur from period to period, with the result in each case being a material change in the financial statement presentation of the Group's financial condition or results of operations. Estimates of this type are referred to as critical accounting estimates. For a description of the Group's significant and critical accounting policies, see Note 4 of Section B of *"Historical Financial Information."* The critical accounting estimates discussed below are those believed to be the most important to an understanding of the Group's consolidated historical financial information.

Revenue Recognition

The Group provides key services to its customers through six product lines: (i) energy payment solutions, (ii) toll payment solutions, (iii) tax refunds, (iv) telematics, (v) smart routing and (vi) other adjacent services.

- energy payment solutions—For the Group’s energy payment solutions, revenue is comprised of energy sales that are generated through the use of its fuel cards at acceptance points or through fuel sales by the Group directly to customers at its truck parks and at its bunkering sites. The Group recognises revenue in its energy payment solutions business when the Group satisfies its performance obligation to the customer (typically when the fuel is delivered to the customer).
- toll payment solutions—For the Group’s toll payment solutions, revenue is comprised of a monthly rental fee generated when customers are using an OBU provided by the Group and a percentage fee of the toll value for the toll charges that customers incur, plus any fees. The Group recognises revenue in its toll payment solution over time in the period in which the performance obligation is satisfied and the service is rendered (which is generally at the time a customer toll transaction is financed).
- tax refund services—For the Group’s tax refund services, revenue is comprised of a percentage of the total value of excise duty and VAT tax refunds processed, plus any fees, such as the service activation or invoice processing fees (which are fixed) or, when applicable, a financing fee (which is charged as a percentage of transaction value processed). The Group recognises revenue in its tax refund business over time as the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs, based on assumptions of how much time is needed for preparation and submission of a request for a tax refund, according to the average reimbursement period for each country in which the Group operates.
- telematics—For the Group’s telematics products, revenue is comprised of the one-time or monthly rental hardware fee that customers pay for an OBU, plus a subscription fee for the Group’s fleet management software. The Group recognises revenue in its telematics products in the period in which the performance obligation is satisfied and the services are rendered, which is generally the month in which the hardware is used or when location or other services are provided to the customer.
- navigation—For the Group’s navigation services, revenue is comprised of lifetime licence fees or subscription fees for Sygic navigation apps. The Group recognises revenue in its navigation services in two ways: (1) at the moment the control passes to the customer for revenue from its “right to use” licenses (for license of navigation software), and (2) over the (estimated) period during which the Group is obliged to provide access to the customers for revenue from its “right to access” licenses (for license of digital map content (including traffic)).
- adjacent services—For the Group’s adjacent services, revenue is comprised of various fees and sales charges. The Group recognises revenue in its adjacent services at the moment the Group’s services are rendered to the customer.

Put Options

The Group has concluded that it does not, in substance, acquire present access to economic benefits of acquired subsidiaries as a result of the put options it has agreed in respect of certain acquired businesses, including ADS and Sygic. Under the terms of these put options, the put option redemption liability will be settled with a transfer to the Group of the sellers’ shares, for a price that is deemed to approximate their fair value at the time the options are exercised. Therefore, the non-controlling shareholders have retained the risks and rewards associated with ownership until the options are exercised, as a result of which the Group recognises changes to the value of these put option liabilities through other comprehensive income rather than on its consolidated income statement.

If, in respect of future acquisitions, the Group agrees to terms under which it rather than the sellers retains the risks and rewards associated with ownership until its options are exercised, then any changes to the value of any put option liabilities will instead be recognised on its consolidated income statement.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation

is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 16.

Recent and Prospective Changes in Accounting Standards

See Note 5 of Part A, Section B of "*Historical Financial Information.*"

CAPITALISATION AND INDEBTEDNESS

The following table sets out the consolidated capitalisation and indebtedness of the Group as at 31 July 2021.

The capitalisation and indebtedness information as at 31 July 2021 is unaudited and has been extracted without material adjustment from the Operating Group's management accounts. The management accounts have been prepared using policies which are consistent with those used in preparing the Historical Financial Information as disclosed in Section 2 of Part A of the *Historical Financial Information*.

You should read this table together with "Operating and Financial Review".

<u>Indebtedness</u>	<u>As at 31 July 2021</u> (EUR million)
Total current debt	35.6
Guaranteed	—
Secured ⁽¹⁾	21.7
Unguaranteed/unsecured ⁽²⁾	13.9
Total non-current debt (excluding current portion of long-term debt)	159.9
Guaranteed	—
Secured ⁽¹⁾	159.8
Unguaranteed/unsecured ⁽²⁾	0.1
Shareholders' equity (excluding retained earnings and business combination equity adjustment)	
Share capital	4.2
Share premium, statutory and other reserves ⁽³⁾	2.5
Foreign currency translation reserve	1.1
Total Capitalisation	7.8

(1) Secured debt includes interest-bearing loans and borrowings and lease obligations that are secured against the underlying leased assets.

(2) Unsecured debt includes bank overdrafts and other unsecured loans presented under interest-bearing loans and borrowings.

(3) Share premium, statutory and other reserves includes share premium, reserve fund and the cash flow hedge reserve.

There has been no material change in the Group's capitalisation since 31 July 2021. The Company was incorporated on 3 August 2021 with capitalisation of £50,000.

The following table details the net financial indebtedness of the Group as at 31 July 2021.

<u>Net financial indebtedness</u>	<u>As at 31 July 2021</u> (EUR million)
A. Cash	52.9
B. Cash Equivalents	0
C. Liquidity (A) + (B)	52.9
D. Current Financial Receivable	0
E. Current bank debt	13.9
F. Current portion of non-current debt	19.3
G. Other current financial debt	2.4
H. Current Financial Debt (E) + (F) + (G)	35.6
I. Net Current Financial Indebtedness (H) – (D) – (C)	(17.3)
J. Non-current bank loans	153.7
K. Other non-current liabilities	6.2
L. Non current Financial Indebtedness (J) + (K)	159.9
M. Net Financial Indebtedness (I) + (L)	142.6

HISTORICAL FINANCIAL INFORMATION

Part A: W.A.G. payment solutions, a.s.

Section (1): Accountants' Report on the Historical Financial Information of the Operating Group



The Directors (the “**Directors**”)
W.A.G payment solutions plc (the “**Company**”)
Horton House Exchange Flags
Liverpool
L2 3PF

Morgan Stanley & Co. International plc
25 Cabot Square
London
E14 4QA

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

8 October 2021

Dear Ladies and Gentlemen

W.A.G. payment solutions, a.s. (the “Operating Company” and, together with its subsidiaries, the “Operating Group”)

We report on the financial information of the Operating Group for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and for the six months ended 30 June 2021 set out in section 2 of Part A of *Historical Financial Information* of the prospectus dated 8 October 2021 (the “**Prospectus**”) of the Company (the “**Operating Group Financial Information Table**”).

This report is required by item 18.3.1 of Annex 1 to the PR Regulation and is given for the purpose of complying with that item and for no other purpose.

We have not audited or reviewed the financial information for the six months ended 30 June 2020 which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

Opinion on financial information

In our opinion, the Operating Group Financial Information Table gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Operating Group as at the dates stated and of its profits, cash flows and statement of changes in equity for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and for the six months ended 30 June 2021 in accordance with UK adopted international accounting standards.

.....
PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH
T: +44 (0) 2075 835 000, F: +44 (0) 2072 124 652, www.pwc.co.uk

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Conclusions Relating to Going Concern

We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the Operating Group Financial Information Table about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Operating Group Financial Information Table and the Directors' identification of any material uncertainties to the Operating Group's ability to continue as a going concern over a period of at least twelve months from the date of this Prospectus.

We have nothing material to add or to draw attention to.

Responsibilities

The Directors of the Company are responsible for preparing the Operating Group Financial Information Table in accordance with UK adopted international accounting standards.

It is our responsibility to form an opinion on the Operating Group Financial Information Table and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.3.2R(2)(f) of the Prospectus Regulation Rules of the Financial Conduct Authority (the "**Prospectus Regulation Rules**") to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 to the PR Regulation, consenting to its inclusion in the Prospectus.

Basis of Preparation

The Operating Group Financial Information Table has been prepared for inclusion in the Prospectus of the Company on the basis of the accounting policies set out in note 2 to the Operating Group Financial Information Table.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council ("**FRC**") in the United Kingdom. We are independent in accordance with the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Operating Group Financial Information Table. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Declaration

For the purposes of item 5.3.2R(2)(f) of the Prospectus Regulation Rules we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 to the PR Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

Section (2): Historical Financial Information of the Operating Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended 30 June		For the year ended 31 December		
	Notes	2021	2020	2020	2019	2018
		(unaudited)		(EUR '000)		
Revenue from contracts with customers	10	784,369	604,963	1,252,954	1,363,452	920,846
Costs of energy sold		(711,513)	(544,523)	(1,124,348)	(1,248,870)	(847,127)
Net energy and services sales	11	72,856	60,440	128,606	114,582	73,719
Other operating income		341	314	942	762	235
Employee expenses	12	(26,567)	(19,235)	(41,407)	(38,117)	(26,348)
Depreciation and amortisation	16,17,18	(10,457)	(8,728)	(18,246)	(18,708)	(7,767)
Impairment losses of financial assets . .	22	(1,152)	(3,763)	(4,061)	(6,798)	(4,042)
Technology expenses		(2,782)	(2,082)	(4,049)	(3,339)	(1,970)
Other operating expenses		(15,009)	(11,232)	(24,600)	(24,788)	(18,594)
Operating profit		17,230	15,714	37,185	23,594	15,233
Finance income		31	36	141	2,430	957
Finance costs	14	(4,571)	(4,602)	(8,488)	(7,488)	(2,639)
Share of net loss of associates		(295)	—	—	—	—
Profit before tax		12,395	11,148	28,838	18,536	13,551
Income tax expense	15	(3,588)	(2,290)	(5,886)	(5,648)	(4,329)
PROFIT FOR THE YEAR		8,807	8,858	22,952	12,888	9,222
OTHER COMPREHENSIVE INCOME						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>						
Change in fair value of cash flow hedge recognised in equity		3,123	(5,786)	(4,002)	545	(1,352)
Exchange differences on translation of foreign operations		925	(1,477)	(835)	(279)	(177)
Deferred tax related to other comprehensive income		—	103	46	(136)	267
COMPREHENSIVE INCOME FOR THE YEAR		12,855	1,698	18,161	13,018	7,960
Total profit for the financial year attributable to equity holders of the operating company		8,657	8,118	21,239	11,308	9,222
Total profit for the financial year attributable to non-controlling interests		150	740	1,713	1,580	—
Total comprehensive income for the financial year attributable to equity holders of the operating company . .		12,688	957	16,468	11,428	7,960
Total comprehensive income for the financial year attributable to non-controlling interests		167	741	1,693	1,590	—

Basic earnings per share

<u>In Cents</u>	<u>For the six months ended 30 June</u>		<u>For the year ended 31 December</u>		
	<u>2021</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(unaudited)				
Basic earnings per share attributable to the ordinary equity holders of the company .					
Class 1	7,697,305	7,234,074	18,928,187	10,077,646	8,266,453
Class 2	2,278,402	2,141,286	5,602,743	2,982,983	2,446,870
Class 3	384,865	361,704	946,409	503,882	413,323
Class 4	7.85	7.23	18.93	12.72	8.95

Diluted earnings per share

<u>In Cents</u>	<u>For the six months ended 30 June</u>		<u>For the year ended 31 December</u>		
	<u>2021</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(unaudited)				
Diluted earnings per share attributable to the ordinary equity holders of the company					
Class 1	7,647,824	7,176,832	18,766,801	10,004,091	8,224,589
Class 2	2,263,761	2,124,342	5,554,973	2,961,211	2,434,478
Class 3	382,392	358,842	938,340	500,205	411,229
Class 4	7.76	7.18	18.77	11.84	8.73

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June		As at 31 December		
	Notes	2021	2020	2019	2018	
			(EUR '000)			
ASSETS						
Non-current assets						
Intangible assets	16	183,992	171,364	165,474	42,165	
Property, plant and equipment	17	33,925	32,975	35,889	28,344	
Right-of-use assets	18	8,074	8,644	10,591	9,417	
Investments in associates	19	13,551	—	—	—	
Financial assets		139	258	125	1,243	
Deferred tax assets	15	8,840	7,057	5,636	1,378	
Derivative assets	9, 23	—	—	445	—	
Other non-current assets	20	4,329	4,395	5,009	1,547	
Total non-current assets		252,850	224,693	223,169	84,094	
Current assets						
Inventories	21	4,075	5,289	7,374	4,229	
Trade and other receivables	22	305,898	236,432	250,298	165,205	
Income tax receivables		2,646	1,212	2,383	—	
Derivative assets	9, 23	1,193	526	1,748	24	
Cash and cash equivalents	24	78,477	118,105	59,783	40,805	
Total current assets		392,289	361,564	321,585	210,263	
TOTAL ASSETS		645,139	586,257	544,755	294,357	
SHAREHOLDERS' EQUITY AND LIABILITIES						
Share capital	25	4,169	4,158	4,158	4,132	
Share premium	25	3,127	2,927	2,927	2,679	
Foreign currency translation reserve		1,163	255	1,070	1,359	
Reserve fund	25	437	437	428	428	
Cash flow hedge reserve		(832)	(3,955)	1	(408)	
Business combinations equity adjustment	25	(23,501)	(46,009)	(41,745)	—	
Retained earnings	25	80,760	72,177	50,258	42,850	
Equity attributable to equity holders of the operating company		65,323	29,990	17,097	51,040	
Non-controlling interests	25	8,524	34,115	32,487	—	
Total equity		73,847	64,105	49,584	51,040	
Non-current liabilities						
Interest-bearing loans and borrowings	27	153,609	128,965	130,838	23,057	
Lease liabilities	18	6,308	7,155	9,114	8,338	
Provisions		—	—	—	3	
Deferred tax liabilities	15	4,907	3,858	4,838	350	
Derivative liabilities	9, 23	1,433	2,691	1,239	559	
Other non-current liabilities	29	27,388	22,273	45,782	1,187	
Total non-current liabilities		193,645	164,942	191,811	33,494	
Current liabilities						
Trade and other payables	29	334,017	305,957	251,428	168,630	
Interest-bearing loans and borrowings	27	32,261	42,274	42,990	33,673	
Lease liabilities	18	2,629	2,208	2,183	1,448	
Provisions		1,766	1,380	3,486	4,327	
Income tax liabilities		6,972	4,332	1,870	1,256	
Derivative liabilities	9, 23	2	1,059	1,403	489	
Total current liabilities		377,647	357,210	303,360	209,823	
TOTAL EQUITY AND LIABILITIES		645,139	586,257	544,755	294,357	

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

	Share capital	Share premium	Foreign currency translation reserve	Reserve fund	Business combinations equity adjustment	Retained earnings	Cash flow hedge reserve	Total equity attributable to equity holders of the operating company	Non-controlling interests	Total equity
At 1 January 2018	4,120	2,249	1,536	428	—	31,963	677	40,973	—	40,973
Profit for the year	—	—	—	—	—	9,222	—	9,222	—	9,222
Other comprehensive income	—	—	(177)	—	—	—	(1,085)	(1,262)	—	(1,262)
Total comprehensive income	—	—	(177)	—	—	9,222	(1,085)	7,960	—	7,960
Transactions with owners in their capacity as owners:										
Share options exercised	12	430	—	—	—	—	—	442	—	442
Share-based payments	—	—	—	—	—	1,665	—	1,665	—	1,655
At 31 December 2018	4,132	2,679	1,359	428	—	42,850	(408)	51,040	—	51,040
Profit for the year	—	—	—	—	—	11,308	—	11,308	1,580	12,888
Other comprehensive income	—	—	(289)	—	—	—	409	120	10	130
Total comprehensive income	—	—	(289)	—	—	11,308	409	11,428	1,590	13,018
Transactions with owners in their capacity as owners:										
Share options exercised	26	248	—	—	—	—	—	274	—	274
Dividends paid	—	—	—	—	—	(5,054)	—	(5,054)	—	(5,054)
Share-based payments	—	—	—	—	—	1,154	—	1,154	—	1,154
Acquisition of subsidiaries (Note 8)	—	—	—	—	—	—	—	—	30,897	30,897
Put options held by non-controlling interests	—	—	—	—	(41,745)	—	—	(41,745)	—	(41,745)
At 31 December 2019	4,158	2,927	1,070	428	(41,745)	50,258	1	17,097	32,487	49,584

	Share capital	Share premium	Foreign currency translation reserve	Reserve fund	Business combinations equity adjustment	Retained earnings	Cash flow hedge reserve	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
At 31 December 2019	4,158	2,927	1,070	428	(41,745)	50,258	1	17,097	32,487	49,584
Profit for the year	—	—	—	—	—	21,239	—	21,239	1,713	22,952
Other comprehensive income	—	—	(815)	—	—	—	(3,956)	(4,771)	(20)	(4,791)
Total comprehensive income	—	—	(815)	—	—	21,239	(3,956)	16,468	1,693	18,161
Transactions with owners in their capacity as owners:										
Dividends paid	—	—	—	—	—	—	—	—	(65)	(65)
Share-based payments	—	—	—	—	—	689	—	689	—	689
Contribution to reserve fund	—	—	—	9	—	(9)	—	—	—	—
Put options held by non-controlling interests	—	—	—	—	(4,264)	—	—	(4,264)	—	(4,264)
At 31 December 2020	4,158	2,927	255	437	(46,009)	72,177	(3,955)	29,990	34,115	64,105
Profit for the year	—	—	—	—	—	8,657	—	8,657	150	8,807
Other comprehensive income	—	—	908	—	—	—	3,123	4,031	17	4,048
Total comprehensive income	—	—	908	—	—	8,657	3,123	12,688	167	12,855
Transactions with owners in their capacity as owners:										
Share options exercised	11	200	—	—	—	—	—	211	—	211
Dividends paid	—	—	—	—	—	—	—	—	(1,980)	(1,980)
Share-based payments	—	—	—	—	—	892	—	892	—	892
Acquisition of subsidiaries (Note 8)	—	—	—	—	—	—	—	—	2,259	2,259
Acquisition of non-controlling interests (Note 25)	—	—	—	—	27,003	(966)	—	26,037	(26,037)	—
Put options held by non-controlling interests	—	—	—	—	(4,495)	—	—	(4,495)	—	(4,495)
At 30 June 2021	4,169	3,127	1,163	437	(23,501)	80,760	(832)	65,323	8,524	73,847

CONSOLIDATED STATEMENT OF CASH FLOWS
(EUR '000)

		For the six months ended 30 June		For the year ended 31 December		
	Notes	2021	2020 (unaudited)	2020	2019	2018
Cash flows from operating activities						
Profit before tax for the period		12,395	11,148	28,838	18,536	13,551
Non-cash adjustments:						
Depreciation and amortisation	16,17,18	10,457	8,728	18,246	18,708	7,767
Gain on disposal of non-current assets . . .		22	(2)	(48)	(39)	(11)
Interest income		(21)	(24)	(50)	(39)	(17)
Interest expense	14	2,234	2,975	5,469	3,417	781
Movements in provisions		375	1,712	1,883	(1,003)	421
Impairment losses of financial assets	22	1,152	3,763	4,061	6,798	4,042
Movements in allowances for inventories .	21	—	41	89	—	(36)
Foreign currency exchange rate differences		5	(1,419)	1,372	331	437
Fair value revaluation of derivatives		140	(365)	(1,057)	(30)	106
Other non-cash items		1,305	345	565	2,392	2,154
Working capital adjustments:						
(Increase)/decrease in trade and other receivables and prepayments		(65,262)	(59,677)	1,047	(14,875)	(41,604)
(Increase)/decrease in inventories		1,422	2,250	1,855	(1,761)	(1,180)
Increase in trade and other payables		45,942	29,890	36,698	36,991	32,579
Interest received		21	24	50	39	17
Interest paid		(2,014)	(2,615)	(5,086)	(5,861)	(711)
Income tax paid		(4,173)	(1,488)	(7,273)	(9,572)	(5,028)
Net cash flows (used in)/from operating activities		4,000	(4,714)	86,659	54,032	13,268
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment		89	25	89	116	69
Purchase of property, plant and equipment		(2,445)	(2,264)	(3,221)	(8,136)	(7,155)
Purchase of intangible assets		(13,283)	(6,275)	(19,954)	(16,398)	(8,754)
Purchase of financial instruments		—	(111)	(127)	(139)	(1,802)
Investment in subsidiaries, net of cash acquired		(27,749)	—	—	(104,880)	(678)
Investment in associates		(10,685)	—	—	—	—
Net cash (used in)/from investing activities		(54,074)	(8,625)	(23,213)	(129,437)	(18,320)
Cash flows from financing activities						
Payment of lease liabilities		(1,047)	(1,088)	(2,145)	(1,872)	(1,258)
Proceeds from borrowings		39,786	11,972	12,147	235,646	3,156
Repayment of borrowings		(8,593)	(2,221)	(4,494)	(126,176)	(4,812)
Dividend payments		(3,480)	(2)	(65)	(24,436)	—
Proceeds from issued share capital		211	—	—	274	442
Net cash (used in)/from financing activities		26,877	8,661	5,443	83,436	(2,472)
Net increase in cash and cash equivalents .		(23,196)	(4,678)	68,889	8,031	(7,524)
Effect of exchange rate changes on cash and cash equivalents		—	—	(217)	4	73
Cash and cash equivalents at beginning of period	24	88,961	20,289	20,289	12,254	19,705
Cash and cash equivalents at end of period	24	65,765	15,611	88,961	20,289	12,254

1. CORPORATE INFORMATION

W.A.G. payments solutions, a.s. (the Operating Company) is a joint stock company incorporated and domiciled in the Czech Republic and whose shares are not publicly traded. The parent and its subsidiaries (together the “Operating Group”) are principally engaged in:

- Providing payment solutions for fleets of professional transport and forwarding companies as well as running a network of petrol stations for commercial road transportation
- Providing unified way of electronic toll payments on a number of European highways 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 licenses for lifetime of device
- Other services.

A list of subsidiaries is included in Note 7.

Registered office

W.A.G. payment solutions, a.s.

Na Vítězné pláni 1719/4

140 00 Prague 4

Czech Republic

Identification number

264 15 623

2. BASIS OF PREPARATION

The consolidated historical financial information of the Operating Group has been prepared in accordance with UK adopted international accounting standards (“IFRS”), this being IFRS as adopted by UK Endorsement Board and the framework that will be applied by the Company in the annual financial statements for the year ending 31 December 2021.

The consolidated historical financial information has been prepared on a historical cost basis, except for *derivative financial instruments* that have been measured at fair value. The consolidated historical financial information is presented in EUR and all values are rounded to the nearest thousand (EUR’000), except where otherwise indicated.

The directors have prepared forecasts for a period of at least 12 months from the date of approval of this Historical Financial Information, which are based on their best assessment of the current trading outlook, including considering the ongoing impact of COVID-19 and the facilities available under the Senior Facilities Agreement. A number of downside sensitivities have been considered and the directors are of the view that they can continue to meet their obligations as they fall due. As a result, the consolidated historical financial information was prepared on a going concern basis.

The Operating Group’s fiscal year begins on 1 January and ends on 31 December.

Information on independent auditor

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
The statutory audit of the financial statements	155	151	301	202	66
Other assurance services	1,303	—	—	—	—
Tax advice	—	—	—	—	33
Other non-audit services	459	381	676	880	335
Total	1,917	532	977	1,082	434

The above fees in respect of 2019, 2020 and the six months ended 30 June 2021 represent amounts paid to PwC and in respect of 2018, amounts paid to EY.

Other assurance services relate to transaction related activities. Non-audit services were related to consultancy services in respect of product development.

The consolidated financial statements of W.A.G. payments solutions, a.s. for 2020 and 2019 were audited by PricewaterhouseCoopers Audit, s.r.o. and 2018 by Ernst & Young Audit, s.r.o.

3. BASIS OF CONSOLIDATION

The historical financial information comprise the financial statements of the Operating Company and its subsidiaries. Control is achieved when the Operating Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Operating Group controls an investee if, and only if, the Operating Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee,
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Operating Group has less than a majority of the voting or similar rights of an investee, the Operating Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Operating Group's voting rights and potential voting rights.

The Operating Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Operating Group obtains control over the subsidiary and ceases when the Operating Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the historical financial information from the date the Operating Group gains control until the date the Operating Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Operating Company and to the non-controlling interests, even if this results in the non-controlling interests having a negative balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Operating Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Operating Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

If the Operating Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the historical financial information are set out below. These accounting policies have been consistently applied in all material respects to all periods presented.

4.1. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Operating Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other operating expenses.

When the Operating Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments: Recognition and Measurement*, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

There also can be a situation that the holder of non-controlling interest in the acquiree are granted put options that convey to those shareholders the right to sell their shares in that acquiree for an exercise price specified in the option agreement. From the perspective of the Operating Group, such written put options meet the definition of a financial liability in IAS 32 if the Operating Group has an obligation to settle in cash or in another financial asset if the non-controlling shareholders exercise the option. If the terms affecting the exercisability of the option are genuine, then a liability for the put option exercise price is recognised. This is the case even if the put option is exercisable only on the occurrence of uncertain future events that are outside of control of both parties to the contract.

The amount that may become payable under the option on exercise is initially recognised at the present value of the redemption amount within financial liabilities with a corresponding charge directly to equity. The charge to equity is recognised separately as Business combinations equity adjustment.

Any subsequent adjustments to the redemption liability are recorded in equity as Business combination equity adjustment. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity. Once the put option is exercised, the amount previously recorded in equity as Business combination equity adjustment is transferred into retained earnings.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Operating Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Operating Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

4.2. Fair value measurement

The Operating Group measures financial instruments such as derivatives at fair value at each balance sheet date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (Note 9),
- Quantitative disclosures of fair value measurement hierarchy (Note 9),
- Financial instruments carried at fair value (Note 23).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,
- Or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Operating Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Operating Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Operating Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Operating Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.3. Revenue from contracts with customers

Revenues are recognised, when the Operating Group has satisfied a performance obligation and the amount of revenue can be reliably measured. The Operating Group will recognise revenue at an amount that reflects the consideration to which the Operating Group expects to be entitled (after reduction for expected discounts) in exchange for transferring goods or services to a customer.

Sale of energy

Energy means any source that makes a vehicle move (diesel, petrol, e-mobility, bio fuel additives and alternative fuel like LNG/CNG).

The Operating Group operates three business models for the sale of energy to fleets of professional transport and forwarding companies:

- the acceptance business model—sale through acceptance partner locations (petrol stations); customers may access any petrol station, which is accepting Operating Group's payment solutions, for price that is independent from the prices of petrol stations under pre-agreed terms
- the bunkering business model—the Operating Group supplies energy to bunkering sites located at partner sites; energy inventory is in ownership of the Operating Group until it is purchased by the Operating Group's customers
- own petrol stations

The Operating Group is acting as a principal in all the three business models with significant judgement made in respect of the acceptance model (see Note 6 under Principal versus agent consideration).

The revenue from the sale of energy is recognised when the Operating Group satisfies a performance obligation (transfers control over the energy), usually on delivery of the energy. The Operating Group recognises revenue at an amount that reflects the consideration to which the entity expects to be entitled (after reduction for expected discounts and volume rebates) in exchange for transferring goods or services to a customer. Sales are recognised net of value added tax.

Revenues from tax refund

The revenues from commission fee for the tax refund is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Operating Group's performance as the Operating Group performs. Revenue is recognised based on assumption how much time is needed for preparation and submission of a request for refund and other activities needed till reimbursed tax receipt.

Provision of tax refund services without 'net invoicing' (pre-financing) is performed on behalf of a customer and no receivable is recognised in Trade and other receivables (Note 22).

In case where the Operating Group's customer uses 'net invoicing' service provided by the Operating Group, the client receives its tax refund almost immediately. This method, also known as a "financed refund", ranks as one of the fastest ways to reclaiming VAT and Excise Duty paid to client in the moment of the purchase of energy, tolls or other services associated with passenger transport or freight haulage. The revenue from provision of credit in the amount of refund tax for the period of reimbursement is recognised over the average reimbursement period for each country in which the Operating Group operates.

Arranging payments of toll

The revenues from commission for arranging payments of toll is recognised over time in the period in which the performance obligation is satisfied and the service is rendered. The amount of consideration depends on the number of trucks entering a toll gate within particular month. The Operating Group is acting as an agent as the Operating Group's responsibility is limited to arranging the provision of toll services.

Telematics

The revenues from the sale of telematics units and recurring fees for software services are recognised in the period in which the performance obligation is satisfied, and the services are rendered. Telematics software allows companies the effective administration of their vehicle fleet and 24/7 monitor the activity of the whole fleet.

Navigation

Navigation revenue is generated through licensing of navigation software and digital map content to B2B and B2C customers. License of navigation software is granted as a "right to use an intellectual property" while the license of digital map content (including traffic) is granted as a "right to access to an intellectual property". Right to access provides the customer the right to access, over a certain period of time, map data which is regularly updated during the contract period. Right to use licenses are those that only provide the customer the right to use navigation software as it exists at the moment the control passes to the customer. This does not give the customer the right to receive future updates or upgrades other than those that can be considered as minor enhancements or bug fixing.

Revenue for “right to use” licenses is recognised at the moment the control passes to the customer. Revenue from “right to access” licenses is recognised over the (estimated) period during which the Operating Group is obliged to provide access to the customers based on third party content costs plus an appropriate margin. The period for B2C life-time “right to access” licenses is estimated at three years, for B2B life-time customers five years.

Other services

Other services include services that are immaterial from Operating Group perspective:

- 24h assistance services—revenue recognised over period for which service is activated;
- Legal services—revenue recognised at the moment service is rendered;
- Insurance—the Operating Group is acting as a broker offering clients different insurance products on behalf of some insurance companies. Revenue is a kick-back from insurance companies recognised at the moment when contract is signed;
- Factoring services—revenue recognised at the moment service is rendered;
- Other services.

4.4. Taxes

Current income tax

Current income tax assets and liabilities for an accounting period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Operating Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is calculated separately for each company of the Operating Group using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to

be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

4.5. Foreign currency transactions

The Operating Group's consolidated historical financial information are presented in EUR. Each entity in the Operating Group determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Operating Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange valid at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss as finance income and expenses. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

On consolidation, the assets and liabilities of foreign operations are translated into EUR at the exchange rates prevailing at the reporting date and their statements of profit or loss are translated at the average exchange rate for the relevant year. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

4.6. Cash dividend to equity holders of the Operating Company

The Company recognises a liability to make cash distributions to equity holders of the Operating Company when the distribution is authorized, and the distribution is no longer at the discretion of the Company. As per the corporate laws of Czech Republic, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

4.7. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant

overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

The useful life of intangible assets is assessed as either finite or indefinite.

Intangible assets with finite life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Amortisation of intangible assets with finite life is recorded on a straight-line basis over their estimated useful life as follows:

	<u>Years</u>
Clients relationships	2–10
Developments of software	3–10
Patents and rights	3–20
Software	2–10
Other intangible assets	2–3

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Clients' relationships

Clients' relationships were acquired as part of a business combination (Note 8, 16). They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful life.

Patents and rights, software

Separately acquired patents and rights, and software are shown at historical cost. Patents and rights, and software acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Operating Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale,
- Its intention to complete and its ability and intention to use or sell the asset,
- How the asset will generate future economic benefits,
- The availability of resources to complete the asset,
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit.

Development includes the programming relating to internal development of externally purchased software, development of software provided to the Operating Group's customers and development of new telematics products and services which include telematics and toll units.

4.8. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the aggregate amount paid, and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Operating Group depreciates them separately based on their specific useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recorded on a straight-line basis over the estimated useful life of an asset as follows:

	<u>Years</u>
Buildings and structures	8–35
Machinery and equipment	3–20
Vehicles	3–5
Fixtures and fittings	5–10
Low-value tangible fixed assets	2–10

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.9. Leases

Identification of the Subject of a Lease—Lease Agreement

A lease is a contract, or part of a contract, that conveys the right to use an identifiable asset for a period of time in exchange for consideration. At the inception of the contract, the Operating Group assesses whether the contract is a lease or contains a lease. The Operating Group reassesses whether the contract is a lease or contains a lease only when the contractual terms are amended.

The Operating Group assesses whether a contract transfers the right to control the use of an identifiable asset over a period of time based on:

The Operating Group has the right to obtain a substantial economic benefit from the asset for the period of its use,

- The lease is agreed for the lease of a specific asset, and the lessor does not have the right to exchange it or to profit financially from the exchange,
- The Operating Group has the right to control the use of an identifiable asset,
- The lease is longer than 12 months (short-term lease exemption allowed under IFRS 16),
- The value of the new asset exceeds EUR 4,500 (low value exemption allowed under IFRS16).

The Operating Group assesses whether the contract contains a lease separately for each potential lease component.

The Operating Group does not have any external subleases outside of the Operating Group nor any contract, where the Operating Group is a lessor.

Lease Liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are payments by the lessee to the lessor for the right to use an underlying asset for the duration of the lease. These payments include:

- fixed payments (lowered by any lease incentives),
- variable lease payments that are indexed or fixed to a rate,

- call option to purchase where there is sufficient certainty that the lessee will make use of the option,
- payment of penalties for termination of the lease where the lease period corresponds to the lessee making use of the option to terminate the lease.

After commencement date, variable lease payments not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers those payment occurs. Interest from the lease obligation is the Operating Group's finance costs.

Right to Use an Asset

The Operating Group measures the right to use an asset on the date the lease commences on the basis of a lease agreement. These are based on:

- the value of the lease liability increased by the lease payment that the Operating Group has paid before the day the lease commences (reduced by lease incentives—discounts),
- the initial direct costs of the lease paid by the Operating Group,
- the estimated value of the costs for dismantling and removing an identified asset or the reclamation of the site where the asset was located,
- an increase by the asset's modification and renovation costs required in the lease agreement, namely by the creation of a reserve in compliance with IAS 37 Reserves.

4.10. Investment in associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 4.14.

4.11. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of an asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Operating Group incurs in connection with the borrowing of funds.

4.12. Financial instruments—IFRS 9

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification and measurement

Financial assets are classified based on the business model of the Operating Group and characteristic of contractual cash flows. Under IFRS 9, the financial assets are classified into following categories: financial assets subsequently measured at amortised cost ("AC"), financial assets at fair value through profit or loss ("FVTPL") and financial assets at fair value through other comprehensive income ("FVOCI").

The Operating Group classifies financial assets into following categories:

- (A) Financial assets subsequently measured at amortised cost—classified if both of the following conditions are met:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (referred as SPPI test).

Expected credit losses, foreign exchange rate differences and interest revenues are recognised in the income statement. On derecognition, losses/gains are recognised in the income statement.

(B) Financial assets at fair value through other comprehensive income

- Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in finance income/(costs). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in finance income/(costs), and impairment expenses are presented as separate line item in the statement of profit or loss.

(C) Financial assets at fair value through profit or loss

- This category includes the financial assets held with strategy of active trading with financial assets. Contractual cash flow collection is not the primary objective of business model.
- Expected credit losses are not calculated and recognised. Changes in the fair value and foreign exchange rate differences are recognised in the income statement. Changes in the fair values are included in lines finance costs or finance income.

Trade and other receivables that do not contain a significant financing component or for which the Operating Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

The Operating Group's financial assets include cash, trade and other receivables with no significant financing component meeting criteria for classification as AC and derivatives meeting criteria for classification as FVTPL and FVTOCI.

Trade and other receivables

Trade and other receivables are carried at original invoice amount less an allowance for impairment of these receivables.

See Assets carried at amortised cost for a description of Group's impairment policies and Note 22 for further information on Trade and other receivables.

Impairment of assets carried at amortised cost

If there is an objective evidence that there has been an increase in the credit risk of a financial instrument measured at amortised cost since initial recognition, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the income statement.

As the Operating Group financial statements include financial assets representing Trade and other receivables only which do not include a significant financing component, the Operating Group applies a simplified approach in calculating expected loss ("ECLs"). Therefore, the Operating Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Simplified approach adopted by the Operating Group is using elements from general approach, the main difference is that no staging of financial assets is being used.

ECL measurement is based on three components used by the Operating Group: Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD"):

- EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest, and expected drawdowns on committed credit limits.

- PD an estimate of the likelihood of default to occur over a given time period. It is calculated from combination of customers financial position and performance, transactional data, volumes and payment performance. Set of variables differs according to scorecards applied to customers, which is determined by their resident country.
- LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD.

Impaired debts are derecognised when they are assessed as uncollectible.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Operating Group commits to purchase or sell the asset.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Operating Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired,
- Or the Operating Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Operating Group has transferred substantially all the risks and rewards of the asset, or (b) the Operating Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Operating Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Operating Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Operating Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Operating Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Operating Group could be required to repay.

Financial liabilities

Financial liabilities are classified into two main categories (a) at amortised cost and (b) at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Operating Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 27.

Trade and other payables

Trade payables are recognised at their nominal value which is deemed to be materially the same as the fair value.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Derivative financial instruments and hedge accounting

The Operating Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedged item affects profit or loss.

Derivatives embedded in financial liabilities are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

The embedded derivatives are separately valued upon inception and at each balance sheet date using an appropriate valuation model, with the changes in fair value recognised in profit or loss.

For the purpose of hedge accounting, hedges, still in accordance with IAS39, are classified as:

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment,
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Operating Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Operating Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss.

The Operating Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in OCI in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within finance income/(costs). Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

4.13. Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs are assigned to individual items on the basis of “first in, first out” (FIFO) method (the initial price in the measurement of inventory additions is used as the initial price in the measurement of inventory disposals). Costs of purchased inventory include acquisition-related costs (freight, customs, commission, etc.).

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.14. Impairment

The Operating Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Operating Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Operating Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Operating Group’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is estimated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Operating Group estimates the asset’s or CGU’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

Intangible assets with indefinite useful life are tested for impairment annually as at 31 December either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

4.15. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash in hand and cash at banks.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Operating Group's cash management.

4.16. Share-based payments

Employees of the Operating Group receive remuneration in the form of share-based payment transactions whereby employees render service as consideration for equity instruments or cash. Information relating to these transactions is set out in Note 13.

Equity-settled transactions

The fair value of options granted is recognised as employee expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of options granted, using the Black-Scholes model. The total amount is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Operating Group revises its estimates of the number of options that are expected to vest. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Operating Company issues the appropriate amount of shares to the employee. The proceeds received, net of any directly attributable transaction costs, are credited directly to equity.

Cash-settled transactions

Liabilities for cash-settled share-based payments are recognised as employee expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee related liabilities in the balance sheet.

4.17. Provisions

Provisions are recognised when the Operating Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

5. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES, ADOPTION OF NEW AND REVISED STANDARDS

5.1. Application of new IFRS—standards and interpretations effective in the reporting period

The Operating Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

- **COVID-19 Related rent concessions**—amendments to IFRS 16
- **Amendments to IFRS 4**—deferral of IFRS 9
- **Interest rate benchmark (IBOR) reform**—phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

These Amendments did not have significant impact on the Operating Group's historical financial information.

5.2. New IFRSs and IFRICs published by the IASB that are not yet effective

The Operating Group is currently assessing the potential impacts of the new and revised standards and interpretations that will be effective or adopted by the United Kingdom from 1 January 2022 or later.

- **IFRS 14 Regulatory deferral accounts**

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**—amendments to IFRS 10 and IAS 28
- **IFRS 17 “Insurance Contracts”**
- **Classification of liabilities as current or non-current**—Amendments to IAS 1
- **Proceeds before intended use, Onerous contracts—cost of fulfilling a contract, Reference to the Conceptual Framework**—narrow scope amendments to IAS 16, IAS 37 and IFRS 3, and
- **Annual Improvements to IFRSs 2018-2022**—amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41
- **Amendments to IFRS 17 and an amendment to IFRS 4**
- **Amendments to IAS 1 and IFRS Practice Statement 2**—Disclosure of Accounting policies
- **Amendments to IAS 8**—Definition of Accounting Estimates
- **Deferred tax related to assets and liabilities arising from a single transaction**—Amendments to IAS 12

These new standards and amendments are not expected to have any significant impacts on the Operating Group’s historical financial information.

6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Judgements

In the process of applying the Operating Group’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the historical financial information:

Principal versus agent consideration

The Operating Group has considered whether it acts as a principal or an agent in acceptance business model (see explanation of the business models used in sales of energy in note 4.3) in sale of energy. The Operating Group is not selling just the energy but an integrated web based solution comprising advice on where to buy energy, offering discounted energy prices that are independent of pricing of the Operating Group’s suppliers, use of payment cards and administration of the energy sales transaction. The Operating Group sells energy to its customers under one contract covering sales transactions realised under all three business models used by the Operating Group and described in note 4.3. In the case of the acceptance business model the principal vs. agent assessment involves significant judgement. In applying the judgment management concluded that the Operating Group is the principal mainly because it is the primary obligor in respect of delivery of energy and related services to its customers. Management also considered the following additional control indicators:

1. The Operating Group has discretion in establishing the price for the specified fuel independent from the prices of petrol stations under the acceptance model.
2. The Operating Group has the right to choose its suppliers.
3. The Operating Group is responsible for damages caused by the product quality.

Put options granted to non-controlling interests

The Operating Group concluded that it does not, in substance, acquire present access to economic benefits of acquired subsidiaries. The put option redemption liability will be settled with a transfer of the non-controlling interest’s shares for a price that is deemed to approximate their fair value. Therefore, the non-controlling shareholders have retained the risks and rewards associated with ownership until the options are exercised.

The put option redemption liability measurement requires significant judgment and assumptions at each reporting date, including forecasted future revenues and profits of the acquired business and discount rates.

Business combinations

Accounting for business combinations requires significant judgment and assumptions at the acquisition date, including estimating the fair value of acquired intangible assets, estimated income tax assets and liabilities assumed, and determination of the fair value of contractual obligations, where applicable. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash-flows from acquired customers, acquired software and trade names from a market participant perspective, useful lives and discount

rates. The estimates are based on historical experience and information obtained from the management of the acquired companies and are inherently uncertain.

Whether arrangements for contingent payments to selling shareholders are contingent consideration in the business combination or constitute post acquisition remuneration depends on the nature of the arrangements. Where applicable, the Operating Group concluded that these arrangements are contingent consideration in the business combination.

Estimates and assumptions

The preparation of consolidated historical financial information requires the use of estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Operating Group based its assumptions and estimates on parameters available when the consolidated historical financial information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Operating Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (“CGU”) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Operating Group is not yet committed to or significant future investments that will enhance the asset’s performance of the CGU being tested. Climate change impact on recoverable amounts and useful life of non-financial assets is not considered to be significant in the next five years. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 16.

7. GROUP INFORMATION

The Operating Group has following principal activities:

- Providing payment solutions for fleets of professional transport and forwarding companies as well as running a network of petrol stations for commercial road transportation (*“Payment solutions, petrol stations”*).
- Providing payment solutions for fleets of professional transport and forwarding companies (*“Payment solutions”*).
- Providing unified way of electronic toll payments on a number of European highways for fleets of professional transport and forwarding companies (*“Toll”*).
- Recovery of VAT refunds and excise duty from European countries (*“Refunds”*).
- Creating an automated journey book and optimizing traffic with the use of integrated digital maps (*“Development software”*).
- Combine advanced solutions in the field of electronics, software engineering and applied mathematics (*“GPS/GPRS”*).
- Sale of licenses for lifetime of device (*“Licenses”*).
- Other services (*“Other services”*).

The historical financial information of the Operating Group include:

Name	Principal activities	Registered office	Effective economic interest			
			2021	2020	2019	2018
W.A.G. payment solutions, a.s.	<i>Payment solutions, petrol stations</i>	Czech Republic	Operating Company	Operating Company	Operating Company	Operating Company
W.A.G. Issuing Services, a.s.	<i>Payment solutions</i>	Czech Republic	100%	100%	100%	100%
W.A.G. payment solutions SK, s.r.o.	<i>Payment solutions, petrol stations</i>	Slovakia	100%	100%	100%	100%
W.A.G. payment solutions RO, s.r.l.	<i>Payment solutions, petrol stations</i>	Romania	100%	100%	100%	100%
W.A.G. payment solutions PL, Sp. zoo	<i>Payment solutions, petrol stations</i>	Poland	100%	100%	100%	100%
W.A.G. payment solutions HU, Kft.	<i>Payment solutions, petrol stations</i>	Hungary	100%	100%	100%	100%
W.A.G. HU, Kft.	<i>Payment solutions</i>	Hungary	100%	100%	100%	100%
W.A.G. payment solutions AT GmbH	<i>Payment solutions, petrol stations</i>	Austria	100%	100%	100%	100%
W.A.G. AT GmbH	<i>Toll</i>	Austria	100%	100%	100%	—
Reamon Tax, a.s.	<i>Refunds</i>	Czech Republic	100%	100%	100%	100%
CONSORZIO EUROWAG S.C. A R.L	<i>Toll</i>	Italy	100%	100%	100%	100%
W.A.G. payment solutions BE BVBA	<i>Payment solutions</i>	Belgium	100%	100%	100%	100%
W.A.G. payment solutions BG EOOD	<i>Payment solutions</i>	Bulgaria	100%	100%	100%	100%
W.A.G. payment solutions CZ, s.r.o.	<i>Payment solutions</i>	Czech Republic	100%	100%	100%	100%
W.A.G. payment solutions DE GmbH	<i>Payment solutions</i>	Germany	100%	100%	100%	100%
W.A.G. payment solutions DK ApS	<i>Payment solutions</i>	Denmark	100%	100%	100%	100%
W.A.G. payment solutions EE OÜ	<i>Payment solutions</i>	Estonia	100%	100%	100%	100%
W.A.G. payment solutions Spain SLU.	<i>Payment solutions</i>	Spain	100%	100%	100%	100%
W.A.G. payment solutions FI Oy	<i>Payment solutions</i>	Finland	100%	100%	100%	100%
W.A.G. payment solutions FR SARL	<i>Payment solutions</i>	France	100%	100%	100%	100%
W.A.G. payment solutions HR d.o.o.	<i>Payment solutions</i>	Croatia	100%	100%	100%	100%
W.A.G. payment solutions CH AG	<i>Payment solutions</i>	Switzerland	100%	100%	100%	100%
W.A.G. payment solutions IE LIMITED	<i>Payment solutions</i>	Ireland	100%	100%	100%	100%
W.A.G. payment solutions IT S.R.L. UNIPERSONALE	<i>Payment solutions</i>	Italy	100%	100%	100%	100%
W.A.G. payment solutions LT, UAB	<i>Payment solutions</i>	Lithuania	100%	100%	100%	100%
W.A.G. payment solutions LU S.à r.l.	<i>Payment solutions</i>	Luxembourg	100%	100%	100%	100%
SIA W.A.G. payment solutions LV	<i>Payment solutions</i>	Latvia	100%	100%	100%	100%
W.A.G. payment solutions NL B.V.	<i>Payment solutions</i>	The Netherlands	100%	100%	100%	100%

Name	Principal activities	Registered office	Effective economic interest			
			2021	2020	2019	2018
W.A.G. payment solutions PT Unnipessoal, LDA	<i>Payment solutions</i>	Portugal	100%	100%	100%	100%
W.A.G. payment solutions Sweden AB	<i>Payment solutions</i>	Sweden	100%	100%	100%	100%
W.A.G., plačilne rešitve SI, d.o.o.	<i>Payment solutions</i>	Slovenia	100%	100%	100%	100%
W.A.G. payment solutions UK LIMITED	<i>Payment solutions</i>	United Kingdom	100%	100%	100%	100%
HI Software Development s.r.o.	<i>Development software</i>	Czech Republic	100%	100%	100%	100%
Princip a.s.	<i>GPS/GPRS</i>	Czech Republic	100%	100%	100%	100%
Klub Investorov T&G SK, s.r.o.	<i>Payment solutions</i>	Slovakia	100%	100%	100%	100%
W.A.G. payment solutions EL SP LTD	<i>Payment solutions</i>	Greece	100%	100%	100%	100%
W.A.G. payment solutions NO AS	<i>Payment solutions</i>	Norway	100%	100%	100%	100%
WAG Payment Solutions Turkey Ödeme Sistemleri Ticaret Limited Şirketi	<i>Payment solutions</i>	Turkey	100%	100%	100%	100%
W.A.G. mobility solutions Iberia SL	<i>Payment solutions</i>	Spain	100%	100%	100%	100%
Aldobec technologies, s.r.o.	<i>Development software</i>	Slovakia	100%	100%	100%	100%
Eurowag d.o.o. Beograd-Stari Grad	<i>Payment solutions</i>	Serbia	100%	100%	100%	—
Arraia Autopistas, SL	<i>Toll</i>	Spain	100%	75%	75%	—
Arraia-Oil, S.L.*	<i>Payment solutions, petrol stations</i>	Spain	100%	75%	75%	—
Liserteco LDA	<i>Other services</i>	Portugal	100%	75%	75%	—
Liserteco 24 Horas, SL.	<i>Other services</i>	Spain	100%	75%	75%	—
Reivalsa Gestion, S.L.	<i>Refunds</i>	Spain	100%	75%	75%	—
Tax Refund Consulting SL.	<i>Refunds</i>	Spain	100%	75%	75%	—
Trofa Gestion, S.L.	<i>Refunds</i>	Spain	100%	75%	75%	—
Sygic, a.s.	<i>Licenses</i>	Slovakia	70%	70%	70%	—
Tripomatic s.r.o.	<i>Licenses</i>	Czech Republic	35.7%	35.7%	35.7%	—
Sygic Czech Republic s.r.o.	<i>Other services</i>	Czech Republic	70%	70%	70%	—
Sygic Ltd.	<i>Licenses</i>	United Kingdom	70%	70%	70%	—
KomTeS Chrudim s.r.o.	<i>GPS/GPRS</i>	Czech Republic	51%	—	—	—
KomTeS SK s.r.o.	<i>GPS/GPRS</i>	Slovakia	51%	—	—	—
KomTeS CZ s.r.o.	<i>GPS/GPRS</i>	Czech Republic	51%	—	—	—
Threeforce BV	<i>Other services</i>	The Netherlands	27.75%	—	—	—
UAB „Tankita“	<i>Other services</i>	Lithuania	20%	—	—	—

* Portugalia Global Services, S.L. was acquired in January 2019 but was merged with Arraia Oil on 31 March 2019 and was subsequently liquidated.

The Operating Company has the same percentage voting rights as effective economic interest, directly or indirectly, in all listed above subsidiaries except for Tripomatic s.r.o. The Operating Company possess 70% of shares in Sygic a.s., which is controlling Tripomatic s.r.o. by having 51% of voting rights.

The Operating Company has following branches:

- W.A.G. payment solutions—Branch Bulgaria,
- W.A.G. payment solutions, a.s. Spółka Akcyjna Oddział w Polsce,
- W.A.G. payment solutions a.s Merkezi Çek Cumhuriyeti İstanbul Merkez Şubesi,
- W.A.G. payment solutions, a.s. organizacná zložka.

8. BUSINESS COMBINATION

The following acquisitions took place in 2021:

Acquisition of 51% share in KomTeS

On 1 January 2021, the Operating Group acquired 51% of the share capital in KomTeS, a value-added reseller of Group's Webdispečink product (Telematics). The transaction will ensure the highest level of support, service, and value to Group and KomTeS customers in both the Czech Republic and Slovakia.

The remaining 49% minority interest is subject to put / call option rights of the parties, while the Operating Group is entitled to exercise the call option at any time after 1 January 2022 and the minority shareholders are entitled to exercise the put option at any time after the third anniversary of the closing date (if the call option has not been exercised).

The fair values of identifiable assets and liabilities of KomTeS as at the date of acquisition were:

EUR '000	Fair value recognised on acquisition KomTeS Group
Assets	
Property, plant and equipment	109
Identifiable intangible assets	4,981
Trade receivables	772
Cash and cash equivalents	1,610
Inventories	96
Accruals	10
Total Assets	7,578
Trade payables	1,989
Deferred tax	946
Accruals	29
Total Liabilities	2,964
Total identifiable net assets at fair value	4,614
Non-controlling interest measured at fair value	2,259
Goodwill arising on acquisition	—

The gross contractual receivables acquired amounted to EUR 772 thousand. At acquisition date, there were no contractual cash flows not expected to be collected.

Acquisition of minority interest in Last Mile Solutions

On 16 February 2021, the Operating Group acquired 28% minority interest in Dutch-based Threeforce B.V., operating under brand Last Mile Solutions, a fast growing eMobility platform in Europe. The deal supports Operating Group's position in the eMobility market and confirms its focus on sustainable transportation solutions. Through this partnership, both companies will combine efforts to provide industry-leading eMobility services to their customers throughout Europe.

The remaining shares are subject to a put option, which may require from the Operating Group to acquire all shares of Last Mile Solutions. The put option is measured as a derivative instrument.

Further details are disclosed in Note 19.

Acquisition of minority interest in Drivitty

On 1 April 2021, the Operating Group acquired a 20% minority interest in the Lithuanian company Tankita UAB, operating under the brand Drivitty, a mobile services integration leader in the commercial transportation market. With this strategic partnership Eurowag aims to accelerate its path towards providing fully seamless vehicle fleet management for its customers.

Although the Operating Group has a call option to acquire the remaining shares of Drivitty, it concluded that the call option does not provide control over the entity.

Acquisition of 25% minority interest in ADS Group

On 4 March 2021 the Operating Group acquired the remaining 25% of shares of ADS companies, a top commercial road transport services provider in Spain and Portugal. The transaction is a key part of Operating Group's long-term strategy to strengthen its presence in the Iberian Peninsula and Western Europe.

As the remaining 25% minority interest was subject to put / call option rights of the parties, the Operating Group recognised a financial liability at the present value of the amount payable on exercise of the NCI put in accordance with IFRS 9 at 31 December 2020 (Note 29). The impact of the acquisition on equity is described in Note 25.

There were no acquisitions in 2020.

In 2019, the Operating Group acquired ADS Group and Sygic Group.

Acquisition of ADS Group

On 24 January 2019 the Operating Group acquired 75% of shares of ADS companies (Arraia-Oil, S.L., Portugalia Global Service, S.L., Liserteco LDA, Liserteco 24 Horas, SL, Reivalsa Gestion, S.L., Tax Refund Consulting SL, Trofa Gestion, S.L.), a top road haulage fuel card operator in Spain and Portugal. ADS brand was formed by companies owned by two groups of individuals from Alava region and Salamanca. Alava's part was founded in 2001 while Salamanca's part—in 1988, both closely cooperated since 2004 and together managed to create a top fuel card brand with a line of complimentary services for their road haulage clients. The transaction is part of Operating Group's long-term strategy to strengthen its presence in the Western European market. Both Eurowag and ADS customers will appreciate the wide range of integrated mobility services that cover the whole of Europe.

At acquisition date, the remaining 25% minority interest was subject to put / call option rights of the parties, while the Operating Group was entitled to exercise the call option at any time after closing date and the minority shareholders were entitled to exercise the put option at any time after the second anniversary of the closing date (if the call option has not been exercised). The Operating Group acquired the remaining 25% in 2021.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities as at the date of acquisition were:

EUR '000	Fair value recognised on acquisition of ADS Group
Assets	
Property, plant and equipment (Note 17)	4,294
Identifiable intangible assets (Note 16)	15,995
Right-of-use assets (Note 18)	558
Deferred tax assets	3,126
Financial investments	225
Cash and cash equivalents	18,527
Trade receivables	78,393
Inventories	1,377
Accruals	114
Total Assets	122,609
Trade payables	46,820
Interest-bearing loans and borrowings	10,877
Deferred tax liabilities	142
Accruals	14,734
Total Liabilities	72,573
Total identifiable net assets at fair value	50,036
Goodwill arising on acquisition (Note 16)	43,412
Non-controlling interest measured at fair value	(24,025)
Purchase consideration paid in cash	69,423

After acquisition date, the Operating Group acquired additional intangible asset related to ADS acquisition through its new subsidiary Arraia Oil, S.L for a cash consideration of EUR 4,651 thousand.

The gross contractual receivables acquired amounted to EUR 78,393 thousand. At acquisition date, there were no contractual cash flows not expected to be collected.

The residual goodwill is associated with future cash flows and yet undeveloped intangibles. The goodwill is composed of a number of elements including: the unique network location of the ADS's fuel stations, a significant and growing road transportation market in Iberia, the unique bundle of services offered to the clients, potential synergies arising from specific integration of efficient processes implemented from the Operating Group and an assembled and trained workforce as an indivisible part of goodwill.

From the date of acquisition until 31 December 2019, ADS contributed EUR 304,504 thousand of revenue and EUR 1,843 profit.

Acquisition of Sygic Group

On 15 April 2019 the Operating Group acquired 70% of shares of Sygic a.s. (parent company for: Tripomatic s.r.o., Sygic Czech Republic s.r.o., Sygic North America Inc., Sygic Ltd.). Sygic Group is a global leading developer and provider of mobile navigation solutions with strong position in professional drivers' segment. Sygic a.s. is headquartered in Bratislava. Acquisition of majority of Sygic's shares is a part of the Operating Group's long-term strategy to become the leading mobility solutions provider. By combining the know-how, technologies and big data, the move is designed to create large cost efficiencies to customers and bring innovation to the transportation industry.

The remaining 30% minority interest is subject to a put / call option mechanism of the parties.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities as at the date of acquisition were:

EUR '000	Fair value recognised on acquisition of Sygic Group
Assets	
Property, plant and equipment (Note 17)	191
Identifiable intangible assets (Note 16)	20,112
Contract assets	5,791
Cash and cash equivalents	6,117
Trade and other receivables	2,379
Inventories	8
Total Assets	34,598
Trade payables	6,635
Contract liabilities	5,791
Provisions	212
Deferred tax	4,131
Total Liabilities	16,769
Total identifiable net assets at fair value	17,829
Goodwill arising on acquisition (Note 16)	34,543
Non-controlling interest measured at proportionate share of the acquiree's identifiable net assets	(6,872)
Purchase consideration paid in cash	45,500

The gross contractual receivables acquired amounted to EUR 1,609 thousand and estimated at the acquisition date any contractual cash flows not expected to be collected amounted to EUR 19 thousand.

The residual goodwill is associated with future cash flows and yet undeveloped intangibles. The goodwill is composed of a number of elements including potential synergies arising from specific integration, know-how and an assembled and trained workforce as an indivisible part of goodwill.

From the date of acquisition until 31 December 2019, Sygic contributed EUR 13,465 thousand of revenue and EUR 1,684 thousand of profit.

In 2018, the Operating Group acquired company Aldobec technologies, s.r.o.

Acquisition of Aldobec technologies, s.r.o.

On 15 January 2018 the Operating Group acquired 100% of the voting shares of Aldobec technologies, s.r.o., an unlisted company based in Slovak Republic. Aldobec technologies, s.r.o. is a leading provider of web services for fleet monitoring, management and optimization in Slovakia, specializing in the road freight segment.

The combination had taken place at the date of 1 January 2018.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities as at the date of acquisition were:

EUR '000	Fair value recognised on acquisition Aldobec technologies, s.r.o.
Assets	
Property, plant and equipment (Note 17)	13
Intangible assets (Note 16)	—
Identifiable intangible assets (Note 16)	628
Cash and cash equivalents	22
Trade receivables	76
Inventories	46
Accruals	4
Total Assets	789
Trade payables	104
Interest-bearing loans and borrowings	—
Provisions	2
Deferred tax	132
Accruals	—
Total Liabilities	238
Total identifiable net assets at fair value	551
Goodwill arising on acquisition (Note 16)	910
Purchase consideration:	
Deferred consideration (discounted)	761
Purchase price paid on acquisition	700
Total purchase consideration	1,461

Net outflows of cash to acquire subsidiaries were as follows:

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Cash consideration paid	29,359	—	119,574	700
Cash acquired	(1,610)	—	(24,644)	(22)
Bank overdrafts acquired	—	—	9,950	—
Net outflow of cash—investing activities	27,749	—	104,880	678

Cost of acquisition of subsidiaries recognised in other operating expense:

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Acquisition costs	111	34	376	1,914	919

9. FAIR VALUE MEASUREMENT

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

Fair value measurement hierarchy for assets and liabilities as at 30 June 2021:

EUR '000	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
Derivative financial assets					
Foreign currency forwards	30 June 2021	—	538	—	538
Foreign currency swaps	30 June 2021	—	655	—	655
Liabilities measured at fair value					
Derivative financial liabilities					
Foreign currency forwards	30 June 2021	—	2	—	2
Interest rate swaps	30 June 2021	—	1,433	—	1,433

There have been no transfers between Level 1, Level 2 and Level 3 during the six months ended 30 June 2021.

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

Fair value measurement hierarchy for assets and liabilities as at 31 December 2020:

EUR '000	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
Derivative financial assets					
Foreign currency forwards	31 December 2020	—	297	—	297
Foreign currency swaps	31 December 2020	—	229	—	229
Liabilities measured at fair value					
Derivative financial liabilities					
Foreign currency forwards	31 December 2020	—	1,059	—	1,059
Interest rate swaps	31 December 2020	—	2,691	—	2,691

There have been no transfers between Level 1, Level 2 and Level 3 during the year ended 31 December 2020.

Fair value measurement hierarchy for assets and liabilities as at 31 December 2019:

EUR '000	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
Derivative financial assets					
Foreign currency forwards	31 December 2019	—	1,940	—	1,940
Foreign currency swaps	31 December 2019	—	176	—	176
Interest rate swaps	31 December 2019	—	77	—	77
Liabilities measured at fair value					
Derivative financial liabilities					
Foreign currency forwards	31 December 2019	—	1,424	—	1,424
Foreign currency swaps	31 December 2019	—	13	—	13
Interest rate swaps	31 December 2019	—	1,205	—	1,205

There have been no transfers between Level 1, Level 2 and Level 3 during the year ended 31 December 2019.

Fair value measurement hierarchy for assets and liabilities as at 31 December 2018:

EUR ‘000	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
Derivative financial assets					
Foreign currency forwards	31 December 2018	—	22	—	22
Foreign currency swaps	31 December 2018	—	2	—	2
Liabilities measured at fair value					
Derivative financial liabilities					
Foreign currency forwards	31 December 2018	—	768	—	768
Foreign currency swaps	31 December 2018	—	19	—	19
Interest rate swaps	31 December 2018	—	261	—	261

There have been no transfers between Level 1, Level 2 and Level 3 during the year ended 31 December 2018.

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.

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

10. SEGMENTAL ANALYSIS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”). The Operating Group considers the Executive Committee to be the CODM effective from July 2021. Board of Directors was considered as CODM prior 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 Operating Group is organised in two operating segments, Payment solutions and Mobility solutions. Payment solutions represent core of Group’s revenues, which are based on re-occurring and frequent transactional payments. The segment includes Energy and Toll payments, which are typical first choice of a new customer. Mobility solutions represent number of services, which are subsequently sold to customers using Payment solutions products. The segment includes Tax refund, Telematics, Navigation and other smaller service offerings.

Net energy and services sales, contribution, EBITDA and Adjusted EBITDA are non-GAAP measure, see Note 11.

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

Six months ended 30 June 2021 (EUR '000)	Payment solutions	Mobility solutions	Total
Segment revenue	765,649	18,720	784,369
Net energy and services sales	54,136	18,720	72,856
Contribution	47,780	13,032	60,812
Contribution margin	88%	70%	83%
Corporate overhead and indirect costs			(27,758)
Specially disclosed items affecting Adjusted EBITDA			(5,367)
Depreciation and amortisation			(10,457)
Operating profit			17,230

Six months ended 30 June 2020
(EUR '000) (unaudited)

	Payment solutions	Mobility solutions	Total
Segment revenue	588,391	16,572	604,963
Net energy and services sales	43,868	16,572	60,440
Contribution	36,146	12,052	48,198
Contribution margin	82%	73%	80%
Corporate overhead and indirect costs			(22,460)
Specially disclosed items affecting Adjusted EBITDA			(1,296)
Depreciation and amortisation			(8,728)
Operating profit			15,714

Year ended 31 December 2020
(EUR '000)

	Payment solutions	Mobility solutions	Total
Segment revenue	1,218,438	34,516	1,252,954
Net energy and services sales	94,090	34,516	128,606
Contribution	79,726	25,040	104,766
Contribution margin	85%	73%	81%
Corporate overhead and indirect costs			(46,167)
Specially disclosed items affecting Adjusted EBITDA			(3,168)
Depreciation and amortisation			(18,246)
Operating profit			37,185

Year ended 31 December 2019
(EUR '000)

	Payment solutions	Mobility solutions	Total
Segment revenue	1,330,027	33,425	1,363,452
Net energy and services sales	81,157	33,425	114,582
Contribution	67,002	24,013	91,015
Contribution margin	83%	72%	79%
Corporate overhead and indirect costs			(43,915)
Specially disclosed items affecting Adjusted EBITDA			(4,798)
Depreciation and amortisation			(18,708)
Operating profit			23,594

Year ended 31 December 2018
(EUR '000)

	Payment solutions	Mobility solutions	Total
Segment revenue	904,428	16,418	920,846
Net energy and services sales	57,301	16,418	73,719
Contribution	48,065	9,173	57,238
Contribution margin	84%	56%	78%
Corporate overhead and indirect costs			(31,374)
Specially disclosed items affecting Adjusted EBITDA			(2,864)
Depreciation and amortisation			(7,767)
Operating profit			15,233

Adjusted EBITDA reconciliation

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
		(unaudited)			
Operating profit	17,230	15,714	37,185	23,594	15,233
Depreciation and amortisation	10,457	8,728	18,246	18,708	7,767
EBITDA	27,687	24,442	55,431	42,302	23,000
Non-recurring M&A-related expenses (Note 8)	111	34	376	1,914	919
Non-recurring IPO-related expenses	2,827	—	330	—	—
Strategic transformation expenses	764	681	1,238	1,211	—
Share-based compensations (Note 12)	1,665	581	1,224	1,673	1,945
Adjusted EBITDA	33,054	25,738	58,599	47,100	25,864

Geographical split—segment revenue

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

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Czech Republic ("CZ")	150,604	121,300	253,724	271,374	249,097
Poland ("PL")	137,490	113,781	231,133	263,975	226,138
Central Cluster (excluding CZ and PL)	89,406	70,859	142,540	157,216	127,881
Portugal ("PT")	172,081	133,805	267,637	311,730	7,283
Western Cluster (excluding PT)	18,322	16,716	39,340	29,762	24,101
Romania ("RO")	83,085	49,389	109,854	108,291	94,061
Southern Cluster (excluding RO)	129,378	95,700	201,494	209,130	192,285
Not specified	4,003	3,413	7,232	11,974	—
Total	784,369	604,963	1,252,954	1,363,452	920,846

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		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Czech Republic	12,642	11,447	24,863	22,958	21,824
Poland	12,956	11,510	24,130	21,572	18,375
Central Cluster (excluding CZ and PL)	9,786	7,217	14,932	12,365	10,042
Portugal	11,114	8,851	19,639	19,086	383
Western Cluster (excluding PT)	2,702	2,967	6,251	2,775	1,372
Romania	8,588	5,421	12,102	9,973	8,370
Southern Cluster (excluding RO)	12,133	10,188	20,769	15,757	13,353
Not specified	2,935	2,839	5,920	10,096	—
Total	72,856	60,440	128,606	114,582	73,719

Timing of revenue recognition was as follows:

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Payment solutions					
Goods and services transferred at a point in time	755,207	580,363	1,198,768	1,314,084	893,483
Services transferred over time	10,442	8,028	19,670	15,943	10,945
	765,649	588,391	1,218,438	1,330,027	904,428
Mobility solutions					
Goods and services transferred at a point in time	5,489	5,123	10,392	11,657	3,277
Services transferred over time	13,231	11,449	24,124	21,768	13,141
	18,720	16,572	34,516	33,425	16,418
Total segment revenue	784,369	604,963	1,252,954	1,363,452	920,846

11. ALTERNATIVE PERFORMANCE MEASURES

To supplement its historical financial information, which is prepared and presented in accordance with IFRS, the Operating Group uses the following non-GAAP financial measures that are not defined or recognised under IFRS: Net energy and services sales, Contribution, EBITDA and Adjusted EBITDA.

Net energy and services sales

Net energy and services sales is an alternative performance measure, which is calculated as total revenues from contracts with customers less cost of energy sold. The Operating 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 Operating Group has some discretion in establishing final energy price independent from the prices of its suppliers as explained in Note 6 under Principal versus agent considerations.

This measure also supports comparability of Operating 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 allocation of shared costs that are managed at group level and hence shown separately under Indirect costs and Corporate overhead.

EBITDA

EBITDA is defined as operating profit before depreciation and amortization.

Adjusted EBITDA

Adjusted EBITDA is defined as EBITDA before specially disclosed items:

- Non-recurring M&A-related expenses represent non-recurring fees and other costs relating to the Group's acquisitions activity.
- Non-recurring IPO-related expenses relate to non-recurring advisory and other expenses relating to the Admission.
- Strategic transformation expenses represent costs relating to broadening the skill bases of the Group's employees (including in respect of executive search and recruiting costs) as well as costs related to transformation of key IT systems.
- Share-based compensation represents equity-settled and cash-settled compensations provided to the Group's management.

12. EMPLOYEE EXPENSES

Employee expenses for the respective periods consist of the following:

EUR '000	For the six months ended 30 June						For the year ended 31 December					
	2021			2020 (unaudited)			2020			2019		
	Total personnel	Key management*	Total personnel	Total personnel	Key management*	Total personnel	Total personnel	Key management*	Total personnel	Total personnel	Key management*	Total personnel
Wages and salaries	20,964	1,306	15,220	701	1,787	33,319	30,487	1,523	19,929	19,929	1,273	19,929
Social security and health insurance	5,667	242	4,377	174	302	8,780	8,339	264	5,408	5,408	203	5,408
Social cost	666	—	455	—	1	1,188	1,124	2	1,065	1,065	2	1,065
Option plans (Note 13)	1,665	1,665	581	581	1,224	1,224	1,673	1,673	1,945	1,945	1,945	1,945
Other personnel cost (unused vacation)	325	—	1	—	143	601	291	98	184	184	65	184
Own work capitalised (Note 16)	(2,720)	—	(1,399)	—	—	(3,705)	(3,797)	—	(2,183)	(2,183)	—	(2,183)
Total employee expense	26,567	3,213	19,235	1,456	3,457	41,407	38,117	3,560	26,348	26,348	3,488	26,348

* Included Chief Officers (Board of Directors) and non-Executive Directors (Supervisory Board)

The average number of employees by category during the period was as follows:

	For the six months ended 30 June			For the year ended 31 December		
	2020 (unaudited)			2020		
	2021	2020	2020	2021	2020	2020
Sales and marketing	220	183	176	220	183	176
General and administrative	179	177	174	179	177	174
Product and operative*	595	533	541	595	533	541
Total average number of employees	994	893	892	994	893	892

* Product and operative category represents employees directly and indirectly related to product business units

13. SHARE-BASED PAYMENTS

The Company currently operates the following share option plans:

Equity-settled share option plans

In 2021, the Operating Group granted share options of the Operating Company to management, which must remain in service for a period of three years from the date of grant. In the event of an IPO, the share options will be exercised in advance but management will continue to be subject to a three year employment period. If this service condition is not satisfied after the IPO, the shares will be returned to the Operating Company at the original exercise price, plus accretion up to market value spread over the service period.

No new share options were granted in 2020 and 2019.

Until 31 December 2018, shareholders of the Operating Group granted share options of the Operating Company to management, which must typically remain in service for a period of three years from the date of grant. Options concluded before 1 January 2018 required service of two years.

Set out below are summaries of options granted under the plan:

	For the six months ended 30 June 2021		For the year ended 31 December 2020	
	Average exercise price per share option (EUR)	Number of share options	Average exercise price per share option (EUR)	Number of share options
Opening	1.83	1,092,625	1.76	1,303,383
Granted during the period	2.36	960,907	—	—
Exercised during the period	2.17	(368,573)	—	—
Forfeited during the period	—	—	1.42	(210,758)
Closing	2.06	1,684,959	1.83	1,092,625
Vested and exercisable at the end of the period	2.24	1,187,965	2.19	730,599

	For the year ended 31 December 2019		For the year ended 31 December 2018	
	Average exercise price per share option (EUR)	Number of share options	Average exercise price per share option (EUR)	Number of share options
Opening	1.32	1,952,360	0.96	850,975
Granted during the period	—	—	1.55	1,417,522
Exercised during the period	0.42	(648,977)	1.42	(316,137)
Forfeited during the period	—	—	—	—
Closing	1.76	1,303,383	1.32	1,952,360
Vested and exercisable at the end of the period	—	—	1.50	166,575

Share options outstanding at the end of the period have the following expiry dates and exercise prices:

Exercise price (EUR)	30 June 2021		31 December 2020		31 December 2019		31 December 2018	
	Numbers of shares outstanding	Weighted average remaining life (years)	Numbers of shares outstanding	Weighted average remaining life (years)	Numbers of shares outstanding	Weighted average remaining life (years)	Numbers of shares outstanding	Weighted average remaining life (years)
0.04	—	—	—	—	—	—	482,402	3.75
1.50	—	—	—	—	—	—	166,575	0.42
1.42	—	—	—	—	210,758	2.58	210,758	3.58
2.17	—	—	368,573	0.08	368,573	1.08	368,573	2.08
2.21	362,026	0.17	362,026	0.67	362,026	1.67	362,026	2.67
1.10	362,026	1.17	362,026	1.67	362,026	2.67	362,026	3.67
—	134,968	1.50	—	—	—	—	—	—
1.98	505,935	0.17	—	—	—	—	—	—
3.95	320,004	0.17	—	—	—	—	—	—
Total	1,684,959		1,092,625		1,303,383		1,952,360	

Fair value of options granted was determined using the Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share and the risk-free interest rate for the term of the option.

The model inputs for options granted in 2018 and 2021 included:

	30 June 2021	31 December 2018
Share price at grant date	11.49	2.54
Exercise price	defined by option contracts	
Expected price volatility of Company's shares	50%	50%
Risk-free interest rate	1.67%	2.01%

Cash-settled share option plans

Until 2020, the Operating Group, at its discretion, granted share options of the Operating Company to management, once the management has completed six months of service. Management must remain in service for a period of three years from the date of grant. The fair value of share options granted is estimated at each reporting date on the basis of estimated and realized EBITDA growth during service period. The liability is settled after satisfaction of the service condition.

In 2021, Shadow shares plan was introduced to provide long-term incentives for senior managers and above (including executive directors) to deliver long-term shareholder returns. Shadow shares are granted under the plan for no consideration and carry no voting rights. Participants in the plan are entitled to equivalent dividend in case dividends are approved by shareholders of the Operating Company. The fair value of shadow share options granted is estimated at the date of grant on the basis of estimated EBITDA growth in the next three years and remeasured at each reporting date.

Both option plans are cash-settled and the Operating Group recognised liability:

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Cash-settled plans liability	1,260	1,254	763	392

Expenses arising from share-based payment transactions

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Equity-settled plans	892	313	689	1,154	1,665
Cash-settled plans	773	268	535	519	280
Total	1,665	581	1,224	1,673	1,945

14. FINANCE COSTS

Finance costs for the respective periods were as follows:

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Bank guarantees fee	296	214	518	289	219
Interest expense	2,470	3,351	6,217	4,843	781
Factoring fee	292	203	366	1,249	366
Loss from the revaluation of derivatives	178	41	878	—	486
Foreign exchange loss	1,334	318	289	—	—
Other	1	475	220	1,107	787
Total	4,571	4,602	8,488	7,488	2,639

Net loss from the revaluation of derivatives relates to contracts that did not qualify for hedge accounting.

15. INCOME TAX

Corporate income tax for companies in the Czech Republic for the years 2018–2021 was in line with the Income Tax Act set at the rate of 19%. The tax rate applicable for 2022 and beyond is 19%.

WAG Iberia together with the all the Alava tax resident companies of ADS sub-group (Reivalsa, Trofa, Arraia Oil, Arraia Autopistas and Liserteco 24h) formed a consolidation tax group for CIT purposes beginning on 1 April 2019. Spanish corporate income tax is 24%.

Structure of the income tax for the respective periods is as follows:

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Current income tax charge	4,642	2,602	7,383	5,831	3,181
Adjustments in respect of current income tax of prior years	479	873	873	53	676
Deferred tax	(1,533)	(1,185)	(2,370)	(236)	472
Total	3,588	2,290	5,886	5,648	4,329

Reconciliation of tax expense and the accounting profit multiplied by the Operating Company domestic tax rate for the below periods:

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Accounting profit before income tax from continuing operations	12,395	11,148	28,838	18,536	13,551
At Czech Republic's statutory income tax rate of 19%	2,355	2,118	5,479	3,522	2,575
Adjustments in respect of current income tax of previous years	479	873	873	53	676
Effect of certain income subject to a special tax rate	3	—	(1)	434	263
Effect of different tax rates in other countries of the Operating Group	341	54	127	601	(576)
Change in unrecognised deferred tax assets	(64)	(252)	(503)	—	(45)
Non-deductible expenses	498	420	1,021	1,342	1,436
Tax credits	—	(247)	(432)	(300)	—
Effect of accumulated tax loss claimed in the current period	17	(56)	(133)	(7)	—
Effect of non-taxable income	(75)	(675)	(675)	(136)	—
Effect of unrecognised deferred tax assets relating to tax losses of current period	34	55	130	139	—
At the effective income tax rate of	28.94%	20.54%	20.41%	30.47%	31.95%
Income tax expense reported in the statement of profit or loss	3,588	2,290	5,886	5,648	4,329

Unused tax losses for which no deferred tax asset has been recognised were as follows:

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Unrecognised tax losses	1,421	1,683	1,704	1,249
Potential tax benefit	270	320	324	238

The unused tax losses were incurred by dormant subsidiaries that are not likely to generate taxable income in the foreseeable future.

Deferred tax balances and movements:

EUR '000	1 January 2021	Business combinations	(Charged) credited to profit or loss	Charged to equity	Translation differences	30 June 2021
Difference between net book value of fixed assets for accounting and tax purposes	(6,499)	(946)	272	—	(3)	(7,176)
Allowances to receivables	1,994	—	517	—	99	2,610
Provisions for liabilities and charges . .	1,276	—	106	—	60	1,442
Accruals tax deductible in different period	14	—	41	—	—	55
Tax losses	157	—	4	—	4	165
Tax benefit from pre-acquisition reserves	6,995	—	—	—	—	6,995
Other	(738)	—	593	—	(13)	(158)
Net deferred tax asset/(liability)	3,199	(946)	1,533	—	147	3,933
Recognised deferred tax asset	7,057	—	1,702	—	81	8,840
Recognised deferred tax liability	(3,858)	(946)	(169)	—	66	(4,907)

EUR '000	1 January 2020	Business combinations	(Charged) credited to profit or loss	Charged to equity	Translation differences	31 December 2020
Difference between net book value of fixed assets for accounting and tax purposes	(6,967)	—	464	—	4	(6,499)
Allowances to receivables	593	—	1,419	—	(18)	1,994
Provisions for liabilities and charges	—	—	1,298	—	(22)	1,276
Accruals tax deductible in different period	331	—	(322)	—	5	14
Tax losses	—	—	155	—	2	157
Tax benefit from pre-acquisition reserves	6,995	—	—	—	—	6,995
Other	(154)	—	(626)	46	(4)	(738)
Net deferred tax asset/(liability)	798	—	2,388	46	(33)	3,199
Recognised deferred tax asset	5,636	—	1,408	46	(33)	7,057
Recognised deferred tax liability	(4,838)	—	980	—	—	(3,858)

EUR '000	1 January 2019	Business combinations	(Charged) credited to profit or loss	Charged to equity	Translation differences	31 December 2019
Difference between net book value of fixed assets for accounting and tax purposes	(627)	(8,143)	1,804	—	(1)	(6,967)
Allowances to receivables	724	—	(140)	—	9	593
Provisions for liabilities and charges	854	—	(863)	—	9	—
Accruals tax deductible in different period	(55)	—	523	(136)	(1)	331
Tax benefit from pre-acquisition reserves	—	6,995	—	—	—	6,995
Other	132	—	(285)	—	(1)	(154)
Net deferred tax asset/(liability)	1,028	(1,148)	1,039	(136)	15	798
Recognised deferred tax asset	1,378	3,687	692	(136)	15	5,636
Recognised deferred tax liability	(350)	(4,835)	347	—	—	(4,838)

EUR '000	1 January 2018	Business combinations	(Charged) credited to profit or loss	Charged to equity	Translation differences	31 December 2018
Difference between net book value of fixed assets for accounting and tax purposes	(630)	(132)	135	—	—	(627)
Allowances to receivables	372	—	352	—	—	724
Provisions for liabilities and charges	804	—	50	—	—	854
Accruals tax deductible in different period	(183)	—	(138)	267	(1)	(55)
Other	—	—	132	—	—	132
Net deferred tax asset/(liability) .	363	(132)	531	267	(1)	1,028
Recognised deferred tax asset . .	933	—	445	—	—	1,378
Recognised deferred tax liability	(570)	(132)	86	267	(1)	(350)

The Operating Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Operating Group does not expect any material taxes to be paid on unremitted retained earnings.

16. INTANGIBLE ASSETS

Cost of intangible assets subject to amortisation:

EUR '000	Client relationships	Internal software development	Patents and rights	External software	Other intangible assets	Internal assets in progress	External assets in progress	Total
1 January 2018	4,193	6,866	91	2,472	5	1,585	101	15,313
Additions	—	6,039	—	617	—	3,026	7	9,689
Acquisition of a subsidiary	628	—	—	—	—	—	—	628
Disposals	—	(9)	—	(67)	—	(73)	—	(149)
Translation differences . .	(31)	(29)	(1)	(55)	—	(46)	25	(137)
31 December 2018	4,790	12,867	90	2,967	5	4,492	133	25,344
Additions	—	9,409	2	374	141	6,217	381	16,524
Acquisition of a subsidiary	18,867	—	5,367	17,011	8	—	269	41,522
Disposals	—	—	—	(23)	—	—	—	(23)
Translation differences . .	—	161	1	159	1	56	150	528
31 December 2019	23,657	22,437	5,460	20,488	155	10,765	933	83,895
Additions	510	18,120	2	52	—	365	409	19,458
Transfer	—	—	—	119	(119)	—	—	—
Disposals	—	—	—	(8)	—	—	—	(8)
Translation differences . .	—	(704)	(2)	(39)	(5)	(342)	(4)	(1,096)
31 December 2020	24,167	39,853	5,460	20,612	31	10,788	1,338	102,249
Additions	113	76	—	2,066	—	10,718	—	12,973
Acquisition of a subsidiary	4,966	—	—	64	—	—	—	5,030
Transfer	—	4,693	—	—	—	(4,676)	(17)	—
Disposals	—	(11)	—	(87)	—	—	—	(98)
Translation differences . .	—	1,125	3	257	—	395	—	1,780
30 June 2021	29,246	45,736	5,463	22,912	31	17,225	1,321	121,934

Accumulated amortisation and impairment of intangible assets subject to amortisation:

EUR '000	Client relationships	Internal software development	Patents and rights	External software	Other intangible assets	Assets in progress	Total
1 January 2018	(1,281)	(3,436)	(39)	(1,434)	(5)	—	(6,195)
Amortisation	(1,565)	(1,344)	(5)	(537)	—	—	(3,451)
Acquisition of a subsidiary	—	—	—	—	—	—	—
Disposals	—	8	—	67	—	—	75
Translation differences	(22)	27	—	13	—	—	18
31 December 2018	(2,868)	(4,745)	(44)	(1,891)	(5)	—	(9,553)
Amortisation	(4,853)	(3,403)	(1,466)	(2,931)	(35)	—	(12,688)
Acquisition of a subsidiary	—	—	—	(770)	—	—	(770)
Disposals	—	—	—	(23)	—	—	(23)
Translation differences	46	(59)	(1)	(26)	(1)	—	(41)
31 December 2019	(7,675)	(8,207)	(1,511)	(5,641)	(41)	—	(23,075)
Amortisation	(1,236)	(5,791)	(1,221)	(3,757)	—	—	(12,005)
Transfer	—	—	—	(14)	14	—	—
Disposals	—	—	—	6	—	—	6
Translation differences	74	258	3	63	3	—	401
31 December 2020	(8,837)	(13,740)	(2,729)	(9,343)	(24)	—	(34,673)
Amortisation	(1,424)	(4,195)	(2)	(1,652)	(1)	—	(7,274)
Acquisition of a subsidiary	—	—	—	(61)	—	—	(61)
Disposals	—	11	—	87	—	—	98
Translation differences	—	(433)	(2)	(134)	—	—	(569)
30 June 2021	(10,261)	(18,357)	(2,733)	(11,103)	(25)	—	(42,479)

Net book value:

EUR '000	Goodwill	Client relationships	Internal software development	Patents and rights	External software	Other intangible assets	Assets in progress	Total
Net book value at								
31 December 2018	26,374	1,922	8,122	46	1,076	—	4,625	42,165
Net book value at								
31 December 2019	104,654	15,982	14,230	3,949	14,847	114	11,698	165,474
Net book value at								
31 December 2020	103,788	15,330	26,113	2,731	11,269	7	12,126	171,364
Net book value at								
30 June 2021	104,537	18,985	27,379	2,730	11,809	6	18,546	183,992

Internal assets in progress consist of assets where development phase has not yet been completed.

The Operating Group capitalised employee expenses (Note 12) and cost of materials and services used or consumed in generating the intangible asset.

Research and development costs that were not capitalised and are therefore recognised expenses are as follows:

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
	(unaudited)				
Expensed research and development costs	2,337	2,348	5,003	4,289	3,100

Breakdown of goodwill movements is as follows:

EUR '000	For the six months ended 30 June 2021	For the year ended 31 December		
		2020	2019	2018
Opening balance as at 1 January	103,788	104,654	26,374	25,649
Newly consolidated companies	—	—	77,955	910
Translation differences	749	(866)	325	(185)
Closing balance	104,537	103,788	104,654	26,374

Impairment testing

Goodwill acquired through business combinations is allocated to the respective CGUs for impairment testing.

Carrying amount of the goodwill allocated to each of the CGUs:

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Energy	40,180	40,180	40,215	593
Navigation	34,554	34,527	34,558	—
Telematics	25,376	24,673	25,453	25,151
Tax refund	2,366	2,347	2,367	630
Toll	2,061	2,061	2,061	—
Total	104,537	103,788	104,654	26,374

The Operating Group performs its annual impairment test as at 31 December. At 30 June 2021, there were no indicators of impairment identified, therefore no impairment test has been conducted.

The recoverable amount of CGUs has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period, which shows growth in revenues.

The table below shows key assumptions used in the value in use calculations:

	31 December 2020	31 December 2019	31 December 2018
Energy CGU			
Pre-tax discount rate	10.5%	9.5%	—
Long-term growth rate	1.8%	1.8%	—
Navigation CGU			
Pre-tax discount rate	12.0%	12.6%	—
Long-term growth rate	2.0%	2.0%	—
Telematics CGU			
Pre-tax discount rate	11.0%	9.0%	9.3%
Long-term growth rate	2.0%	2.0%	2.0%

Tax refund and Toll CGUs were not significant.

Energy

The recoverable amount is estimated to exceed the carrying amount of the CGU at 31 December 2020 by EUR 14,206 thousand.

Discount rate used in the value-in-use calculation would have to increase to 11.91% for recoverable amount to be equal to its carrying amount.

Net energy and services sales used in the value-in-use calculation would have to decrease by 11.93% for recoverable amount to be equal to its carrying amount.

Reasonably possible change in long-term revenue growth rate of 1.80% does not lead to any impairment.

Navigation

The recoverable amount is estimated to exceed the carrying amount of the CGU at 31 December 2020 by EUR 13,899 thousand.

Discount rate used in the value-in-use calculation would have to increase to 14.20% for recoverable amount to be equal to its carrying amount.

Revenue used in the value-in-use calculation would have to decrease by 5.81% for recoverable amount to be equal to its carrying amount.

Reasonably possible change in long-term revenue growth rate of 2.00% does not lead to any impairment.

Telematics

The recoverable amount is estimated to exceed the carrying amount of the CGU at 31 December 2020 by EUR 6,278 thousand.

Discount rate used in the value-in-use calculation would have to increase to 12.40% for recoverable amount to be equal to its carrying amount.

Revenue used in the value-in-use calculation would have to decrease by 4.07% for recoverable amount to be equal to its carrying amount.

Reasonably possible change in long-term revenue growth rate of 2.00% does not lead to any impairment.

Key Assumption Used for Impairment testing

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

- Discount rate
- Net energy and services sales for Energy CGU; revenues for Navigation and Telematics CGUs
- Revenue growth

Net energy and services sales and revenue growth were determined by management separately for each CGU. They are based on the knowledge of each particular market taking into account the historical development of revenues, estimated macroeconomic developments in individual regions and Group's plans regarding new products development, growth opportunities and market share expansion. Estimated net energy and services sales and revenue growth represent the best possible assumption of the Operating Group's management considering the future development as at the end of the period.

Discount rate reflects specific risks relating to the industry in which Operating the Group operates. Used discount rate is based on the weighted average cost of capital (WACC) of the Operating Group as presumed by Capital Asset Pricing Model.

17. PROPERTY, PLANT AND EQUIPMENT

Cost of property, plant and equipment:

EUR '000	Lands and Buildings	Leasehold improvements	Machinery and equipment	Vehicles, Furniture and fixtures	Tangibles in progress	Total
1 January 2018	14,810	855	9,664	2,790	4,625	32,744
Additions	—	—	—	—	8,050	8,050
Transfer	4,025	653	3,788	1,459	(9,925)	—
Acquisition of a subsidiary	—	—	13	—	—	13
Disposals	(62)	(45)	(79)	(176)	(4)	(366)
Translation differences	(171)	(8)	(93)	(37)	(33)	(342)
31 December 2018	18,602	1,455	13,293	4,036	2,713	40,099
Additions	1,839	515	3,126	1,397	965	7,842
Transfer	(123)	123	14	(14)	—	—
Acquisition of a subsidiary	2,729	1,091	2,985	710	—	7,515
Disposals	(12)	—	(953)	(373)	(1)	(1,339)
Translation differences	143	23	110	42	36	354
31 December 2019	23,178	3,207	18,575	5,798	3,713	54,471
Additions	—	—	493	9	2,049	2,551
Transfer	1,499	457	1,373	483	(3,812)	—
Disposals	—	—	(476)	(340)	(268)	(1,084)
Translation differences	(685)	(63)	(455)	(204)	(127)	(1,534)
31 December 2020	23,992	3,601	19,510	5,746	1,555	54,404
Additions	875	132	883	115	387	2,392
Transfer	510	279	232	46	(1,067)	—
Acquisition of a subsidiary	—	—	—	555	—	555
Disposals	—	(41)	(73)	(490)	—	(604)
Translation differences	438	104	419	142	33	1,136
30 June 2021	25,815	4,075	20,971	6,114	908	57,883

Accumulated depreciation and impairment of property, plant and equipment:

EUR '000	Lands and Buildings	Leasehold improvements	Machinery and equipment	Vehicles, Furniture and fixtures	Tangibles in progress	Total
1 January 2018	(2,552)	(444)	(5,009)	(1,201)	—	(9,206)
Depreciation charge	(458)	(137)	(1,602)	(679)	—	(2,876)
Acquisition of a subsidiary	—	—	—	—	—	—
Disposals	41	—	3	203	—	247
Transfer	—	—	—	—	—	—
Translation differences	23	4	40	13	—	80
31 December 2018	(2,946)	(577)	(6,568)	(1,664)	—	(11,755)
Depreciation charge	(492)	(374)	(2 057)	(995)	—	(3 918)
Acquisition of a subsidiary	(466)	(16)	(2 124)	(425)	—	(3 031)
Disposals	16	—	216	27	—	259
Transfer	31	(31)	(65)	64	—	(1)
Translation differences	(28)	(11)	(70)	(27)	—	(136)
31 December 2019	(3,885)	(1,009)	(10,668)	(3,020)	—	(18,582)
Depreciation charge	(514)	(435)	(2,247)	(938)	—	(4,134)
Disposals	—	—	433	350	—	783
Translation differences	117	27	267	93	—	504
31 December 2020	(4,282)	(1,417)	(12,215)	(3,515)	—	(21,429)
Depreciation charge	(282)	(279)	(1,021)	(440)	—	(2,022)
Acquisition of a subsidiary	—	—	—	(445)	—	(445)
Disposals	—	10	68	416	—	494
Translation differences	(114)	(67)	(267)	(108)	—	(556)
30 June 2021	(4,678)	(1,753)	(13,435)	(4,092)	—	(23,958)

Net book value of property, plant and equipment:

EUR '000	Lands and Buildings	Leasehold improvements	Machinery and equipment	Vehicles, Furniture and fixtures, Other tangibles	Tangibles in progress	Total
Net book value at						
31 December 2018	15,656	878	6,725	2,372	2,713	28,344
Net book value at						
31 December 2019	19,293	2,198	7,907	2,778	3,713	35,889
Net book value at						
31 December 2020	19,710	2,184	7,295	2,231	1,555	32,975
Net book value at 30 June 2021	21,137	2,322	7,536	2,022	908	33,925

Land, buildings and machinery and equipment are subject to pledge in respect of bank loans:

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Pledged property, plant and equipment	24,935	24,440	9,816	28,344

18. LEASES (GROUP AS A LEASEE)

The Operating Group leases assets including buildings, land and motor vehicles. The average lease term is 5 years. Leases represent larger number of various diversified lease contracts in different locations.

Right-of-use assets

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Buildings	7,225	8,002	9,898	8,700
Lands	501	513	581	635
Vehicles	348	129	112	82
Total	8,074	8,644	10,591	9,417
Additions to the right-of-use assets	402	498	2,869	4,653

Depreciation charge of right-of-use assets

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Buildings	(1,080)	(1,039)	(2,021)	(2,036)	(1,366)
Lands	(26)	(26)	(52)	(53)	(53)
Vehicles	(55)	(16)	(34)	(13)	(22)
Total	(1,161)	(1,081)	(2,107)	(2,102)	(1,441)

Lease liabilities

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Long-term lease liabilities	6,308	7,155	9,114	8,338
Short-term lease liabilities	2,629	2,208	2,183	1,448
Total lease liabilities	8,937	9,363	11,297	9,786

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Within one year	2,629	2,208	2,183	1,448
After one year but not more than five years	4,559	5,369	7,418	5,818
More than five years	1,749	1,786	1,696	2,520
Total lease liabilities	8,937	9,363	11,297	9,786

Discount rate used was in the range 1.10%–3.75%.

Leases in the Income statement

Leases are shown as follows in the income statement:

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Other operating expense					
Short-term lease expenses	258	491	981	44	225
Low-value lease expenses	27	14	27	52	346
Variable lease payment expenses	—	—	—	—	81
Other lease expenses (additional costs)	—	17	34	290	205
Depreciation and impairment losses					
Depreciation of right-of-use assets	1,161	1,081	2,107	2,102	1,441
Net finance costs					
Interest expense on lease liabilities	104	128	229	171	170
Currency translation (gains) / losses on lease liabilities . . .	26	81	5	(6)	9

19. INVESTMENT IN ASSOCIATES

Set out below are the associates of the Operating Group acquired in 2021 (Note 8):

Name	Measurement method	Registered office	Effective economic interest			
			2021	2020	2019	2018
Threeforce BV (Last Mile Solutions)	Equity method	The Netherlands	27.75%	—	—	—
UAB „Tankita“ (Drivitty)	Equity method	Lithuania	20%	—	—	—

Both associates are private entities, no quoted prices are available. Drivitty is immaterial to the Operating Group.

Share of net assets was as follows:

EUR '000	2021
Opening balance at 1 January	—
Acquisition	13,846
Share of net loss	(295)
Closing balance at 30 June	13,551

Commitments and contingent liabilities in respect of associates

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Deferred acquisition consideration (Note 29)	3,000	—	—	—

The remaining shares of Last Mile Solutions are subject to a put option, which may require from the Operating Group to acquire all shares of the associate. The put option is measured as a derivative instrument and it will be settled at gross margin multiple in case it is exercised. As of 30 June 2021, the fair value of the put option is zero.

Summarized financial information

The tables below provide summarised financial information for Last Mile Solutions, which is considered material to the Operating Group. The information disclosed reflects the amounts presented in the financial statements of the associate and not Operating Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments. No significant differences in accounting policy have been identified by the Operating Group.

Summarized balance sheet EUR '000	Threeforce B.V. (Last Mile Solutions) 30 June 2021
Current assets	9,929
Current liabilities	5,503
Current net assets	4,426
Non-current assets	8,185
Non-current liabilities	104
Non-current net assets	8,081
Net assets	12,507
Reconciliation to carrying amounts:	
Opening net assets	13,488
Loss for the period	(981)
Closing net assets	12,507
Operating Group's share in %	27.75%
Operating Group's share in EUR'000	3,471
Goodwill	7,595
Carrying amount	11,066

Summarized statement of comprehensive income EUR '000		Threeforce B.V. (Last Mile Solutions) For the six months ended 30 June 2021
Revenue		9,057
Loss for the period		(981)
Total comprehensive income		(981)

20. OTHER NON-CURRENT ASSETS

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Prepaid expenses	2,590	2,454	2,539	1,307
Contract assets	1,589	1,715	2,225	—
Advances granted	150	226	245	240
Total	4,329	4,395	5,009	1,547

Contract assets represent Navigation expenses directly related to deferred Navigation revenues, which were deferred in line with revenue recognition policy (Note 4.3).

21. INVENTORIES

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Raw materials (at lower of cost and net realizable value)	247	271	759	721
Goods (at lower of cost and net realizable value)	2,163	4,443	4,229	3,383
Finished products	1,665	575	2,386	125
Total	4,075	5,289	7,374	4,229

Write-downs of inventories to net realisable value were as follows:

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Write-downs of inventories to net realizable value	—	41	89	26	19

They were recognised as an expense and were included in Cost of energy sold in the statement of profit or loss.

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

Raw materials consumed were as follows:

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Raw materials consumed (in other operating expense)	230	242	813	1,438	1,352

22. TRADE AND OTHER RECEIVABLES

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Trade receivables	205,953	162,395	167,497	135,742
Receivables from tax authorities	17,347	16,780	20,722	8,810
Advances granted	9,606	7,231	13,570	4,930
Unbilled revenue	9,253	9,966	5,997	2,588
Miscellaneous receivables	5,279	3,713	2,627	24
Tax refund receivables	52,462	31,000	35,622	11,345
Prepaid expenses and accrued income	2,799	2,752	1,587	1,766
Contract assets	3,199	2,595	2,676	—
Total	305,898	236,432	250,298	165,205

Pledged receivables are subject to security of bank loans:

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Pledged receivables	229,401	175,423	102,604	79,302
Total	229,401	175,423	102,604	79,302

Trade receivables are non-interest bearing and are generally payable on terms below 30 days. Trade and other receivables are non-derivative financial assets carried at amortised cost.

Tax refund receivables include receivables from foreign tax authorities and from financing of tax refunds to customers until processing of the application for tax refund by tax authorities.

The Operating Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Simplified approach adopted by the Operating Group in 2020 is using elements from general approach, the main difference is that no staging of financial assets is being used.

In 2019 and 2018, the Operating Group used a provision matrix based on its territory and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In 2020, the Operating Group started to measure ECL based on three components: Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD"). The Operating Group believes that the new method provides more reliable and relevant information for credit risk monitoring. As at 31 December 2020, ECL under both methods is not materially different.

The ageing analysis of past due but not individually impaired trade and other receivables was as follows:

EUR '000	Past due but not individually impaired				Total
	Past due 1-90 days	Past due more than 90 days	Past due more than 180 days	Past due more than 365 days	
As at 30 June 2021	—	—	—	706	706
As at 31 December 2020	—	—	—	2,438	2,438
As at 31 December 2019	—	—	—	1,938	1,938
As at 31 December 2018	—	—	—	—	—

The carrying value of trade and other receivables approximates their fair value due to their short term maturities.

On basis described above, the loss allowance was as follows:

30 June 2021

EUR '000	Neither past due nor impaired	Past due 1-90 days	Past due more than 90 days	Total
Gross value of receivables	261,636	11,422	18,737	291,795
Expected credit loss	1,096	1,816	15,936	18,848

31 December 2020

EUR '000	Neither past due nor impaired	Past due 1-90 days	Past due more than 90 days	Total
Gross value of receivables	179,115	27,071	21,739	227,925
Expected credit loss	361	1,907	18,583	20,851

31 December 2019

EUR '000	Neither past due nor impaired	Past due 1-90 days	Past due more than 90 days	Total
Percentage of expected interest loss	0.1%	0.1-11%	11-100%	—
Gross value of receivables	149,419	56,139	22,930	228,488
Expected credit loss	19	1,187	15,539	16,745

31 December 2018

<u>EUR '000</u>	<u>Neither past due nor impaired</u>	<u>Past due 1–90 days</u>	<u>Past due more than 90 days</u>	<u>Total</u>
Percentage of expected interest loss	0.10%	0.1–15%	15–100%	—
Gross value of receivables	111,544	35,686	12,294	159,524
Expected credit loss	273	1,174	8,378	9,825

* Gross value of receivables excludes receivables from tax authorities, advances granted and prepaid expenses as these are not financial instruments in scope of IFRS 9.

Allowances against outstanding receivables that are considered doubtful were charged to income statement based on the analysis of their collectability.

<u>EUR '000</u>	<u>Amount</u>
Allowances at January 2018	<u>6,152</u>
Charged	5,406
Utilized	(315)
Unused amounts reversed	(1,364)
FX differences	(54)
Allowances at 31 December 2018	<u>9,825</u>
Acquisition of subsidiary	19
Charged	7,268
Utilized	(204)
Unused amounts reversed	(470)
FX differences	307
Allowances at 31 December 2019	<u>16,745</u>
Charged	4,311
Utilized	(45)
Unused amounts reversed	(250)
FX differences	90
Allowances at 31 December 2020	<u>20,851</u>
Charged	1,196
Utilized	(3,685)
Unused amounts reversed	(44)
FX differences	530
Allowances at 30 June 2021	<u>18,848</u>

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Operating Group, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

23. DERIVATIVES

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Derivative assets				
Foreign currency forwards—held for trading	—	162	1,161	—
Foreign currency swaps—held for trading	655	229	176	2
Foreign currency forwards—cash flow hedges	538	135	779	22
Interest rate swaps—cash flow hedges	—	—	77	—
Total derivative assets at fair value	<u>1,193</u>	<u>526</u>	<u>2,193</u>	<u>24</u>
Current	1,193	526	1,748	24
Non-current	—	—	445	—
Derivative liabilities				
Foreign currency forwards—held for trading	2	125	1,411	—
Foreign currency swaps—held for trading	—	—	13	—
Interest rate swaps—held for trading	—	—	270	—
Foreign currency forwards—cash flow hedges	—	934	13	768
Foreign currency swaps—cash flow hedges	—	—	—	190
Interest rate swaps—cash flow hedges	1,433	2,691	935	90
Total derivative liabilities at fair value	<u>1,435</u>	<u>3,750</u>	<u>2,642</u>	<u>1,048</u>
Current	2	1,059	1,403	489
Non-current	1,433	2,691	1,239	559

Derivatives not designated as hedging instruments reflect positive or negative change in fair value of those foreign currency forwards, foreign currency swap contracts and interest rate swap contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk on expected sales and purchases or interest rate risk.

Put options redemption liability related to non-controlling interests is described in Note 29. Put option related to associate, which is measured as a derivative instrument and its fair value is zero as of 30 June 2021, is described in Note 19.

Cash flow hedges

Foreign currency risk

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges for forecasted sales in EUR.

While the Operating Group also enters into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, there is no hedge ineffectiveness to be recognised in the statement of profit or loss.

The Operating Group hedges cash flows from highly probable future sales of energy, toll and tax refunds. The Operating Group contracted FX forwards as hedging instruments. The hedge effectiveness is measured by comparing the changes in hedged cash flow in CZK (foreign currency turnover in EUR translated into CZK) and the changes in the fair value of the hedging instruments (known as a 'hypothetical derivative').

Hedging parameters

- The sum of the nominal values of hedging foreign currency loans and the notional amount of derivatives and the expected amount of sales are identical, or sales in EUR are always higher.
- The hedged item and the hedging instruments are denominated in EUR, i.e. the same currencies,
- Expected maturity of hedging instruments, respectively their impact on profit or loss and the timing of the impact of cash flows on hedged sales are identical

- Derivatives are negotiated at market price (i.e. without premium payment), the change in fair value corresponds to the change in cash flow from changes in the exchange rate.

Hedging of future cash flows:

<u>Balance as at 30 June 2021</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>Total</u>
Currency risk exposure			
Hedging of future cash flows—future receivables	538	—	538
Hedging of future cash flows—future liabilities	—	—	—
Total	<u>538</u>	<u>—</u>	<u>538</u>
 <u>Balance as at 31 December 2020</u>	 <u>Within 1 year</u>	 <u>1-5 years</u>	 <u>Total</u>
Currency risk exposure			
Hedging of future cash flows—future receivables	135	—	135
Hedging of future cash flows—future liabilities	(934)	—	(934)
Total	<u>(799)</u>	<u>—</u>	<u>(799)</u>
 <u>Balance as at 31 December 2019</u>	 <u>Within 1 year</u>	 <u>1-5 years</u>	 <u>Total</u>
Currency risk exposure			
Hedging of future cash flows—future receivables	748	31	779
Hedging of future cash flows—future liabilities	(13)	—	(13)
Total	<u>735</u>	<u>31</u>	<u>766</u>
 <u>Balance as at 31 December 2018</u>	 <u>Within 1 year</u>	 <u>1-5 years</u>	 <u>Total</u>
Currency risk exposure			
Hedging of future cash flows—future receivables	22	—	22
Hedging of future cash flows—future liabilities	(399)	(369)	(768)
Total	<u>(377)</u>	<u>(369)</u>	<u>(746)</u>

Hedging is planned as 100% effective because the amount of effect from hedging items in EUR will be equal to the amount of revenues in EUR (hedged items).

Interest rate risk

The Operating Group obtained club financing facilities (Note 27) with floating interest rate denominated in EUR. The interest rate risk management strategy of the Operating Group requires minimization of its exposure to changes in cash flow interest rate risk.

The Operating Group concluded interest rate swaps, where the Operating Group pays interest based on a fixed interest rate and receives interest based on a floating interest rate derived from principal amount in EUR. This instrument allows the Operating Group to reduce its interest rate risk.

<u>EUR '000</u>	<u>30 June 2021</u>	<u>31 December 2020</u>	<u>31 December 2019</u>	<u>31 December 2018</u>
Carrying amount (current and non-current asset)	—	—	77	—
Carrying amount (current and non-current liabilities)	(1,433)	(2,691)	(935)	—
Nominal amount	190,000	190,000	90,500	—
Maturity date	2024 and 2025	2024 and 2025	2024 and 2025	—
Change in fair value of outstanding hedging instruments since 1 January . .	1,258	(1,833)	814	—
Change in value of hedged item used to determine hedge effectiveness	(1,258)	1,833	(814)	—
Weighted average hedged rate for the year	0.26%	0.26%	0.26%	—

Hedging items

The Operating Group used following hedging instruments with nominal value:

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Foreign exchange forwards	22,500	52,500	48,000	1,314
Interest rate swaps	190,000	190,000	95,000	—
Loans	—	—	3,000	47
Total	212,500	242,500	146,000	1,361

Hedging effects to statement of profit and loss in the respective periods were following:

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Foreign exchange forwards	(304)	(916)	241	191
Interest rate swaps	(109)	(242)	(139)	—
Loan 10 million EUR	—	124	142	68
Total	(413)	(1,034)	244	259

Net investment hedge

The investments of the Operating Group are held by the Operating Company. Based on this fact, one of the Operating Group's objectives in the area of currency risk management is to minimize the exposure of the Operating Company, whose functional currency is CZK, to changes in the value of its investments arising from fluctuations in exchange rates. A foreign currency exposure arises from net investments in entities whose functional currency differs from the Operating Company's functional currency. To minimize its exposure to currency risk, the Parent uses loans denominated in EUR to finance acquisitions of its foreign investments.

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Carrying amount (non-current borrowings)	45,112	45,112	45,112	—
Change in carrying amount of bank loan as a result of foreign currency movements since 1 January, recognised in OCI	(1,328)	1,424	(61)	—
Change in value of hedged item used to determine hedge effectiveness	1,335	(1,466)	61	—
Weighted average hedged rate for the year	25.855 CZK = 1 EUR	26.452 CZK = 1 EUR	25.6805 CZK = 1 EUR	—

24. CASH AND CASH EQUIVALENTS

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

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Cash at banks	78,416	118,073	59,720	39,957
Cash on hand	61	32	63	98
Short-term deposits	—	—	—	750
Cash and cash equivalents presented in the statement of financial position	78,477	118,105	59,783	40,805
Bank overdrafts	(12,712)	(29,144)	(39,494)	(28,551)
Cash and cash equivalents presented in the statement of cash flows	65,765	88,961	20,289	12,254

Pledged cash at bank subject to security of bank loans:

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Cash at banks pledged	75,624	109,285	17,103	—

The fair value of cash and cash equivalents approximates their carrying value due to their short term maturities.

Credit quality of cash at banks and short-term deposits:

EUR '000

External rating scale	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Aaa	—	—	254	284
Aa	—	—	4,752	54
A	15,953	20,877	9,712	20,251
Baa	52,856	77,434	36,331	18,094
Ba	2,669	9,014	3,357	48
B	200	641	1,325	1,213
Caa	6,524	9,761	2,716	—
Unrated	214	346	1,273	763
Total	78,416	118,073	59,720	40,707

25. EQUITY

The changes in total number of issued shares were as follows:

	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Ordinary shares of CZK 1 each	263,194	—	648,977	316,137
Shares with special rights CZK 1 each	—	—	27	—

Priority shares issued and fully paid:

	shares	EUR '000
At 31 December 2018	45	—
At 31 December 2019	45	—
At 31 December 2020	45	—
At 30 June 2021	45	—

Ordinary shares issued and fully paid:

	shares	EUR '000
At 1 January 2018	1,447,343	4,120
Issued on 5 June 2018 (share options exercised)	316,137	12
At 31 December 2018	1,763,480	4,132
Issued on 10 April 2019 (share options exercised)	166,575	7
Issued on 12 December 2019 (share options exercised)	482,402	19
At 31 December 2019	2,412,457	4,158
Issuance of share capital	—	—
At 31 December 2020	2,412,457	4,158
Issuance of share capital (share options exercised)	263,194	11
At 30 June 2021	2,675,651	4,169

Shares with special rights issued and fully paid:

	shares	EUR '000
At 31 December 2018	3	—
At 31 December 2019	30	—
At 31 December 2020	30	—
At 30 June 2021	30	—

Share premium:

	EUR '000
At 1 January 2018	2,249
Issuance of share capital (share options exercised)	430
At 31 December 2018	2,679
Issuance of share capital (share options exercised)	248
At 31 December 2019	2,927
Issuance of share capital	—
At 31 December 2020	2,927
Issuance of share capital (share options exercised)	200
At 30 June 2021	<u>3,127</u>

Ordinary shares

All the ordinary shares are transferable without restrictions, except for pledge under bank loans (Note 27).

One vote is attached to each CZK 1.00 of the nominal value of one share.

Share-based payments

The Operating Group has a share option scheme under which options to subscribe for the Operating Group's shares have been granted to certain senior executives.

Priority shares and shares with special rights have very limited rights specified by the share option plans.

Refer to Note 13 for further details on these plans.

Changes in shareholders' equity

Upon the decision of the regular General Meeting of Shareholders held on 30 June 2021 the shareholders decided not to distribute profit to the shareholders and keep all profit in the Company as the retained earnings.

Upon the decision of the regular General Meeting of Shareholders held on 17 September 2020 the shareholders decided not to distribute profit to the shareholders and keep all profit in the Company as the retained earnings.

Upon the decision of the regular General Meeting of Shareholders held on 13 June 2019 the shareholders decided to:

- distribute EUR 5,054 thousand as dividends among the shareholders;
- transfer remaining profits to the retained earnings.

Reserve fund

Until 2013, the Company was obliged to contribute to legal reserve fund from current year profits. Since 2014, the Company is no longer obliged to keep this fund by law or statutes of the Company. Management is not restricted to decide on potential distribution.

Minor balances and movements relate to selected subsidiaries, where the Operating Group is obliged to make annual contributions from local profits.

Business combinations equity adjustment

The reserve reflects corresponding charge related to present value of put options redemption amount (Note 29). Once the put option is exercised and the liability is settled the equivalent amount is transferred from the

Business combinations equity adjustment reserve to Retained earnings. Refer to Non-controlling interests section for ADS acquisition.

Non-controlling interests

In 2021, the Operating Group acquired KomTes Group (Note 8). As of 30 June 2021, non-controlling interests related to KomTes Group amounts to EUR 2,610 thousand.

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group.

Summarized balance sheet EUR'000	ADS Group				Sygic Group			
	30 June 2021	31 December 2020	31 December 2019	31 December 2018	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Current assets	—	77,823	73,200	—	7,716	11,267	9,830	—
Current liabilities	—	39,133	43,347	—	4,152	4,735	5,338	—
Current net assets	—	38,690	29,853	—	3,564	6,532	4,492	—
Non-current assets	—	69,554	71,545	—	51,951	53,099	56,570	—
Non-current liabilities	—	2,686	3,538	—	5,079	5,625	7,095	—
Non-current net assets	—	66,868	68,007	—	46,872	47,474	49,475	—
Net assets	—	105,558	97,860	—	50,436	54,006	53,967	—
Accumulated NCI	—	27,063	25,130	—	5,914	7,053	7,357	—

Summarized statement of comprehensive income EUR'000	ADS Group					Sygic Group				
	30 June 2021	30 June 2020 (unaudited)	31 December 2020	31 December 2019	31 December 2018	30 June 2021	30 June 2020 (unaudited)	31 December 2020	31 December 2019	31 December 2018
Revenues	—	129,471	268,717	304,504	—	6,150	5,533	13,285	13,465	—
Profit / (loss) for the period	—	3,435	7,116	1,843	—	(703)	(493)	(857)	1,684	—
Other comprehensive income	—	18	68	—	—	185	467	(20)	—	—
Total comprehensive income	—	3,453	7,184	1,843	—	(518)	(26)	(877)	1,684	—
Profit allocated to NCI	—	1,013	1,933	1,105	—	(201)	(132)	(220)	558	—
Dividends paid to NCI	1,025	—	—	14,193	—	955	—	65	5,201	—

Summarized cash flows EUR'000	ADS Group					Sygic Group				
	30 June 2021	30 June 2020 (unaudited)	31 December 2020	31 December 2019	31 December 2018	30 June 2021	30 June 2020 (unaudited)	31 December 2020	31 December 2019	31 December 2018
Cash flows from operating activities	—	3,583	20,423	18,142	—	376	1,168	3,987	4,773	—
Cash flows from investing activities	—	(548)	(1,892)	(5,189)	—	(654)	(423)	(785)	(579)	—
Cash flows from financing activities	—	(1,051)	(101)	(14,298)	—	(3,276)	(216)	(500)	(5,514)	—
Net increase / (decrease) in cash and cash equivalents	—	1,984	18,430	(1,345)	—	(3,554)	529	2,702	(1,320)	—

On 4 March 2021 the Operating Group acquired remaining 25% of shares of ADS companies (Note 8). The parties agreed that acquisition price was determined based on balances as at 31 December 2020, therefore no NCI was allocated in 2021.

The effect on the equity attributable to the owners of the Operating Group is summarised as follows:

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Carrying amount of non-controlling interests acquired	26,037	—	—	—
Consideration paid to non-controlling interests	(27,003)	—	—	—
Excess of consideration paid recognised within retained earnings	(966)	—	—	—

26. EARNINGS PER SHARE

The Operating Company has the following classes of ordinary shares:

Class no.	Nominal value (in CZK)
Class 1	1,000,000
Class 2	296,000
Class 3	50,000
Class 4	1

All ordinary shares have the same rights except right to receive dividend, which is allocated based on proportion of ordinary share nominal value to the share capital of the Operating Company.

Basic earnings per share

In Cents	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Basic earnings per share attributable to the ordinary equity holders of the company					
Class 1	7,697,305	7,234,074	18,928,187	10,077,646	8,266,453
Class 2	2,278,402	2,141,286	5,602,743	2,982,983	2,446,870
Class 3	384,865	361,704	946,409	503,882	413,323
Class 4	7.85	7.23	18.93	12.72	8.95

Diluted earnings per share

In Cents	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Diluted earnings per share attributable to the ordinary equity holders of the company					
Class 1	7,647,824	7,176,832	18,766,801	10,004,091	8,224,589
Class 2	2,263,761	2,124,342	5,554,973	2,961,211	2,434,478
Class 3	382,392	358,842	938,340	500,205	411,229
Class 4	7.76	7.18	18.77	11.84	8.73

Reconciliations of earnings used in calculating earnings per share

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Basic earnings per share					
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share					
Class 1	8,313	7,813	20,442	10,884	8,928
Class 2	23	21	56	30	24
Class 3	115	109	284	151	124
Class 4	206	175	457	243	146
Total	<u>8,657</u>	<u>8,118</u>	<u>21,239</u>	<u>11,308</u>	<u>9,222</u>

Diluted earnings per share

Profit attributable to the ordinary equity holders of the company

Used in calculating basic earnings per share

Class 1	8,313	7,813	20,442	10,884	8,928
Class 2	23	21	56	30	24
Class 3	115	109	284	151	124

EUR '000	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
	(unaudited)				
Class 4	206	175	457	243	146
Adjustment—Reallocation of profit					
Class 1	(53)	(62)	(174)	(80)	(45)
Class 2	—	—	—	—	—
Class 3	—	(1)	(2)	(1)	(1)
Class 4	53	63	176	81	46
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share					
Class 1	8,260	7,751	20,268	10,804	8,883
Class 2	23	21	56	30	24
Class 3	115	108	282	150	123
Class 4	260	238	633	324	192

Weighted average number of shares used as the denominator

Number of shares	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
	(unaudited)				
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share					
Class 1	108	108	108	108	108
Class 2	1	1	1	1	1
Class 3	30	30	30	30	30
Class 4	2,624,618	2,412,318	2,412,318	1,911,168	1,629,091
Total	2,624,757	2,412,457	2,412,457	1,911,307	1,629,230
Adjustments for calculation of diluted earnings per share:					
Options					
Class 1	—	—	—	—	—
Class 2	—	—	—	—	—
Class 3	—	—	—	—	—
Class 4	727,416	894,975	964,937	825,012	567,845
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share					
Class 1	108	108	108	108	108
Class 2	1	1	1	1	1
Class 3	30	30	30	30	30
Class 4	3,352,034	3,307,293	3,377,255	2,736,180	2,196,936

Options

Options granted to employees under Share-based Option Plans 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 company'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. Details relating to the options are set out in Note 13.

27. INTEREST BEARING LOANS AND BORROWINGS

	Currency	Maturity	Interest rate	30 June 2021			31 December 2020			31 December 2019			31 December 2018		
				Total limit in currency	Amount in original currency	Amount in EUR thousands	Total limit in currency	Amount in original currency	Amount in EUR thousands	Total limit in currency	Amount in original currency	Amount in EUR thousands	Total limit in currency	Amount in original currency	Amount in EUR thousands
Bank loans															
Senior multicurrency term and revolving facilities agreement*	EUR	2025/05	3M EURIBOR + margin	47,500	34,941	34,941	47,500	38,815	38,815	47,500	42,618	42,618	—	—	—
Senior multicurrency term and revolving facilities agreement*	EUR	2025/05	3M EURIBOR + margin	47,500	46,772	46,772	47,500	46,702	46,702	47,500	46,561	46,561	—	—	—
Senior multicurrency term and revolving facilities agreement*	EUR	2025/05	3M EURIBOR + margin	95,000	91,078	91,078	95,000	55,967	55,967	95,000	44,121	44,121	—	—	—
ČSOB, a.s	CZK	2019/01	1M PRIBOR + margin	—	—	—	—	—	—	—	—	—	30,000	500	20
ČSOB, a.s	EUR	2019/01	1M EURIBOR + margin	—	—	—	—	—	—	—	—	—	500	8	8
Raiffeisenbank, a.s	EUR	2021/09	3M EURIBOR + margin	—	—	—	—	—	—	—	—	—	2,400	808	808
Other loans	EUR		fixed rate	—	—	—	—	—	—	—	—	—	7,058	6,003	6,002
Other loans	CZK		fixed rate	9,341	9,341	366	16,037	16,037	611	26,153	26,153	1,035	713,958	548,960	21,341
				—	12,713	12,713	—	29,144	29,144	—	39,493	39,493	—	49,183	28,551
Revolving facilities and overdrafts															
Total	EUR	—	—	—	—	185,870	—	—	171,239	—	—	173,828	—	—	56,730
Current	EUR	—	—	—	—	32,261	—	—	42,274	—	—	42,990	—	—	33,673
Non-current	EUR	—	—	—	—	153,609	—	—	128,965	—	—	130,838	—	—	23,057

* On 27 May 2019 the Operating Group signed senior multicurrency term and revolving facilities agreements ("club financing facilities") with following banks:

- BNP Paribas S.A. acting through its branch BNP Paribas S.A., pobočka Česká republika,
- Citibank Europe plc acting through its branch Citibank Europe plc, organizační složka,
- Česká spořitelna, a.s.,
- Československá obchodní banka, a.s.,
- HSBC Bank plc acting through its branch HSBC Bank plc—pobočka Praha,
- Komerční banka, a.s.,
- Raiffeisenbank a.s.,
- UniCredit Bank Czech Republic and Slovakia, a.s.

Under this club financing, up to 60 million EUR is available for the Operating Group for revolving facilities and overdraft accounts, and up to EUR 92 million for bank guarantees.

The Operating Group has not drawn any loans from a non-bank entity.

The interest expense relating to bank loans and borrowings is presented in Note 14.

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

As at 30 June 2021, 31 December 2020 and 2019, the following pledges have been made as a security for aforementioned loans:

- pledge of shares;
- pledge of receivables (Note 22);
- pledge of bank accounts (Note 24);
- pledge of real estate (Note 17);
- pledge of movable assets (Note 17);
- pledge of trademarks.

Under the old terms of the club financing facilities, the Operating Group was required to comply with the following financial covenants:

- cashflow cover (the ratio of cashflow to debt service) shall not be less than 1.10;
- net leverage (the ratio of total net debt to adjusted EBITDA) shall not exceed 4.25;
- the borrowing base covenant (the ratio of the sum of outstanding amount of revolving facility, outstanding bank guarantees less cash and cash equivalents, to trade receivables) shall not exceed 0.90;
- adjusted net leverage (the ratio of the adjusted total net debt to adjusted EBITDA) shall not exceed 6.50.

The Operating Group complied with all financial covenants under the Senior Facilities Agreement as of 30 June 2021, 31 December 2020 and 2019. The Operating Group did not comply with the cashflow cover covenant as of 31 March 2020 and 30 June 2020 due to adverse changes in working capital related to lockdown restrictions during the Covid pandemic. The Operating Group received waivers from the banks on both covenant breaches and complied with all financial covenants as of 30 September 2020 and 31 December 2020. The Operating Group replaced the cashflow cover covenant with a less sensitive interest cover covenant in an amendment to the Senior Facilities Agreement dated 27 August 2021.

As of 31 December 2018, the Operating Group complied with all financial covenants related to interest-bearing loans and borrowings drawn at that date.

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below sets out an analysis of liabilities from financing activities and the movements in the Operating Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the statement of cash flows:

EUR '000	Liabilities from financing activities			
	Borrowings	Lease liabilities	Dividend payable	Total
Liabilities from financing activities at 1 January 2018	30,177	7,108	—	37,285
Cash inflows	—	—	—	—
Cash outflows	(1,940)	(1,259)	—	(3,199)
Business combinations	—	—	—	—
New leases	—	4,169	—	4,169
Declared dividends	—	—	—	—
Foreign exchange adjustments	(57)	6	—	(51)
Other movements*	—	(238)	—	(238)
Liabilities from financing activities at 31 December 2018	28,180	9,786	—	37,966
Cash inflows	235,646	—	—	235,646
Cash outflows	(126,176)	(1,877)	(24,431)	(152,484)
Business combinations	—	2,361	19,394	21,755
New leases	—	1,193	—	1,193
Declared dividends	—	—	5,038	5,038
Foreign exchange adjustments	(795)	—	(1)	(796)
Other movements*	(2,520)	(166)	—	(2,686)
Liabilities from financing activities at 31 December 2019	134,335	11,297	—	145,632
Cash inflows	12,147	—	—	12,147
Cash outflows	(4,494)	(2,354)	(65)	(6,913)
New leases	—	498	—	498
Declared dividends	—	—	65	65
Foreign exchange adjustments	(160)	(283)	—	(443)
Other movements*	267	205	—	472
Liabilities from financing activities at 31 December 2020	142,095	9,363	—	151,458
Cash inflows	39,786	—	—	39,786
Cash outflows	(8,593)	(1,156)	(3,480)	(13,229)
New leases	—	402	—	402
Declared dividends	—	—	3,480	3,480
Foreign exchange adjustments	(319)	222	—	(97)
Other movements*	188	106	—	294
Liabilities from financing activities at 30 June 2021	173,157	8,937	—	182,094

* The "Other movements" in Borrowings represent effective interest rate adjustment from transaction costs. The Operating Group classifies interest paid as cash flows from operating activities. The "Other movements" in Lease liabilities represent cancellation of lease liability in connection with premature termination of a lease.

29. TRADE AND OTHER PAYABLES, OTHER LIABILITIES

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Current				
Trade payables	283,762	237,122	213,686	149,689
Employee related liabilities	6,554	8,109	10,579	2,617
Advances received	13,405	11,772	10,300	9,208
Miscellaneous payables	11,728	8,872	5,278	5,983
Payables to tax authorities	8,227	7,083	6,976	1,133
Contract liabilities	3,414	3,334	2,786	—
Refund liabilities	3,504	2,238	1,823	—
Put option redemption liability	—	27,004	—	—
Deferred acquisition consideration	3,423	423	—	—
Total Trade and other payables	334,017	305,957	251,428	168,630
Non-current				
Put option redemption liability	23,501	19,006	41,745	—
Contract liabilities	1,943	1,801	2,337	—
Employee related liabilities	1,162	669	740	356
Other liabilities	782	797	960	831
Total Other non-current liabilities	27,388	22,273	45,782	1,187

Trade payables are non-interest bearing and are normally settled on 30-day terms.

Miscellaneous payables include mainly payables in respect of sold receivables to factoring companies.

For explanations on the Operating Group's liquidity risk management processes, refer to Note 31.

Employee related liabilities include liabilities from social security and health insurance, liabilities payable to employees for salaries and accrued employee vacation to be taken or compensated for in the following accounting period.

Put option redemption liability related to non-controlling interests represents present value of expected future settlement.

Trade and other payables are non-derivative financial liabilities carried at amortised cost. The fair value of current trade and other payables approximates their carrying value due to their short term maturities.

Contract liabilities predominantly represent revenue deferred in line with Navigation revenue recognition policy (Note 4.3). The movements of contract deferred revenue during the years are as follows:

EUR '000	2021	2020	2019	2018
Opening balance	5,135	5,123	—	—
Additions	2,452	2,798	2,367	—
Acquisition of a subsidiary	—	—	5,791	—
Release	(2,230)	(2,786)	(3,035)	—
Closing balance	5,357	5,135	5,123	—
Short-term	3,414	3,334	2,786	—
Long-term	1,943	1,801	2,337	—
Total	5,357	5,135	5,123	—

The total amount of deferred revenue is expected to be released in the income statement with the following pattern:

Release to income statement	1 year	2 years	3–5 years	Total
30 June 2021	3,414	1,277	666	5,357
31 December 2020	3,334	1,215	586	5,135
31 December 2019	2,786	1,590	747	5,123
31 December 2018	—	—	—	—

30. CONTINGENT ASSETS AND LIABILITIES

Off-balance sheet commitments are following:

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Unfunded customer credit limits	278,388	308,407	285,774	41,690

Credit limits are further described in credit risk section of Note 31.

31. FINANCIAL RISK MANAGEMENT

The Operating Group's classes of financial instruments correspond with the line items presented in the consolidated statement of financial position.

The Operating Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, leases and trade and other payables. The main purpose of these financial liabilities is to finance the Operating Group's operations and investments. The Operating Group's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations. The Operating Group also enters into derivative transactions.

The Operating Group is exposed to market risk, credit risk and liquidity risk. The management of the Operating Group identifies the financial risks that may have adverse impact on the business objectives and through active risk management reduces these risks to an acceptable level.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The sensitivity analyses in the following sections relate to the position as at 30 June 2021, 31 December 2020, 2019 and 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on: provisions, and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 30 June 2021, 31 December 2020, 2019 and 2018.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Operating Group's exposure to the risk of changes in market interest rates relates primarily to the Operating Group's bank loans and borrowings with floating interest rates.

The Operating Group manages its interest rate risk by entering into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 30 June 2021 and 31 December 2020, after taking into account the effect of interest rate swaps, total amount of Operating Group's borrowings is at a fixed rate of interest. At 31 December 2019 and 2018, approximately 94% of Operating Group's borrowings is at a fixed rate of interest.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Operating Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Increase by 50 basis points	—	—	20	—
Decrease by 50 basis points	—	—	(20)	—

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Operating Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Operating Group's operating activities (when revenue or expense is denominated in a foreign currency).

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

The Operating Group invoices mainly in EUR. However, there are transactional currency exposures that arise from sales and purchases also in other currencies, in particular CZK and PLN.

Financial assets and liabilities include cash and cash equivalents, trade and other receivables and interest-bearing loans and borrowings and trade and other payables. All remaining assets and liabilities in foreign currencies are immaterial or not subject to exchange rate exposure (such as property, plant and equipment).

The table below presents the sensitivity of the profit before tax to a hypothetical change in EUR, CZK, PLN, and other currencies and the impact on financial assets and liabilities of the Operating Group. The sensitivity analysis is prepared under the assumption that the other variables are constant.

Effect of the change in exchange rates between functional currency of each entity and EUR, CZK, PLN and other currencies on profit before tax:

EUR '000	% change in rate	30 June 2021	31 December 2020	31 December 2019	31 December 2018
EUR	+/- 10%	+/- 1,399	+/- 83	+/- 3,924	+/- 1,578
PLN	+/- 10%	+/- 58	+/- 141	+/- 145	+/- 286
CZK	+/- 10%	+/- 143	+/- 178	+/- 189	+/- 3
Others	+/- 10%	+/- 409	+/- 270	+/- 534	+/- 355

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Operating Group is exposed to credit risk from its operating activities (primarily trade receivables). The risk is managed on a group basis and individual customer credit risk limits are set based on internal ratings. Refer to Note 30 for unfunded customer credit limits.

The outstanding balances of trade receivables and compliance with credit limits are monitored on a regular basis. The aim of the Operating Group management is to minimize exposure of credit risk to single counterparty or group of similar counterparties. As at 30 June 2021, 31 December 2020, 2019 and 2018, there is no significant concentration of credit risk as there were no individually significant customers.

The Operating Group insures eligible receivables and accepts bank guarantees and collateral pledges to mitigate credit risk.

The Operating Group does not use credit derivatives to mitigate credit risk.

The ageing of receivables is regularly monitored by the Operating Group management.

Refer to Note 22 for further details.

Liquidity risk

The Operating Group performs regular monitoring of its liquidity position to keep sufficient financial resources to settle its liabilities and commitments.

The Operating Group's current ratio (current assets divided by current liabilities) was:

	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Current ratio	1.04	1.01	1.06	1.00

The table below summarizes the maturity profile of the Operating Group's financial liabilities based on contractual undiscounted payments (EUR'000):

30 June 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest-bearing loans and borrowings	—	18,581	17,397	162,437	—	198,415
Lease liabilities	—	661	1,922	4,880	1,998	9,461
Trade and other payables*	—	305,529	3,441	25,446	—	334,416
Total	—	324,771	22,760	192,763	1,998	542,292
31 December 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest-bearing loans and borrowings	—	31,946	13,834	140,106	—	185,886
Lease liabilities	—	572	1,637	6,206	1,786	10,201
Trade and other payables*	—	281,027	2,311	20,902	—	304,240
Total	—	313,545	17,782	167,214	1,786	500,327
31 December 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest-bearing loans and borrowings	—	4,520	19,009	88,880	79,821	192,230
Lease liabilities	—	557	1,671	9,705	20	11,953
Trade and other payables*	—	231,343	23	43,445	—	74,811
Total	—	236,420	20,703	142,030	79,841	478,994
31 December 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest-bearing loans and borrowings	—	29,924	4,079	18,773	5,132	57,908
Lease liabilities	—	447	1,342	7,686	1,525	11,000
Trade and other payables*	—	157,537	752	1,187	—	159,476
Total	—	187,908	6,173	27,646	6,657	228,384

* Trade and other payables exclude tax payables, advances received and contract liabilities as these are non-financial liabilities.

32. CAPITAL MANAGEMENT

For the purpose of the Operating Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the Operating Company. The primary objective of the Operating Group's capital management is to maximize the shareholder value.

The Operating Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Operating Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Operating Group monitors capital using the equity/total assets ratio:

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Total equity	73,847	64,105	49,584	51,040
Total assets	645,139	586,257	544,755	294,357
Equity ratio (Equity/TA)	11.45%	10.93%	9.10%	17.34%

In order to achieve this overall objective, the Operating Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. Further details are disclosed in Note 27.

No changes were made in the objectives, policies or processes for managing capital during the above period.

33. RELATED PARTY DISCLOSURES

Operating Company

The Operating Company controlling the Operating Group is disclosed in Note 1.

Subsidiaries

Interests in subsidiaries are set out in Note 7.

Key management personnel compensation

Key management personnel compensation is disclosed in Note 12.

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		For the year ended 31 December		
	2021	2020 (unaudited)	2020	2019	2018
Sale of goods to entities controlled by key management personnel . . .	2	1	3	5	5
Purchases of various goods and services from entities controlled by Company's shareholders	—	—	1	—	1
Purchases of various goods and services from entities controlled by key management personnel ⁽ⁱ⁾	119	94	188	378	478

(i) The Operating Group acquired the following goods and services from entities that are controlled by members of the Operating group's key management personnel: marketing research, consultancy, taxi services.

Outstanding balances arising from sales/purchases of goods and services

EUR '000	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Trade payables to entities controlled by key management personnel	7	10	16	32

The Operating Group provided no loans, credit, security or other benefits in either monetary or in-kind form to persons who are the governing body or to members of governing or other management and supervisory bodies, including former officers and members of those bodies.

Selected employees benefit from the private use of the Operating Group cars.

Terms and conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders. Goods were sold during the year based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

34. SUBSEQUENT EVENTS

Share Options

In preparation for the IPO of the Company, the Operating Group has taken and will be taking a number of steps to reorganise its capital structure. On 7th October 2021, the Company acquired the entire issued share capital of the Operating Company from its shareholders in exchange for shares issued by the Company to the shareholders of Operating Company thereby making the Company the holding company of the Operating Group.

A total of 362,026 share options, which were provided as of 30 June 2021, were exercised on 28 July 2021.

An additional 825,939 share options, which were provided as of 30 June 2021, were exercised on 9 September 2021. A further 362,026 share options which are expected to be forfeited later in September 2021. Any remaining share options are expected to be exercised within two years following an IPO of the Company.

In August 2021, the Operating Group granted additional 691,750 of share options, which were exercised on 9 September 2021.

Amendment to Senior Facilities Agreement

See Note 27.

Part B: Arraia Oil, S.L.

Section (1): Accountants' Report on the Historical Financial Information of Arraia



The Directors (the “**Directors**”)
W.A.G payment solutions plc (the “**Company**”)
Horton House Exchange Flags
Liverpool
L2 3PF

Morgan Stanley & Co. International plc
25 Cabot Square
London
E14 4QA

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

8 October 2021

Dear Ladies and Gentlemen

Arraia Oil, S.L. (“Arraia”)

We report on the financial information of Arraia for the years ended 31 December 2018 and 31 December 2019 set out in section 2 of Part B of *Historical Financial Information* of the prospectus dated 8 October 2021 (the “**Prospectus**”) of the Company (the “**Arraia Financial Information Table**”).

This report is required by item 18.3.1 of Annex 1 to the PR Regulation and is given for the purpose of complying with that item and for no other purpose.

Opinion on financial information

In our opinion, the Arraia Financial Information Table gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of Arraia as at the dates stated and of its profits, cash flows and statement of changes in equity for the years ended 31 December 2018 and 31 December 2019 in accordance with UK adopted international accounting standards.

Conclusions Relating to Going Concern

We are required to report if we have anything material to add or draw attention to in respect of the Directors’ statement in the Arraia Financial Information Table about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Arraia Financial Information Table and the Directors’ identification of any material uncertainties to Arraia’s ability to continue as a going concern over a period of at least twelve months from the date of this Prospectus.

PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH
T: +44 (0) 2075 835 000, F: +44 (0) 2072 124 652, www.pwc.co.uk

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

We have nothing material to add or to draw attention to.

Responsibilities

The Directors of the Company are responsible for preparing the Arraia Financial Information Table in accordance with UK adopted international accounting standards.

It is our responsibility to form an opinion on the Arraia Financial Information Table and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.3.2R(2)(f) of the Prospectus Regulation Rules of the Financial Conduct Authority (the “**Prospectus Regulation Rules**”) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 to the PR Regulation, consenting to its inclusion in the Prospectus.

Basis of Preparation

The Arraia Financial Information Table has been prepared for inclusion in the Prospectus of the Company on the basis of the accounting policies set out in note 2 to the Arraia Financial Information Table.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council (“**FRC**”) in the United Kingdom. We are independent in accordance with the FRC’s Ethical Standard as applied to Investment Circular Reporting Engagements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Arraia Financial Information Table. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Declaration

For the purposes of item 5.3.2R(2)(f) of the Prospectus Regulation Rules we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 to the PR Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

Section (2): Historical Financial Information of Arraia

STATEMENT OF COMPREHENSIVE INCOME (EUR '000)

For the year ended 31 December

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Revenue from contracts with customers	7	317,042	285,500
Costs of energy sold		<u>(301,899)</u>	<u>(271,513)</u>
Net energy and services sales	8	15,143	13,987
Other operating income		28	47
Employee expenses	9	(1,189)	(945)
Depreciation and amortisation		(739)	(508)
Impairment losses of financial assets	15	(719)	(859)
Other operating expenses		<u>(5,787)</u>	<u>(4,725)</u>
Operating profit		6,737	6,997
Finance income		12	23
Finance costs		<u>(93)</u>	<u>(75)</u>
Profit before tax		6,656	6,945
Income tax expense	10	<u>(1,635)</u>	<u>(1,796)</u>
PROFIT FOR THE YEAR		<u>5,021</u>	<u>5,149</u>

There is no other comprehensive income in the year.

Comprehensive income for the year is wholly attributable to equity holders of Arraia.

STATEMENT OF FINANCIAL POSITION
(EUR '000)

	Notes	31 December 2019	31 December 2018	1 January 2018
ASSETS				
Non-current assets				
Intangible assets	11	8,630	1,766	2,000
Property, plant and equipment	12	2,619	1,307	1,436
Right-of-use assets		456	570	684
Investments in subsidiaries	13	4,651	3	3,003
Financial assets		95	95	284
Total non-current assets		16,451	3,741	7,407
Current assets				
Inventories	14	1,706	1,107	1,090
Trade and other receivables	15	37,871	37,102	35,242
Income tax receivables		179	—	—
Cash and cash equivalents	16	6,231	7,761	4,957
Total current assets		45,987	45,970	41,289
TOTAL ASSETS		62,438	49,711	48,696
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital	17	1,000	1,000	1,000
Share premium	17	5	5	—
Reserve fund	17	200	200	200
Retained earnings	17	32,392	23,759	19,610
Total equity attributable to equity holders of Arraia		33,597	24,964	20,810
Total equity		33,597	24,964	20,810
Non-current liabilities				
Lease liabilities		358	470	578
Deferred tax liabilities	10	211	24	245
Other non-current liabilities		—	—	1,600
Total non-current liabilities		569	494	2,423
Current liabilities				
Trade and other payables	20	26,435	22,446	23,444
Interest-bearing loans and borrowings	18	1,725	—	—
Lease liabilities		112	108	106
Income tax liabilities		—	1,699	1,913
Total current liabilities		28,272	24,253	25,463
TOTAL EQUITY AND LIABILITIES		62,438	49,711	48,696

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

For the year ended 31 December

	Share capital	Share premium	Reserve fund	Retained earnings	Total equity attributable to equity holders of Arraia
At 1 January 2018	<u>1,000</u>	<u>—</u>	<u>200</u>	<u>19,610</u>	<u>20,810</u>
Profit for the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,149</u>	<u>5,149</u>
Total comprehensive income	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,149</u>	<u>5,149</u>
Transactions with owners in their capacity as owners:					
Issue of share capital	<u>—</u>	<u>5</u>	<u>—</u>	<u>—</u>	<u>5</u>
Dividends paid	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,000)</u>	<u>(1,000)</u>
At 31 December 2018	<u>1,000</u>	<u>5</u>	<u>200</u>	<u>23,759</u>	<u>24,964</u>
Profit for the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,021</u>	<u>5,021</u>
Total comprehensive income	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,021</u>	<u>5,021</u>
Transactions with owners in their capacity as owners:					
Dividends paid	<u>—</u>	<u>—</u>	<u>—</u>	<u>(5,836)</u>	<u>(5,836)</u>
Business combination (Note 6)	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,448</u>	<u>9,448</u>
At 31 December 2019	<u>1,000</u>	<u>5</u>	<u>200</u>	<u>32,392</u>	<u>33,597</u>

STATEMENT OF CASH FLOWS
(EUR '000)

For the year ended 31 December

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities			
Profit before tax for the year		6,656	6,945
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation	11,12	739	508
Interest income		(12)	(23)
Interest expense		122	97
Movements in allowances for receivables	15	719	859
Working capital adjustments:			
(Increase)/decrease in trade and other receivables and prepayments		4,204	(2,718)
(Increase)/decrease in inventories		(317)	(17)
Decrease in trade and other payables		(1,095)	(1,212)
Interest received		12	23
Interest paid		(122)	(97)
Income tax paid		(2,676)	(2,018)
Net cash flows from operating activities		<u>8,230</u>	<u>2,347</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(927)	(27)
Purchase of intangible assets		—	(1,605)
Investment in subsidiaries, net of cash acquired		(4,919)	—
Proceeds from sale of investment in subsidiaries, net of cash disposed		305	3,190
Net cash (used) / received in investing activities		<u>(5,541)</u>	<u>1,558</u>
Cash flows from financing activities			
Payment of lease liabilities		(109)	(106)
Paid out dividend		(5,836)	(1,000)
Proceeds from issued share capital		—	5
Net cash used in financing activities		<u>(5,945)</u>	<u>(1,101)</u>
Net increase in cash and cash equivalents		(3,256)	2,804
Cash and cash equivalents at beginning of period	16	7,761	4,957
Cash and cash equivalents at end of period	16	<u>4,505</u>	<u>7,761</u>

1. CORPORATE INFORMATION

Arraia-Oil, S.L. (“Arraia”) is a limited liability company incorporated and domiciled in Spain and whose shares are not publicly traded. Arraia is principally engaged in providing payment solutions for fleets of professional transport and forwarding companies as well as running a network of petrol stations for commercial road transportation.

Registered office

Arraia-Oil, S.L.

C/ Deida, Parcela 6 · Poligono Industrial

01260 San Román de San Millán, Álava

Spain

Identification number

B01314012

On 24 January 2019, W.A.G. Mobility Solutions Iberia S.L.U. (“Iberia”) acquired 75% of shares of Arraia and other ADS companies (Portugalia Global Services, S.L., Liserteco LDA, Liserteco 24 Horas, SL, Reivala Gestion, S.L., Tax Refund Consulting SL, Trofa Gestion, S.L.), hereinafter referred to as “ADS Group”. Shares of Arraia Autopistas, S.L. were subsequently acquired indirectly by Iberia and Arraia became the new direct controlling party of Arraia Autopistas, SL. The ultimate controlling party is W.A.G. payment solutions a.s.

Shareholders holding a 10% or greater interest in Arraia’s basic capital as at 31 December 2019 and 2018 are as follows:

Shareholder	Interest in basic capital		
	31 December 2019	31 December 2018	1 January 2018
W.A.G. Mobility Solutions Iberia S.L.U	75%	0%	0%
Arteranue S.L	25%	0%	0%
Juan Carlos Ortiz Salazar	0%	43.75%	43.75%
Francisco Javier Landa Lázaro	0%	17.97%	17.97%
Juan Manuel Hernández Esquisabel	0%	38.28%	38.28%

2. BASIS OF PREPARATION

The Historical Financial Information of Arraia has been prepared in accordance with UK adopted international accounting standards (“IFRS”) (this being IFRS as adopted by UK Endorsement Board), as expected to be applied by W.A.G PAYMENT SOLUTIONS PLC in its financial statements for the year ending 31 December 2021.

The Arraia Historical Financial Information has been prepared on a historical cost basis. The Arraia Historical Financial Information is presented in EUR and all values are rounded to the nearest thousand (EUR’000), except where otherwise indicated.

The Arraia Historical Financial Information was prepared on going concern basis.

Arraia’s fiscal year begins on 1 January and ends on 31 December.

Information on independent auditor

EUR '000	2019	2018
The statutory audit of the financial statements	78	13
Tax advice	—	—
Other non-audit services	—	—
Total	78	13

The statutory financial statements of Arraia-Oil, S.L. for 2019 was audited by PricewaterhouseCoopers Auditores, S.L. 2018 was audited by T. NIC Auditores, S.L.

IFRS FIRST-TIME ADOPTION

The Arraia Historical Financial Information, for the year ended 31 December 2019, are the first Arraia has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2018, Arraia prepared its Historical Financial Information in accordance with local generally accepted accounting principles (Local GAAP).

Arraia has prepared Historical Financial Information that complies with IFRS as it is expected to be applied by W.A.G PAYMENT SOLUTIONS PLC as described in the summary of significant accounting policies. In preparing the Arraia Historical Financial Information, Arraia's opening statement of financial position was prepared as at 1 January 2018, Arraia's date of transition to IFRS. This note explains the principal adjustments made by Arraia in restating its Local GAAP Arraia Historical Financial Information, including the statement of financial position as at 1 January 2018 and the Arraia Historical Financial Information as of, and for, the year ended 31 December 2018.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

Arraia has applied the following exemptions:

- In the separate Arraia Historical Financial Information, Arraia used deemed cost (previous GAAP carrying amount at the date of transition to IFRS) for initial measurement of its investments in a subsidiary. Subsequently, the investments are measured at cost.
- Arraia assessed all contracts existing at 1 January 2018 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2018.
- Lease liabilities were measured at the present value of the remaining lease payments, discounted using Arraia's incremental borrowing rate at 1 January 2018. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2018. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognised as an expense on either a straight-line basis over the lease term or another systematic basis.

Estimates

The estimates at 1 January 2018 and at 31 December 2018 are consistent with those made for the same dates in accordance with Local GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by Arraia to present these amounts in accordance with IFRS reflect conditions at 1 January 2018, the date of transition to IFRS and as at 31 December 2018.

Arraia reconciliation of equity as at 1 January 2018 (date of transition to IFRS)

	Notes	Local GAAP	Reclassifications and Remeasurements	IFRS as at 1 January 2018
ASSETS				
Non-current assets				
Intangible assets		2,000	—	2,000
Property, plant and equipment		1,436	—	1,436
Right-of-use assets	A	—	684	684
Investments in subsidiaries		3,000	—	3,003
Financial assets		284	—	284
Total non-current assets		6,723	684	7,407
Current assets				
Inventories		1,090	—	1,090
Trade and other receivables		35,242	—	35,242
Cash and cash equivalents		4,957	—	4,957
Total current assets		41,289	—	41,289
TOTAL ASSETS		48,012	684	48,696
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital		1,000	—	1,000
Reserve fund	B	14,871	(14,671)	200
Retained earnings	B	4,939	14,671	19,610
Equity attributable to equity holders of the parent		20,810	—	20,810
Total equity		20,810	—	20,810
Non-current liabilities				
Lease liabilities	A	—	578	578
Deferred tax liabilities		245	—	245
Other non-current liabilities		1,600	—	1,600
Total non-current liabilities		1,845	578	2,423
Current liabilities				
Trade and other payables		23,444	—	23,444
Lease liabilities	A	—	106	106
Income tax liabilities		1,913	—	1,913
Total current liabilities		25,357	106	25,463
TOTAL EQUITY AND LIABILITIES		48,012	684	48,696

Notes to the reconciliation of equity as at 1 January 2018

(A) Leases

Under Local GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, as explained in Note 3.8, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the date of transition to IFRS, Arraia applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using Arraia's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments.

As a result, Arraia recognised an increase of EUR 684 thousand of lease liabilities and EUR 684 thousand of right-of-use assets.

(B) Reserve fund and Retained earnings

Under Local GAAP, Arraia presented various capital funds in equity (e.g. voluntary reserves, other reserves, etc.) in the amount of EUR 14,671 thousand. As at the date of transition to IFRS, these funds were reclassified to Retained earnings as their creation is voluntary and they can be distributed to the shareholders.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the Arraia Historical Financial Information are set out below. These accounting policies have been consistently applied in all material respects to all periods presented.

3.1. Business combinations and goodwill

Business combinations under common control are accounted for using the predecessor accounting method. Acquired assets and liabilities are recorded at their existing carrying values. These amounts include any goodwill (and other fair value adjustments including client relationships) recorded by Arraia in respect of the acquired entity. Any business combination difference between acquired assets and liabilities is recognised through retained earnings.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to Energy cash-generating unit (CGU) that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to this unit.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

3.2. Revenue from contracts with customers

Revenues are recognised, when Arraia has satisfied a performance obligation and the amount of revenue can be reliably measured. Arraia will recognise revenue at an amount that reflects the consideration to which Arraia expects to be entitled (after reduction for expected discounts) in exchange for transferring goods or services to a customer.

Sale of energy

Energy means any source that makes a vehicle move (diesel, petrol, e-mobility, bio fuel additives and alternative fuel like LNG/CNG).

Arraia operates three business models for the sale of energy to fleets of professional transport and forwarding companies:

- the acceptance business model—sale through acceptance partner locations (petrol stations); customers can access any petrol station, which is accepting Arraia's payment solutions, for price under terms pre-agreed between Arraia and the customer and that is independent of the prices valid at the respective partner's petrol station
- the bunkering business model—Arraia supplies energy to bunkering sites located at partner sites; energy inventory is in ownership of Arraia until it is purchased by Arraia's customers
- own petrol stations.

Arraia is acting as a principal in all the three business models with significant judgement made in respect of the acceptance model (see Note 5 under Principal versus agent consideration).

The revenue from the sale of energy is recognised when Arraia satisfies a performance obligation (transfers control over the energy), usually on delivery of the energy. Arraia recognises revenue at an amount that reflects the consideration to which the entity expects to be entitled (after reduction for expected discounts and volume rebates) in exchange for transferring goods or services to a customer. Sales are recognised net of value added tax.

Other services

Other services include services that are immaterial to the Arraia Historical Financial Information.

3.3. Investment in subsidiaries

Investments in subsidiaries are accounted for using the cost method and are annually reviewed for impairment.

3.4. Taxes

Current income tax

Current income tax assets and liabilities for an accounting period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where Arraia operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is calculated using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.5. Foreign currency transactions

The functional currency of Arraia is EUR.

Transactions in foreign currencies are initially recorded by Arraia at its functional currency rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange valid at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss as finance income and expenses. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3.6. Cash dividend to equity holders of Arraia

Arraia recognises a liability to make cash distributions to equity holders of Arraia when the distribution is authorized and the distribution is no longer at the discretion of Arraia. As per the corporate laws of Spain, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.7. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets other than goodwill are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

The useful life of intangible assets is assessed as either finite or indefinite.

Intangible assets with finite life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Amortisation of intangible assets with finite life is recorded on a straight-line basis over their estimated useful life as follows:

	<u>Years</u>
Clients relationships	8
Patents and rights	10
Software	6

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Clients' relationships

Clients' relationships were acquired as part of a business combination (Note 6). They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful life.

Patents and rights, software

Separately acquired patents and rights, and software are shown at historical cost. Patents and rights, and software acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

3.8. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

When significant parts of property, plant and equipment are required to be replaced at intervals, Arraia depreciates them separately based on their specific useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recorded on a straight-line basis over the estimated useful life of an asset as follows:

	<u>Years</u>
Buildings and structures	33
Machinery and equipment	3–6
Vehicles	5
Fixtures and fittings	4
Low-value tangible fixed assets	6

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.9. Leases

Identification of the Subject of a Lease—Lease Agreement

A lease is a contract, or part of a contract, that conveys the right to use an identifiable asset for a period of time in exchange for consideration. At the inception of the contract, Arraia assesses whether the contract is a lease or contains a lease. Arraia reassesses whether the contract is a lease or contains a lease only when the contractual terms are amended.

Arraia assesses whether a contract transfers the right to control the use of an identifiable asset over a period of time based on:

- Arraia has the right to obtain a substantial economic benefit from the asset for the period of its use,
- The lease is agreed for the lease of a specific asset, and the lessor does not have the right to exchange it or to profit financially from the exchange,
- Arraia has the right to control the use of an identifiable asset,
- The lease is longer than 12 months (short-term lease exemption allowed under IFRS 16),
- The value of the new asset exceeds EUR 4,500 (low value exemption allowed under IFRS16)

Arraia assesses whether the contract contains a lease separately for each potential lease component.

Arraia does not have any external subleases outside of Arraia nor any contract, where Arraia is a lessor.

Lease Liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are payments by the lessee to the lessor for the right to use an underlying asset for the duration of the lease. These payments include:

- fixed payments (lowered by any lease incentives),
- variable lease payments that are indexed or fixed to a rate,
- call option to purchase where there is sufficient certainty that the lessee will make use of the option,

- payment of penalties for termination of the lease where the lease period corresponds to the lessee making use of the option to terminate the lease.

After commencement date, variable lease payments not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers those payment occurs. Interest from the lease obligation is Arraia's finance costs.

Right to Use an Asset

Arraia measures the right to use an asset on the date the lease commences on the basis of a lease agreement. These are based on:

- the value of the lease liability increased by the lease payment that Arraia has paid before the day the lease commences (reduced by lease incentives—discounts),
- the initial direct costs of the lease paid by Arraia,
- the estimated value of the costs for dismantling and removing an identified asset or the reclamation of the site where the asset was located,
- an increase by the asset's modification and renovation costs required in the lease agreement, namely by the creation of a reserve in compliance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.10. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of an asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that Arraia incurs in connection with the borrowing of funds.

3.11. Financial instruments—IFRS 9

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

As at 31 December 2019 and 2018 all of Arraia's financial assets were measured at amortised cost, net of provision for expected credit losses.

Trade and other receivables

Trade and other receivables are carried at original invoice amount less an allowance for impairment of these receivables.

See Assets carried at amortised cost for a description of Arraia's impairment policies and Note 15 for further information on Trade and other receivables.

Impairment of assets carried at amortised cost

If there is an objective evidence that there has been an increase in the credit risk of a financial instrument measured at amortised cost since initial recognition, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the income statement.

As Arraia's Historical Financial Information include financial assets representing Trade and other receivables only which do not include a significant financing component, Arraia applies a simplified approach in calculating expected loss ("ECLs"). Therefore, Arraia does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Impaired debts are derecognised when they are assessed as uncollectible.

Financial liabilities

Financial liabilities are classified into two main categories (a) at amortised cost and (b) at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Arraia's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 18.

Trade and other payables

Trade payables are recognised at their nominal value which is deemed to be materially the same as the fair value.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.12. Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for raw materials and goods as actual cost using the "first in, first out" (FIFO) method (the initial price in the measurement of inventory additions is used as the initial price in the measurement of inventory disposals). Costs of purchased inventory include acquisition-related costs (freight, customs, commission, etc.).

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.13. Impairment

Arraia assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, Arraia estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Arraia bases its impairment calculation on detailed budget and forecast calculations, which are prepared for Energy CGU. These budget and forecast calculations generally cover a period of five years. A long-term growth rate is estimated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, Arraia estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

Intangible assets with indefinite useful life are tested for impairment annually as at 31 December either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount for Energy CGU. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3.14. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash in hand and cash at banks.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of Arraia's cash management.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES, ADOPTION OF NEW AND REVISED STANDARDS

4.1. New IFRSs and IFRICs published by the IASB that are not yet effective and have not been approved by the EU

Arraia is currently assessing the potential impacts of the new and revised standards and interpretations that will be effective or adopted by the European Union from 1 January 2020 or later.

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture—**Amendments to IFRS 10 and IAS 28
- **IFRS 17 “Insurance Contracts”**
- **Amendments to the Conceptual Framework for Financial Reporting**
- **Definition of a business—**Amendments to IFRS 3
- **Definition of materiality—**Amendments to IAS 1 and IAS 8
- **Interest rate benchmark reform—**Amendments to IFRS 9, IAS 39 and IFRS 7
- **Classification of liabilities as current or non-current—**Amendments to IAS 1

These new standards and amendments are not expected to have any significant impacts on Arraia's Historical Financial Information.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Judgements

In the process of applying Arraia's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the Arraia Historical Financial Information:

Principal versus agent consideration

Arraia has considered whether it acts as a principal or an agent in the acceptance business model (see explanation of the business models used in sales of energy in note 3.2) in sale of energy. Arraia is not selling just the energy but an integrated web based solution comprising advice on where to buy energy, offering

discounted energy prices that are independent of pricing of Arraia's suppliers, use of payment cards and administration of the energy sales transaction. Arraia sells energy to its customers under one contract covering sales transactions realised under all three business models used by Arraia and described in note 3.2. In the case of the acceptance business model the principal vs. agent assessment involves significant judgement. In applying the judgment management concluded that Arraia is the principal mainly because it is the primary obligor in respect of delivery of energy and related services to its customers. Management also considered the following additional control indicators:

1. Arraia has discretion in establishing the price for the specified fuel independent from the prices of petrol stations under the acceptance model.
2. Arraia has the right to choose its suppliers.
3. Arraia is responsible for damages caused by the product quality.

Estimates and assumptions

The preparation of Arraia Historical Financial Information in accordance with IFRS requires the use of estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the Arraia Historical Financial Information. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Arraia based its assumptions and estimates on parameters available when the Arraia Historical Financial Information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of Arraia. Such changes are reflected in the assumptions when they occur.

Impairment of financial assets

Arraia applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Arraia used a provision matrix based on its territory and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

6. BUSINESS COMBINATIONS

On 25 October 2019, the Board of Directors of Arraia approved the amalgamation of Arraia with related companies Portugalia Global Services, S.L. and Area Diesel Service, S.L. in line with a Merger Project approved on 31 July 2019, registered by the Commercial Register of Álava on 28 October 2019. On the same date, it was decided that the closing balances as of 31 March 2019 of each company (approved by their respective Board of Directors) should be used for the transaction.

In line with relevant legislation, the amalgamation resulted in dissolution of Portugalia Global Services, S.L. and Area Diesel Service, S.L. and transfer of their net assets to Arraia, who became the successor of rights and responsibilities of the dissolved companies.

The amalgamation is part of a process of streamlining and simplifying the corporate structure of the group to which the merging entities belong, where the main aim is to concentrate all the assets and activities of the dissolved companies to the successor company. As of the date of amalgamation, Arraia and one of the dissolved companies (Portugalia Global Services, S.L.) were both owned by the same shareholders. At the same time, Arraia held 100% interest in the second dissolved company (Area Diesel Service, S.L.). Due to these facts, the transaction is considered as occurred among entities under common control and was booked in line with the accounting policy in Note 3.1. The amounts transferred as at 1 April 2019 are presented in the table below.

Goodwill is being allocated to the acquired entity in the transaction based on a proportion of Portugalia Global Services S.L. revenue compared to total revenue of ADS Group. Assets recorded by Arraia were determined by making estimates, mainly future cash-flows and discount rate, with the remaining excess of consideration over net assets being allocated to goodwill.

	Area Diesel Service, S.L.	Portugalia Global Services, S.L.	Consolidation adjustments	TOTAL
ASSETS				
Non-current assets				
Intangible assets	—	—	7,208	7,208
Property, plant and equipment	—	524	144	669
Deferred tax asset	—	20	—	20
Total non-current assets	—	544	7,352	7,896
Current assets				
Inventories	—	282	—	282
Trade and other receivables	95	6,059	—	6,154
Cash and cash equivalents	216	853	—	1,069
Total current assets	311	7,194	—	7,505
TOTAL ASSETS	311	7,738	7,352	15,401
LIABILITIES				
Non-current liabilities				
Interest-bearing loans and borrowings	—	3	—	3
Deferred tax liability	—	—	241	241
Other non-current liabilities	—	24	—	24
Total non-current liabilities	—	27	241	268
Current liabilities				
Interest-bearing loans and borrowings	—	1,353	—	1,353
Trade and other payables	146	4,051	—	4,197
Income tax liabilities	—	135	—	135
Total current liabilities	146	5,539	—	5,685
TOTAL LIABILITIES	146	5,566	241	
TOTAL NET ASSETS TRANSFERRED	165	2,172	7,111	9,448

7. REVENUE

For management purposes, Arraia is organized into the following operating units:

- Energy—sale of energy, meaning any source that makes a vehicle move (diesel, petrol, e-mobility, bio fuel additives and alternative fuel like LNG/CNG)
- Services—other

Virtually all revenue of Arraia is Energy related, revenue from other services is immaterial.

Geographical markets

Arraia operates in Western Cluster only, mostly in Spain and Portugal. The Operating Group derives geographical analysis from the base location of responsible sales team rather than reflecting the geographical location of the actual transaction. Based on this methodology, virtually all revenue of Arraia is attributable to Portugal.

Performance obligations

The performance obligation for sale of energy is satisfied upon delivery of energy to the customer and payment is generally due within 0–30 days from delivery.

8. NET ENERGY AND SERVICES SALES

Net energy and services sales is an alternative performance measure, which is calculated as total revenues from contracts with customers less cost of energy sold. Arraia believes this subtotal is relevant to an understanding of Arraia's financial performance on the basis that it adjusts for the volatility in underlying energy prices.

Arraia has some discretion in establishing final energy price independent from the prices of its suppliers as explained in Note 5 under Principal versus agent considerations.

This measure also supports comparability of Arraia'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.

9. EMPLOYEE EXPENSE

Employee expenses for the year ended 31 December consist of the following:

EUR '000	2019		2018	
	Total personnel	Key management	Total personnel	Key management
Number of full-time employees	24	—	23	1
Wages and salaries	992	—	735	67
Social security and health insurance	197	—	210	23
Total employee expense	1,189	—	945	90

Key management is not directly employed by Arraia in 2019.

10. INCOME TAX

Arraia is domiciled in Álava, Basque Country, which has different tax rate than the rest of Spain, because of its special tax legislation (different to the rest of the Spanish territory). Corporate income tax for the year 2019 was set at the rate of 24% (26% in 2018). The tax rate applicable for 2020 and beyond is 24%.

From 1 April 2019, Arraia formed a consolidation tax group for CIT purposes with its parent company WAG Iberia and other related companies, all Alava tax resident companies (Reivalsa, Trofa, Arraia Autopistas and Liserteco 24h).

The tax charge for the years ended 31 December is as follows:

EUR '000	2019	2018
Current income tax charge	1,689	2,017
Deferred tax	(54)	(221)
Total	1,635	1,796

Reconciliation of tax expense to the accounting profit multiplied by Arraia's domestic tax rate for 2019 and 2018 is as follows:

EUR '000	2019	2018
Accounting profit before income tax from continuing operations	6,656	6,945
At Basque Country statutory income tax rate of 24% (26% in 2018)	1,597	1,806
Effect of non-deductible expenses	37	—
Other tax adjustments	1	(10)
At the effective income tax rate of 24.53% (2018: 25.70%)	1,635	1,796
Income tax expense reported in the statement of profit or loss	1,635	1,796

Arraia did not have any unused tax losses as at 31 December 2019 and 2018.

Deferred tax balances and movements:

EUR '000	1 January 2019	(Charged) credited to profit or loss	Business combination—Charged to equity	31 December 2019
Difference between net book value of fixed assets for accounting and tax purposes	(144)	7	(241)	(378)
Impairment provision for receivables	120	47	—	167
Net deferred tax asset/(liability)	(24)	54	(241)	(211)

<u>EUR '000</u>	<u>1 January 2018</u>	<u>(Charged) credited to profit or loss</u>	<u>Charged to equity</u>	<u>31 December 2018</u>
Difference between net book value of fixed assets for accounting and tax purposes	(245)	101	—	(144)
Impairment provision for receivables	—	120	—	120
Net deferred tax asset/(liability)	<u>(245)</u>	<u>221</u>	<u>—</u>	<u>(24)</u>

Arraia offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Arraia does not expect any material taxes to be paid on unremitted retained earnings.

11. INTANGIBLE ASSETS

Cost of intangible assets:

<u>EUR '000</u>	<u>Goodwill</u>	<u>Client relationships</u>	<u>Patents and rights</u>	<u>Software</u>	<u>Total</u>
1 January 2018	—	2,000	—	531	2,531
Additions	—	—	5	—	5
Disposals	—	—	—	(222)	(222)
31 December 2018	<u>—</u>	<u>2,000</u>	<u>5</u>	<u>309</u>	<u>2,314</u>
Business combination	6,082	1,126	—	—	7,208
31 December 2019	<u>6,082</u>	<u>3,126</u>	<u>5</u>	<u>309</u>	<u>9,522</u>

Accumulated amortisation and impairment of intangible assets:

<u>EUR '000</u>	<u>Goodwill</u>	<u>Client relationships</u>	<u>Patents and rights</u>	<u>Software</u>	<u>Total</u>
1 January 2018	—	(200)	—	(331)	(531)
Amortisation	—	(200)	—	(39)	(239)
Disposals	—	—	—	222	222
31 December 2018	<u>—</u>	<u>(400)</u>	<u>—</u>	<u>(148)</u>	<u>(548)</u>
Amortisation	—	(306)	—	(38)	(344)
31 December 2019	<u>—</u>	<u>(706)</u>	<u>—</u>	<u>(186)</u>	<u>(892)</u>

Net book value:

<u>EUR '000</u>	<u>Goodwill</u>	<u>Client relationships</u>	<u>Patents and rights</u>	<u>Software</u>	<u>Total</u>
Net book value at 1 January 2018	—	1,800	—	200	2,000
Net book value at 31 December 2018	—	1,600	5	161	1,766
Net book value at 31 December 2019	6,082	2,420	5	123	8,630

12. PROPERTY, PLANT AND EQUIPMENT

Cost of property, plant and equipment:

EUR '000	Lands and Buildings	Machinery and equipment	Vehicles, Furniture and fixtures	Total
1 January 2018	1,457	2,165	513	4,135
Additions	—	25	2	27
Disposals	—	(178)	(142)	(320)
31 December 2018	1,457	2,012	373	3,842
Business combination	275	390	74	739
Additions	450	477	—	927
Disposals	—	—	—	—
31 December 2019	2,182	2,879	447	5,508

Accumulated depreciation and impairment of property, plant and equipment:

EUR '000	Lands and Buildings	Machinery and equipment	Vehicles, Furniture and fixtures	Total
1 January 2018	(386)	(1,892)	(421)	(2,699)
Depreciation charge	(29)	(104)	(22)	(155)
Disposals	—	177	142	319
31 December 2018	(415)	(1,819)	(301)	(2,535)
Business combination	(10)	(52)	(10)	(72)
Depreciation charge	(41)	(204)	(37)	(282)
31 December 2019	(466)	(2,075)	(348)	(2,889)

Net book value of property, plant and equipment:

EUR '000	Lands and Buildings	Machinery and equipment	Vehicles, Furniture and fixtures	Total
Net book value at 1 January 2018	1,071	273	92	1,436
Net book value at 31 December 2018	1,042	193	72	1,307
Net book value at 31 December 2019	1,716	804	99	2,619

Property, plant and equipment was not pledged as at 31 December 2019, 2018 and 2017.

13. INVESTMENTS IN SUBSIDIARIES

Arraia held interest in the following companies in the respective periods:

EUR '000	31 December 2019	31 December 2018	1 January 2018
Arraia Autopistas, S.L.U. (100%)	4,651	—	—
Area Diesel Service S.L.U. (100%)	—	3	3
ADS Operador Petrolífero, S.L. (100%)	—	—	3,000
Total	4,651	3	3,003

On 28 March 2019, Arraia acquired a 100% of the shares in Arraia Autopistas, S.L.U. for a consideration of EUR 4,651 thousand. See Note 1.

On 1 April 2019, Arraia derecognised its share in Area Diesel Service S.L.U. as a result of a business combination (amalgamation) described in Note 6.

The share in ADS Operador Petrolífero, S.L. was sold on 28 December 2018 for a consideration of EUR 3,003 thousand.

14. INVENTORIES

EUR '000	31 December 2019	31 December 2018	1 January 2018
Goods (at lower of cost and net realizable value)	1,706	1,107	1,090
Total	1,706	1,107	1,090

There were no write-downs of inventories to net realisable value.

Goods recognised as an expense are presented in full under Cost of energy sold—EUR 301,899 thousand in 2019 and EUR 271,513 thousand in 2018.

15. TRADE AND OTHER RECEIVABLES

EUR '000	31 December 2019	31 December 2018	1 January 2018
Trade receivables	32,495	28,781	34,991
Receivables from related companies	5,286	8,321	251
Receivables from tax authorities	78	—	—
Unbilled revenue	12	—	—
Total	37,871	37,102	35,242

Trade receivables are non-interest bearing and are generally payable on terms below 30 days. Trade and other receivables are non-derivative financial assets carried at amortised cost.

No receivables were subject to pledge as at 31 December 2019, 2018, and 1 January 2018.

The carrying value of trade and other receivables approximates their fair value due to their short-term maturities.

Arraia applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Simplified approach adopted by Arraia used a provision matrix based on its territory and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

On basis described above, the loss allowance to trade receivables as at 31 December 2019 and 31 December 2018 was as follows:

31 December 2019

EUR '000	Neither past due nor impaired	Past due 1–90 days	Past due more than 90 days	Total
Percentage of expected interest loss	0%	0–18%	39–100%	—
Gross value of receivables	27,218	3,185	7,030	37,433
Expected credit loss	—	101	4,837	4,938

31 December 2018

EUR '000	Neither past due nor impaired	Past due 1–90 days	Past due more than 90 days	Total
Percentage of expected interest loss	0%	0–18%	39–100%	—
Gross value of receivables	27,441	58	5,676	33,175
Expected credit loss	—	1	4,393	4,394

1 January 2018

EUR '000	Neither past due nor impaired	Past due 1–90 days	Past due more than 90 days	Total
Percentage of expected interest loss	0%	0%	0–100%	—
Gross value of receivables	32,792	69	5,665	38,526
Expected credit loss	—	—	3,535	3,535

Allowances against outstanding receivables that are considered doubtful were charged to income statement based on the analysis of their collectability in the year ended 31 December 2019 and 2018.

<u>EUR '000</u>	<u>Amount</u>
Allowances at 1 January 2018	<u>3,535</u>
Charged	859
Allowances at 31 December 2018	<u>4,394</u>
Charged	719
Utilized	(175)
Allowances at 31 December 2019	<u>4,938</u>

Trade receivables and contract assets are derecognised where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with Arraia, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been derecognised is subject to enforcement activities.

16. CASH AND CASH EQUIVALENTS

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

<u>EUR '000</u>	<u>31 December 2019</u>	<u>31 December 2018</u>	<u>1 January 2018</u>
Cash at banks	6,228	7,755	4,939
Cash on hand	3	6	18
Cash and cash equivalents presented in the statement of financial position	<u>6,231</u>	<u>7,761</u>	<u>4,957</u>
Bank overdrafts	(1,726)	—	—
Cash and cash equivalents presented in the statement of cash flows	<u>4,505</u>	<u>7,761</u>	<u>4,957</u>

Cash at bank was not pledged as at 31 December 2019, 2018 and 2017.

The fair value of cash and cash equivalents approximates their carrying value due to their short-term maturities.

Credit quality of cash at banks:

<u>EUR '000</u> <u>External rating scale</u>	<u>31 December 2019</u>	<u>31 December 2018</u>	<u>1 January 2018</u>
Baa	2,052	3,081	3,168
Ba	1,727	1,902	1,404
Caa	2,449	2,773	363
Total	<u>6,228</u>	<u>7,755</u>	<u>4,939</u>

17. EQUITY

During the year 2019 there were no changes in the share capital. During the year 2018, Arraia increased its share capital before controlling party change on 24 January 2019 (Note 1). The changes in total number of issued shares were as follows:

Ordinary shares issued and fully paid:

	<u>shares</u>	<u>EUR '000</u>
At 1 January 2018	1,000,000	1,000
Issued on 03 December 2018	1	—
At 31 December 2018	1,000,001	1,000
Issuance of share capital	—	—
At 31 December 2019	1,000,001	1,000

Share premium

EUR '000

At 1 January 2018	—
Issuance of share capital	5
At 31 December 2018	5
Issuance of share capital	—
At 31 December 2019	<u>5</u>

Ordinary shares

All the ordinary shares are transferable without restrictions.

One vote is attached to each EUR 1.00 of the nominal value of one share.

Changes in shareholders' equity

Upon the decision of the regular General Meeting of Shareholders held on 13 June 2019 the shareholders decided to distribute EUR 5,836 thousand as dividends among the shareholders and transfer remaining profits to the retained earnings.

Upon the decision of the regular General Meeting of Shareholders held on 13 June 2018 the shareholders decided to distribute EUR 1,000 thousand as dividends among the shareholders and transfer remaining profits to the retained earnings.

As at 1 April 2019, retained earnings were increased by EUR 9,447 thousand as a result of a business combination—for further details please see Note 6.

Reserve fund

In Spain, companies are obliged to transfer part of their annual profits to legal reserve fund up to 20% of share capital. Arraia contributions to this fund as at 1 January 2018 were above the statutory limit and thus, there were no changes in the reserve fund during the year 2019 and 2018.

Reserve fund distribution is limited and allows only to compensate of future losses of Arraia

18. INTEREST BEARING LOANS AND BORROWINGS

	Currency	31 December 2019		31 December 2018		1 January 2018	
		Amount in original currency	Amount in EUR thousands	Amount in original currency	Amount in EUR thousands	Amount in original currency	Amount in EUR thousands
Revolving facilities and overdrafts	EUR	1,725	1,725	—	—	—	—
Current	EUR	—	1,725	—	—	—	—
Non-current	EUR	—	—	—	—	—	—

Arraia has not drawn any loans from a non-bank entity.

The interest expense relating to bank loans and borrowings for the year ended 31 December 2019 and 2018 amounted to EUR 24 thousand and EUR 22 thousand, respectively.

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

19. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below sets out an analysis of liabilities from financing activities and the movements in Arraia's liabilities from financing activities for each of the periods presented. Borrowings are presented without overdrafts. The items of these liabilities are those that are reported as financing in the statement of cash flows:

EUR '000	Liabilities from financing activities			
	Borrowings	Lease liabilities	Dividend payable	Total
Liabilities from financing activities at 1 January 2018	—	684	—	684
Cash outflows	—	(106)	(1,000)	(1,106)
Declared dividends	—	—	1,000	1,000
Liabilities from financing activities at 31 December 2018	—	578	—	578
Cash outflows	—	(109)	(5,836)	(5,945)
Declared dividends	—	—	5,836	5,836
Liabilities from financing activities at 31 December 2019	—	469	—	469

20. TRADE AND OTHER PAYABLES

EUR '000	31 December 2019	31 December 2018	1 January 2018
Current			
Trade payables	24,822	21,368	23,334
Advances received	459	831	54
Miscellaneous payables	876	—	—
Payables to tax authorities	278	247	56
Total Trade and other payables	26,435	22,446	23,444

Trade payables are non-interest bearing and are normally settled on 30-day terms.

For explanations on Arraia's liquidity risk management processes, refer to Note 21.

Trade and other payables are non-derivative financial liabilities carried at amortised cost. The fair value of current trade and other payables approximates their carrying value due to their short-term maturities.

21. FINANCIAL RISK MANAGEMENT

Arraia's classes of financial instruments correspond with the line items presented in the statement of financial position.

Arraia's principal financial liabilities comprise loans and borrowings, leases and trade and other payables. The main purpose of these financial liabilities is to finance Arraia's operations. Arraia's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations. Arraia does not enter into derivative transactions.

Arraia is exposed to market risk, credit risk and liquidity risk. The management of Arraia identifies the financial risks that may have adverse impact on the business objectives and through active risk management reduces these risks to an acceptable level.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The sensitivity analyses in the following sections relate to the position as at 31 December 2019 and 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2020 and 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Arraia's exposure to the risk of changes in market interest rates relates primarily to Arraia's bank loans and borrowings with floating interest rates.

Arraia manages its interest rate risk by monitoring hypothetical changes in floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, Arraia's profit before tax is affected through the impact on floating rate borrowings, as follows (EUR '000):

	31 December 2019	31 December 2018	1 January 2018
Increase by 50 basis points	(9)	—	—
Decrease by 50 basis points	9	—	—

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Arraia is not exposed to the risk of changes in foreign exchange rates, operating activities of Arraia were denominated in EUR.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Arraia is exposed to credit risk from its operating activities (primarily trade receivables). The risk is managed on a group basis and individual risk limits are set based on internal ratings.

The outstanding balances of trade receivables and compliance with credit limits are monitored on a regular basis. The aim of Arraia management is to minimize exposure of credit risk to single counterparty or group of similar counterparties. As of 31 December 2019, and 2018, there is no significant concentration of credit risk as there were no individually significant customers.

Arraia insures eligible receivables and accepts bank guarantees and collateral pledges to mitigate credit risk.

Arraia does not use credit derivatives to mitigate credit risk.

The ageing of receivables is regularly monitored by Arraia management.

Refer to Note 15 for further details.

Liquidity risk

Arraia performs regular monitoring of its liquidity position to keep sufficient financial resources to settle its liabilities and commitments.

As at 31 December 2019 and 2018, Arraia's current ratio (current assets divided by current liabilities) was 1.63 and 1.92, respectively.

The table below summarizes the maturity profile of Arraia's financial liabilities based on contractual undiscounted payments (EUR '000):

31 December 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest-bearing loans and borrowings	—	1,725	—	—	—	1,725
Lease liabilities	—	31	93	373	—	498
Trade and other payables	—	26,436	—	—	—	26,436
Total	—	28,192	93	373	—	28,659

31 December 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Lease liabilities	—	31	93	498	—	622
Trade and other payables	—	22,446	—	—	—	22,446
Total	—	22,477	93	498	—	23,068

1 January 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Other non-current liabilities	—	—	—	1,600	—	1,600
Lease liabilities	—	31	93	622	—	747
Trade and other payables	—	25,058	—	—	—	25,058
Total	—	25,089	93	2,222	—	27,305

22. CAPITAL MANAGEMENT

For the purpose of Arraia's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of Arraia's capital management is to maximize the shareholder value.

Arraia manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, Arraia may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Arraia monitors capital using the equity/total assets ratio:

EUR '000	31 December 2019	31 December 2018	1 January 2018
Total equity	33,597	24,964	20,810
Total assets	62,438	49,711	48,696
Equity ratio (Equity/TA)	53.81%	50.22%	42.73%

No changes were made in the objectives, policies, or processes for managing capital during the years ended 31 December 2019, 2018 and 2017.

23. RELATED PARTY DISCLOSURES

Parent entity

The parent entity controlling Arraia is disclosed in Note 1.

Subsidiaries

Interests in subsidiaries are set out in Note 13.

Key management personnel compensation

Key management personnel compensation is disclosed in Note 9.

Paid dividends

Paid dividends are disclosed in Statement Of Changes In Shareholders' Equity.

Transactions with other related parties

EUR '000	2019	2018
Sale of goods to entities controlled by Arraia's shareholders	39	481
Sale of services to entities controlled by Arraia's shareholders	2,467	2,765
Sale of goods to parent company	865	—
Sale of services to parent company	336	—
Purchases of various goods and services from entities controlled by Arraia's shareholders	—	382
Purchases of various goods and services from the key management personnel	25	270

Outstanding balances arising from sales/purchases of goods and services

EUR '000	2019	2018
Trade payables to entities controlled by Arraia's shareholders	603	77
Trade payables to parent company	1,244	—
Trade receivables from entities controlled by Arraia's shareholders	5,291	440

Arraia provided no loans, credit, security or other benefits in either monetary or in-kind form to persons who are the governing body or to members of governing or other management and supervisory bodies, including former officers and members of those bodies.

Terms and conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders. Goods were sold during the year based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

24. SUBSEQUENT EVENTS

COVID-19 impact on the Arraia Historical Financial Information

In March 2020, the World Health Organization declared the outbreak of the COVID-19 virus a global pandemic. The pandemic has continued to cause major disruptions to businesses and markets across Europe as the virus has spread. A number of countries have implemented measures in an effort to contain the virus, including physical distancing, travel restrictions, border closures, limitations on public gatherings, work from home and closure of or restrictions on nonessential businesses. The effects of the outbreak are still evolving, and the ultimate severity and duration of the pandemic and the implications on regional economic conditions remain uncertain.

Arraia has also taken a number of measures to monitor and mitigate the effects of COVID-19, such as cost avoidance, strict investment control and safety and health measures for our teams (such as social distancing and working from home). All of Arraia's processes and systems continued undisrupted in the home office regime.

At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

Part C: Portugalia Global Service, S.L.

Section (1): Accountants' Report on the Historical Financial Information of Portugalia



The Directors (the “**Directors**”)
W.A.G payment solutions plc (the “**Company**”)
Horton House Exchange Flags
Liverpool
L2 3PF

Morgan Stanley & Co. International plc
25 Cabot Square
London
E14 4QA

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

8 October 2021

Dear Ladies and Gentlemen

Portugalia Global Service, S.L. (“Portugalia”)

We report on the financial information of Portugalia for the year ended 31 December 2018 and for the three months ended 31 March 2019 set out in section 2 of Part C of *Historical Financial Information* of the prospectus dated 8 October 2021 (the “**Prospectus**”) of the Company (the “**Portugalia Financial Information Table**”).

This report is required by item 18.3.1 of Annex 1 to the PR Regulation and is given for the purpose of complying with that item and for no other purpose.

We have not audited or reviewed the financial information for the year ended 31 December 2017 or three months ended 31 March 2018 which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

Opinion on financial information

In our opinion, the Portugalia Financial Information Table gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of Portugalia as at the dates stated and of its profits, cash flows and statement of changes in equity for the year ended 31 December 2018 and for the three months ended 31 March 2019 in accordance with UK adopted international accounting standards.

PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH
T: +44 (0) 2075 835 000, F: +44 (0) 2072 124 652, www.pwc.co.uk

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Conclusions Relating to Going Concern

We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the Portugalia Financial Information Table about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Portugalia Financial Information Table and the Directors' identification of any material uncertainties to Portugalia's ability to continue as a going concern over a period of at least twelve months from the date of this Prospectus.

We have nothing material to add or to draw attention to.

Responsibilities

The Directors of the Company are responsible for preparing the Portugalia Financial Information Table in accordance with UK adopted international accounting standards.

It is our responsibility to form an opinion on the Portugalia Financial Information Table and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.3.2R(2)(f) of the Prospectus Regulation Rules of the Financial Conduct Authority (the "**Prospectus Regulation Rules**") to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 to the PR Regulation, consenting to its inclusion in the Prospectus.

Basis of Preparation

The Portugalia Financial Information Table has been prepared for inclusion in the Prospectus of the Company on the basis of the accounting policies set out in note 2 to the Portugalia Financial Information Table.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council ("**FRC**") in the United Kingdom. We are independent in accordance with the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Portugalia Financial Information Table. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Declaration

For the purposes of item 5.3.2R(2)(f) of the Prospectus Regulation Rules we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 to the PR Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

Section (2): Historical Financial Information of Portugalia

STATEMENT OF COMPREHENSIVE INCOME (EUR '000)

	Notes	For the three months ended 31 March		For the year ended 31 December	
		2019	2018 (unaudited)	2018	2017 (unaudited)
Revenue from contracts with customers	6	11,040	10,685	44,193	43,972
Costs of energy sold		(10,497)	(10,128)	(41,990)	(41,464)
Net energy and services sales	7	543	557	2,203	2,508
Other operating income	8	2	16	21	594
Employee expenses	9	(57)	(50)	(223)	(312)
Depreciation and amortisation	11	(10)	(1)	(44)	(51)
Impairment losses of financial assets	13	(20)	2	(11)	(47)
Other operating expenses		(158)	(131)	(584)	(666)
Operating profit		300	393	1,362	2,026
Finance income		7	8	68	32
Finance costs		(11)	(9)	(35)	(37)
Profit before tax		296	392	1,395	2,021
Income tax expense	10	(74)	(98)	(349)	(505)
PROFIT FOR THE YEAR		222	294	1,046	1,516

There is no other comprehensive income in the period.

Comprehensive income for the year is wholly attributable to equity holders of Portugalia.

STATEMENT OF FINANCIAL POSITION
(EUR'000)

		As at			
	Notes	31 March 2019	31 December 2018	31 December 2017 (unaudited)	1 January 2017 (unaudited)
ASSETS					
Non-current assets					
Property, plant and equipment	11	524	534	651	406
Deferred tax assets	10	20	16	13	2
Total non-current assets		544	550	664	408
Current assets					
Inventories	12	282	270	283	342
Trade and other receivables	13	6,059	5,632	7,386	4,947
Income tax receivables		—	—	—	68
Cash and cash equivalents	14	853	5,068	2,433	4,193
Total current assets		7,194	10,970	10,102	9,550
TOTAL ASSETS		7,738	11,520	10,766	9,958
SHAREHOLDERS' EQUITY AND LIABILITIES					
LIABILITIES					
Share capital	15	180	180	180	180
Reserve fund	15	36	36	36	36
Retained earnings		1,956	6,833	5,787	6,396
Equity attributable to equity holders of Portugalia		2,172	7,049	6,003	6,612
Total equity		2,172	7,049	6,003	6,612
Non-current liabilities					
Interest-bearing loans and borrowings	16	3	6	27	18
Other non-current liabilities	18	24	22	233	19
Total non-current liabilities		27	28	260	37
Current liabilities					
Trade and other payables	18	4,051	4,388	4,311	3,297
Interest-bearing loans and borrowings	16	1,353	15	28	12
Income tax liabilities		135	40	164	—
Total current liabilities		5,539	4,443	4,503	3,309
TOTAL EQUITY AND LIABILITIES		7,738	11,520	10,766	9,958

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

	Share capital	Reserve fund	Retained earnings	Total equity
At 1 January 2017	<u>180</u>	<u>36</u>	<u>6,396</u>	<u>6,612</u>
Profit for the year	—	—	1,516	1,516
Total comprehensive income	<u>—</u>	<u>—</u>	<u>1,516</u>	<u>1,516</u>
Transactions with owners in their capacity as owners:				
Dividends paid	—	—	(2,100)	(2,100)
Other movements	—	—	(25)	(25)
At 31 December 2017	<u>180</u>	<u>36</u>	<u>5,787</u>	<u>6,003</u>
Profit for the year	—	—	1,046	1,046
Total comprehensive income	<u>—</u>	<u>—</u>	<u>1,046</u>	<u>1,046</u>
At 31 December 2018	<u>180</u>	<u>36</u>	<u>6,833</u>	<u>7,049</u>
Profit for the period	—	—	222	222
Total comprehensive income	<u>—</u>	<u>—</u>	<u>222</u>	<u>222</u>
Transactions with owners in their capacity as owners:				
Dividends paid	—	—	(5,085)	(5,085)
Other movements	—	—	(14)	(14)
At 31 March 2019	<u>180</u>	<u>36</u>	<u>1,956</u>	<u>2,172</u>

STATEMENT OF CASH FLOWS
(EUR '000)

	Notes	For the three months ended 31 March		For the year ended 31 December	
		2019	2018	2018 (unaudited)	2017 (unaudited)
Cash flows from operating activities					
Profit before tax for the period / year		296	392	1,395	2,021
Non-cash adjustments to reconcile profit before tax to net cash flows:					
Depreciation and amortisation	11	10	1	44	51
Gain on disposal of non-current assets		—	(13)	(16)	(578)
Interest income		(7)	(8)	(68)	(32)
Interest expense	16	11	9	35	37
Movements in allowances for receivables	13	20	(2)	11	47
Working capital adjustments:					
Increase in trade and other receivables and prepayments		(448)	(1,704)	(758)	81
Increase/decrease in inventories		(12)	11	13	59
Increase in trade and other payables		(290)	673	(135)	1,164
Interest received		7	8	68	33
Interest paid		(11)	(9)	(35)	(37)
Income tax paid		(40)	—	(476)	(311)
Net cash flows from operating activities		(464)	(642)	78	2,535
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment . .		—	60	89	732
Proceeds from sale of intangible assets		—	—	—	150
Purchase of property, plant and equipment		—	—	—	(601)
Purchase of short-term investments		—	—	—	(2,500)
Proceeds from sale of short-term investments		—	—	2,500	—
Net cash used in investing activities		—	60	2,589	(2,219)
Cash flows from financing activities					
Proceeds from borrowings		—	—	—	46
Repayment of borrowings		(4)	(7)	(32)	(22)
Dividends paid		(5,085)	—	—	(2,100)
Net cash used in financing activities	17	(5,089)	(7)	(32)	(2,076)
Net increase in cash and cash equivalents		(5,553)	(589)	2,635	(1,761)
Cash and cash equivalents at beginning of period	14	5,068	2,433	2,433	4,193
Cash and cash equivalents at end of period	14	(485)	1,844	5,068	2,433

1. CORPORATE INFORMATION

Portugalia Global Service, S.L. (“Portugalia”) is a limited liability company incorporated and domiciled in Spain and whose shares are not publicly traded. Portugalia is principally engaged in providing payment solutions for fleets of professional transport and forwarding companies as well as running petrol stations for commercial road transportation.

Registered office

Portugalia Global Service, S.L.

C/Andrés Mellado nº6 Exterior Izquierda

28015 Madrid

Spain

Identification number

B37036936

On 24 January 2019, W.A.G. Mobility Solutions Iberia S.L.U. acquired 75% of shares of Portugalia and other ADS companies (Arraia-Oil, SL, Arraia Autopistas, SL, Liserteco LDA, Liserteco 24 Horas, SL, Reivalsa Gestion, S.L., Tax Refund Consulting SL, Trofa Gestion, S.L.). Ultimate controlling party is W.A.G. payment solutions a.s.

Shareholders holding a 10% or greater interest in the Company’s basic capital in the respective periods are as follows:

Shareholder	Interest in basic capital			
	31 March 2019	31 December 2018	31 December 2017	1 January 2017
Elena M Garcia Sánchez	—	20.00%	20.00%	20.67%
Roberto Garcia Sánchez	—	60.00%	60.00%	58.66%
Sara Garcia Sánchez	—	20.00%	20.00%	20.67%
W.A.G. Mobility Solutions Iberia, S.L.U.	75.00%	—	—	—
ARTENAUE, S.L.	25.00%	—	—	—

2. BASIS OF PREPARATION

The Portugalia Historical Financial Information has been prepared in accordance with UK adopted international accounting standards (“IFRS”) (this being IFRS as adopted by UK Endorsement Board), as expected to be applied by W.A.G. PAYMENT SOLUTIONS PLC in its financial statements for the year ending 31 December 2021.

The Portugalia Historical Financial Information has been prepared on a historical cost basis. The Portugalia Historical Financial Information is presented in EUR and all values are rounded to the nearest thousand (EUR’000), except where otherwise indicated.

With effect from 31 March 2019, Portugalia’s trade and assets were transferred to Arraia-Oil S.L., a fellow group company, and Portugalia as a legal entity was dissolved on 25 October 2019. As the business continues to trade and Arraia-Oil S.L. remains a going concern, this Portugalia Historical Financial Information has been prepared on a going concern basis.

Portugalia’s fiscal year begins on 1 January and ends on 31 December. Due to business combination described above, Portugalia Historical Financial Information includes a 3 month period and ends on 31 March 2019.

Information on independent auditor

EUR ‘000	For the three months ended 31 March		For the year ended 31 December	
	2019	2018 (unaudited)	2018	2017 (unaudited)
The statutory audit of the financial statements	11	—	11	11
Tax advice	—	—	—	—
Other non-audit services	—	—	—	—
Total	11	—	11	11

The statutory financial statements of Portugalia Global Service, S.L. for the years 2016–2019 were audited by Simon-Moreton Auditores, S.L.

IFRS FIRST-TIME ADOPTION

The Portugalia Historical Financial Information, for the period ended 31 March 2019, is the first Portugalia has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2018, Portugalia prepared its Historical Financial Information in accordance with local generally accepted accounting principles (Local GAAP).

Portugalia has prepared Historical Financial Information that complies with IFRS as it is expected to be applied by W.A.G PAYMENT SOLUTIONS PLC, as described in the summary of significant accounting policies. In preparing the Historical Financial Information, Portugalia's opening statement of financial position was prepared as at 1 January 2017, Portugalia's date of transition to IFRS. This note explains the principal adjustments made by Portugalia in restating its Local GAAP Historical Financial Information, including the statement of financial position as at 1 January 2017 and the Historical Financial Information as of, and for, the year ended 31 December 2017 and 2018.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

Portugalia has applied the following exemptions:

- Portugalia assessed all contracts existing at 1 January 2017 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2017. No lease contracts were identified.

Estimates

The estimates at 1 January 2017 and at 31 December 2017 and 2018 are consistent with those made for the same dates in accordance with Local GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by Portugalia to present these amounts in accordance with IFRS reflect conditions at 1 January 2017, the date of transition to IFRS and as at 31 December 2017 and 2018.

Portugalia reconciliation of equity as at 1 January 2017 (date of transition to IFRS)

	Notes	Local GAAP	Reclassifications and Remeasurements	IFRS as at 1 January 2017
ASSETS				
Non-current assets				
Property, plant and equipment		406	—	406
Deferred tax asset		2	—	2
Total non-current assets		408	—	408
Current assets				
Inventories		342	—	342
Trade and other receivables		4,947	—	4,947
Income tax receivable		68	—	68
Cash and cash equivalents		4,193	—	4,193
Total current assets		9,550	—	9,550
TOTAL ASSETS		9,958	—	9,958
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital		180	—	180
Reserve fund	A	5,042	(5,006)	36
Retained earnings	A	1,390	5,006	6,396
Equity attributable to equity holders of Portugalia		6,612	—	6,612
Total equity		6,612	—	6,612
Non-current liabilities				
Interest-bearing loans and borrowings		18	—	18
Other non-current liabilities		19	—	19
Total non-current liabilities		37	—	37
Current liabilities				
Interest-bearing loans and borrowings		12	—	12
Trade and other payables		3,297	—	3,297
Total current liabilities		3,309	—	3,309
TOTAL EQUITY AND LIABILITIES		9,958	—	9,958

Notes to the reconciliation of equity as at 1 January 2017

A) Reserve fund and Retained earnings

Under Local GAAP, Portugalia presented various capital funds in equity (e.g. voluntary reserves, other reserves, etc.) in the amount of EUR 5,006 thousand. As at the date of transition to IFRS, these funds were reclassified to Retained earnings as their creation is voluntary and they can be distributed to the shareholders.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the Portugalia Historical Financial Information are set out below. These accounting policies have been consistently applied in all material respects to all periods presented.

3.1. Revenue from contracts with customers

Revenues are recognised, when Portugalia has satisfied a performance obligation and the amount of revenue can be reliably measured. Portugalia will recognise revenue at an amount that reflects the consideration to which Portugalia expects to be entitled (after reduction for expected discounts) in exchange for transferring goods or services to a customer.

Sale of energy

Energy means any source that makes a vehicle move (diesel, petrol, e-mobility, bio fuel additives and alternative fuel like LNG/CNG).

Portugalia operates the sale of energy to fleets of professional transport and forwarding companies primarily through its own petrol stations.

Portugalia is acting as a principal in the sale of energy.

The revenue from the sale of energy is recognised when Portugalia satisfies a performance obligation (transfers control over the energy), usually on delivery of the energy. Portugalia recognises revenue at an amount that reflects the consideration to which the entity expects to be entitled (after reduction for expected discounts and volume rebates) in exchange for transferring goods or services to a customer. Sales are recognised net of value added tax.

Other services

Other services include services that are immaterial to the Portugalia Historical Financial Information.

3.2. Taxes

Current income tax

Current income tax assets and liabilities for an accounting period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where Portugalia operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is calculated using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Foreign currency transactions

The functional currency of Portugalia is EUR.

Transactions in foreign currencies are initially recorded by Portugalia at its functional currency rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange valid at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss as finance income and expenses. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3.3. Cash and dividend to equity holders of Portugalia

Portugalia recognises a liability to make cash distributions to equity holders of Portugalia when the distribution is authorized and the distribution is no longer at the discretion of Portugalia. As per the corporate laws of Spain, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.4. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

When significant parts of property, plant and equipment are required to be replaced at intervals, Portugalia depreciates them separately based on their specific useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recorded on a straight-line basis over the estimated useful life of an asset as follows:

	<u>Years</u>
Buildings and structures	35
Machinery and equipment	5–10
Vehicles	3–5
Fixtures and fittings	5–8

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.5. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of an asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that Portugalia incurs in connection with the borrowing of funds.

3.6. Financial instruments—IFRS 9

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification and measurement

As at 31 March 2019, 31 December 2018, 2017 and 2016 all of Portugalia's financial assets were measured at amortised cost, net of provision for expected credit losses.

Trade and other receivables

Trade and other receivables are carried at original invoice amount less an allowance for impairment of these receivables.

See Impairment of assets carried at amortised cost for a description of Portugalia's impairment policies and Note 13 for further information on Trade and other receivables.

Impairment of assets carried at amortised cost

If there is an objective evidence that there has been an increase in the credit risk of a financial instrument measured at amortised cost since initial recognition, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the income statement.

As Portugalia Historical Financial Information include financial assets representing Trade and other receivables only which do not include a significant financing component, Portugalia applies a simplified approach in calculating expected loss ("ECLs"). Therefore, Portugalia does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Impaired debts are derecognised when they are assessed as uncollectible.

Financial liabilities

Financial liabilities are classified into two main categories (a) at amortised cost and (b) at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Portugalia's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 16.

Trade and other payables

Trade payables are recognised at their nominal value which is deemed to be materially the same as the fair value.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.7. Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for raw materials and goods as actual cost using the “first in, first out” (FIFO) method (the initial price in the measurement of inventory additions is used as the initial price in the measurement of inventory disposals). Costs of purchased inventory include acquisition-related costs (freight, customs, commission, etc.).

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.8. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash in hand and cash at banks.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of Portugalia’s cash management.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES, ADOPTION OF NEW AND REVISED STANDARDS

4.1. New IFRSs and IFRICs published by the IASB that are not yet effective and have not been approved by the EU

The potential impacts of the new and revised standards and interpretations that will be effective or adopted by the European Union from 1 January 2020 or later are currently being assessed.

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture—**Amendments to IFRS 10 and IAS 28
- **IFRS 17 “Insurance Contracts”**
- **Amendments to the Conceptual Framework for Financial Reporting**
- **Definition of a business—**Amendments to IFRS 3
- **Definition of materiality—**Amendments to IAS 1 and IAS 8
- **Interest rate benchmark reform—**Amendments to IFRS 9, IAS 39 and IFRS 7
- **Classification of liabilities as current or non-current—**Amendments to IAS 1

These new standards and amendments are not expected to have any significant impacts.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Portugalia Historical Financial Information in accordance with IFRS requires the use of estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the Portugalia Historical Financial Information. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Portugalia based its assumptions and estimates on parameters available when the Historical Financial Information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of Portugalia. Such changes are reflected in the assumptions when they occur.

Impairment of financial assets

Portugalia applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Portugalia used a provision matrix based on its territory and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

6. REVENUE

For management purposes, Portugalia is organized into the following operating units:

- Energy—sale of energy, meaning any source that makes a vehicle move (diesel, petrol, e-mobility, bio fuel additives and alternative fuel like LNG/CNG)
- Services—other

Virtually all revenue of Portugalia is Energy related, revenue from other services is immaterial.

Geographical markets

Portugalia operates in Western Cluster only, mostly in Spain and Portugal. The Operating Group derives geographical analysis from the base location of responsible sales team rather than reflecting the geographical location of the actual transaction. Based on this methodology, virtually all revenue of Portugalia is attributable to Portugal.

Performance obligations

The performance obligation for sale of energy is satisfied upon delivery of energy to the customer and payment is generally due within 0–30 days from delivery.

7. NET ENERGY AND SERVICES SALES

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

This measure also supports comparability of Portugalia'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.

8. OTHER OPERATING INCOME

EUR '000	For the three months ended 31 March		For the year ended 31 December	
	2019	2018 (unaudited)	2018	2017 (unaudited)
Gain from sale of fixed assets	—	13	16	578
Other	<u>2</u>	<u>24</u>	<u>51</u>	<u>16</u>
Total	<u>2</u>	<u>37</u>	<u>67</u>	<u>594</u>

9. EMPLOYEE EXPENSES

Employee expenses for the respective periods consist of the following:

EUR '000	For the three months ended 31 March				For the year ended 31 December			
	2019		2018 (unaudited)		2018		2017 (unaudited)	
	Total personnel	Key management	Total personnel	Key management	Total personnel	Key management	Total personnel	Key management
Number of full time employees	6	—	6	—	6	—	11	—
Wages and salaries	50	—	40	—	188	—	259	—
Social security and health insurance	7	—	10	—	35	—	53	—
Total employee expense . .	57	—	50	—	223	—	312	—

Key management is not directly employed by Portugalia.

10. INCOME TAX

Corporate income tax for companies in Spain for the years 2016–2019 was, in line with the Spanish legislation, set at the rate of 25%. The tax rate applicable for 2020 and beyond is 25%.

The tax charge for the respective periods is as follows:

EUR '000	For the three months ended 31 March		For the year ended 31 December	
	2019	2018 (unaudited)	2018	2017 (unaudited)
Current income tax charge	78	98	352	516
Deferred tax	(4)	0	(3)	(11)
Total	74	98	349	505

Reconciliation of tax expense to the accounting profit multiplied by Portugalia's domestic tax rate for the respective periods is as follows:

EUR '000	For the three months ended 31 March		For the year ended 31 December	
	2019	2018 (unaudited)	2018	2017 (unaudited)
Accounting profit before income tax from continuing operations . .	296	392	1,395	2,021
At Spanish statutory income tax rate of 25%	74	98	349	505
At the effective income tax rate of	25%	25%	25%	25%
Income tax expense reported in the statement of profit or loss	74	98	349	505

Portugalia did not have any unused tax losses in any of the periods.

Deferred tax balances and movements:

EUR '000	1 January 2019	(Charged) credited to profit or loss	Charged to equity	31 March 2019
Difference between net book value of fixed assets for accounting and tax purposes	1	—	—	1
Impairment provision for receivables	15	4	—	19
Net deferred tax asset/(liability)	16	4	—	20

EUR '000	1 January 2018	(Charged) credited to profit or loss	Charged to equity	31 December 2018
Difference between net book value of fixed assets for accounting and tax purposes	1	—	—	1
Impairment provision for receivables	12	3	—	15
Net deferred tax asset/(liability)	13	3	—	16

EUR '000 (unaudited)	1 January 2017	(Charged) credited to profit or loss	Charged to equity	31 December 2017
Difference between net book value of fixed assets for accounting and tax purposes	2	—	—	2
Impairment provision for receivables	—	11	—	11
Net deferred tax asset/(liability)	2	11	—	13

Portugalia offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Portugalia does not expect any material taxes to be paid on unremitted retained earnings.

11. PROPERTY, PLANT AND EQUIPMENT

Cost of property, plant and equipment:

EUR '000	Lands and Buildings	Machinery and equipment	Vehicles, Furniture and fixtures	Total
1 January 2017 (unaudited)	99	241	156	496
Additions	272	276	53	601
Disposals	(99)	(247)	(57)	(403)
31 December 2017 (unaudited)	272	270	152	694
Disposals	—	—	(99)	(99)
31 December 2018	272	270	53	595
31 March 2019	272	270	53	595

Accumulated depreciation and impairment of property, plant and equipment:

EUR '000	Lands and Buildings	Machinery and equipment	Vehicles, Furniture and fixtures	Total
1 January 2017 (unaudited)	—	(33)	(57)	(90)
Depreciation charge	(1)	(23)	(27)	(51)
Disposals	—	41	57	98
31 December 2017 (unaudited)	(1)	(15)	(27)	(43)
Depreciation charge	(5)	(27)	(12)	(44)
Disposals	—	—	26	26
31 December 2018	(6)	(42)	(13)	(61)
Depreciation charge	(1)	(7)	(2)	(10)
31 March 2019	(7)	(49)	(15)	(71)

Net book value of property, plant and equipment:

EUR '000	Lands and Buildings	Machinery and equipment	Vehicles, Furniture and fixtures	Total
Net book value at 1 January 2017 (unaudited)	99	208	99	406
Net book value at 31 December 2017 (unaudited)	271	255	125	651
Net book value at 31 December 2018	266	228	40	534
Net book value at 31 March 2019	265	221	38	524

Property, plant and equipment was not pledged in any of the periods.

12. INVENTORIES

EUR '000	31 March 2019	31 December 2018	31 December 2017 (unaudited)	1 January 2017 (unaudited)
Goods (at lower of cost and net realizable value)	282	270	283	342
Total	282	270	283	342

There were no write-downs of inventories to net realisable value.

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

EUR '000	For the three months ended 31 March		For the year ended 31 December	
	2019	2018 (unaudited)	2018	2017 (unaudited)
Costs of energy sold	10,497	10,128	41,990	41,464
Total	10,497	10,128	41,990	41,464

13. TRADE AND OTHER RECEIVABLES

EUR '000	31 March 2019	31 December 2018	31 December 2017 (unaudited)	1 January 2017 (unaudited)
Trade receivables	4,554	3,642	3,783	3,464
Receivables from tax authorities	—	15	25	10
Short-term financial investments	—	—	2,500	—
Receivables from related companies	1,505	1,975	1,078	1,473
Total	6,059	5,632	7,386	4,947

Trade receivables are non-interest bearing and are generally payable on terms below 30 days. Trade and other receivables are non-derivative financial assets carried at amortised cost.

No receivables were subject to pledge in any of the periods.

Portugalia applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Portugalia used a provision matrix based on its territory and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The carrying value of trade and other receivables approximates their fair value due to their short-term maturities.

On basis described above, the loss allowance of trade receivables as at the respective periods was as follows:

31 March 2019

EUR '000	Neither past due nor impaired	Past due 1–90 days	Past due more than 90 days	Total
Percentage of expected interest loss	0%	0–6%	20–100%	
Gross value of receivables	1,732	2,739	184	4,655
Expected credit loss	—	45	56	101

31 December 2018

EUR '000	Neither past due nor impaired	Past due 1–90 days	Past due more than 90 days	Total
Percentage of expected interest loss	0%	0–6%	20–100%	—
Gross value of receivables	1,383	2,188	152	3,723
Expected credit loss	—	36	45	81

31 December 2017 (unaudited)

EUR '000	Neither past due nor impaired	Past due 1–90 days	Past due more than 90 days	Total
Percentage of expected interest loss	0%	0–6%	20–100%	—
Gross value of receivables	1,589	2,138	126	3,853
Expected credit loss	—	35	35	70

1 January 2017 (unaudited)

EUR '000	Neither past due nor impaired	Past due 1–90 days	Past due more than 90 days	Total
Percentage of expected interest loss	0%	0%	10–100%	—
Gross value of receivables	1,328	2,038	122	3,487
Expected credit loss	—	—	23	23

Allowances against outstanding receivables that are considered doubtful were charged to income statement based on the analysis of their collectability in the respective periods.

EUR '000	Amount
Allowances at 1 January 2017 (unaudited)	<u>23</u>
Charged	54
Unused amounts reversed	(7)
Allowances at 31 December 2017 (unaudited)	<u>70</u>
Charged	13
Unused amounts reversed	(2)
Allowances at 31 December 2018	<u>81</u>
Charged	20
Allowances at 31 March 2019	<u>101</u>

Trade receivables are derecognised where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with Portugalia, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been derecognised is subject to enforcement activities.

14. CASH AND CASH EQUIVALENTS

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

EUR '000	31 March 2019	31 December 2018	31 December 2017 (unaudited)	1 January 2017 (unaudited)
Cash at banks	832	5,064	2,423	4,151
Cash on hand	<u>21</u>	<u>4</u>	<u>10</u>	<u>42</u>
Cash and cash equivalents presented in the statement of financial position	<u>853</u>	<u>5,068</u>	<u>2,433</u>	<u>4,193</u>
Bank overdrafts	(1,338)	—	—	—
Cash and cash equivalents presented in the statement of cash flows	<u>(485)</u>	<u>5,068</u>	<u>2,433</u>	<u>4,193</u>

Cash at bank was not pledged in any of the periods.

The fair value of cash and cash equivalents approximates their carrying value due to their short-term maturities.

Credit quality of cash at banks:

EUR '000 External rating scale	31 March 2019	31 December 2018	31 December 2017 (unaudited)	1 January 2017 (unaudited)
Baa	426	1,559	1,490	2
Ba	198	3,120	815	558
B	—	—	—	186
Caa	208	385	118	3,405
Total	832	5,064	2,423	4,151

15. EQUITY

There were no changes in the share capital in any of the reporting periods 2017–2019.

	31 March 2019	31 December 2018	31 December 2017 (unaudited)	1 January 2017 (unaudited)
Ordinary shares of EUR 60.10 each	180	180	180	180

Ordinary shares issued and fully paid:

	shares	EUR '000
At 1 January 2017 (unaudited)	3,000	180
At 31 December 2017 (unaudited)	3,000	180
At 31 December 2018	3,000	180
At 31 March 2019	3,000	180

Ordinary shares

All the ordinary shares are transferable without restrictions.

One vote is attached to each EUR 60.10 of the nominal value of one share.

Changes in shareholders' equity

Upon the decision of the regular General Meeting of Shareholders held on 18 January 2019 the shareholders decided to distribute EUR 5,085 thousand as dividends among the shareholders and transfer remaining profits to the retained earnings.

During the year 2017, the shareholders decided to distribute EUR 2,100 thousand as dividends among the shareholders from the available retained earnings.

Reserve fund

In Spain, companies are obliged to transfer part of their annual profits to legal reserve fund up to 20% of share capital. Portugalia contributions to this fund as at 1 January 2017 were above the statutory limit and thus, there were no changes in the reserve fund during the years 2017, 2018 and 2019.

Reserve fund distribution is limited and allows only to compensate of future losses of Portugalia.

16. INTEREST BEARING LOANS AND BORROWINGS

	Currency	Maturity	Interest rate	31 March 2019			31 December 2018			31 December 2017 (unaudited)			1 January 2017 (unaudited)		
				Total limit in currency	Amount in original currency	Amount in EUR thousands	Total limit in currency	Amount in original currency	Amount in EUR thousands	Total limit in currency	Amount in original currency	Amount in EUR thousands	Total limit in currency	Amount in original currency	Amount in EUR thousands
Bank loans															
Other loans	EUR		fixed rate	—	18	18	—	21	21	—	55	55	—	30	30
Revolving facilities and overdrafts . . .	EUR	—	—	1,500	1,500	1,338	—	—	—	—	—	—	—	—	—
Total	EUR			—	—	1,356	—	—	21	—	—	55	—	—	30
Current	EUR			—	—	1,353	—	—	15	—	—	28	—	—	12
Non-current	EUR			—	—	3	—	—	6	—	—	27	—	—	18

Portugalia has not drawn any loans from a non-bank entity.

The interest expense relating to bank loans and borrowings for the respective periods is shown in the table below:

EUR '000	For the three months ended 31 March			For the year ended 31 December		
	2019	2018 (unaudited)		2018	2017 (unaudited)	
Financial interest	11	9		35	37	
Total	11	9		35	37	

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

17. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below sets out an analysis of liabilities from financing activities and the movements in Portugalia's liabilities from financing activities for each of the periods presented. Borrowings are presented without overdrafts. The items of these liabilities are those that are reported as financing in the statement of cash flows:

EUR '000	Liabilities from financing activities		
	Borrowings	Dividend payable	Total
Liabilities from financing activities at 1 January 2017 (unaudited)	30	—	30
Cash inflows	46	—	46
Declared dividends	—	2,100	2,100
Cash outflows	(22)	(2,100)	(2,122)
Liabilities from financing activities at 31 December 2017 (unaudited) . .	54	—	54
Cash outflows	(32)	—	(32)
Liabilities from financing activities at 31 December 2018	22	—	22
Declared dividends	—	5,085	5,085
Cash outflows	(4)	(5,085)	(5,089)
Liabilities from financing activities at 31 March 2019	18	—	18

18. TRADE AND OTHER PAYABLES, OTHER LIABILITIES

EUR '000	31 March 2019	31 December 2018	31 December 2017 (unaudited)	1 January 2017 (unaudited)
Current				
Trade payables	4,008	4,384	4,303	3,291
Advances received	—	—	2	2
Miscellaneous payables	2	2	3	—
Payables to tax authorities	41	2	3	4
Total Trade and other payables	4,051	4,388	4,311	3,297
Non-current				
Deposits received	24	22	233	19
Total Other non-current liabilities	24	22	233	19

Trade payables are non-interest bearing and are normally settled on 30-day terms.

For explanations on Portugalia's liquidity risk management processes, refer to Note 19.

Trade and other payables are non-derivative financial liabilities carried at amortised cost. The fair value of current trade and other payables approximates their carrying value due to their short-term maturities.

19. FINANCIAL RISK MANAGEMENT

Portugalia's classes of financial instruments correspond with the line items presented in the statement of financial position.

Portugalia's principal financial liabilities comprise loans and borrowings, leases and trade and other payables. The main purpose of these financial liabilities is to finance Portugalia's operations. Portugalia's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations. Portugalia does not enter into derivative transactions.

Portugalia is exposed to market risk, credit risk and liquidity risk. The management of Portugalia identifies the financial risks that may have adverse impact on the business objectives and through active risk management reduces these risks to an acceptable level.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The sensitivity analyses in the following sections relate to the position as at 31 March 2019, 31 December 2018 and 2017 and 1 January 2017.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019, 31 December 2018 and 2017 and 1 January 2017.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Portugalia's exposure to the risk of changes in market interest rates relates primarily to Portugalia's bank loans and borrowings with floating interest rates.

Portugalia manages its interest rate risk by monitoring hypothetical changes in floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, Portugalia's profit before tax is affected through the impact on floating rate borrowings, as follows (EUR '000):

	31 March 2019	31 December 2018	31 December 2017 (unaudited)	1 January 2017 (unaudited)
Increase by 50 basis points	(7)	—	—	—
Decrease by 50 basis points	7	—	—	—

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Portugalia is not exposed to the risk of changes in foreign exchange rates, operating activities of Portugalia were denominated in EUR.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Portugalia is exposed to credit risk from its operating activities (primarily trade receivables). The risk is managed on a group basis and individual risk limits are set based on internal ratings.

The outstanding balances of trade receivables and compliance with credit limits are monitored on a regular basis. The aim of Portugalia management is to minimize exposure of credit risk to single counterparty or group of similar counterparties. As of 31 March 2019, 31 December 2018 and 2017 and 1 January 2017, there is no significant concentration of credit risk as there were no individually significant customers.

Portugalia insures eligible receivables and accepts bank guarantees and collateral pledges to mitigate credit risk.

Portugalia does not use credit derivatives to mitigate credit risk.

The ageing of receivables is regularly monitored by Portugalia management.

Refer to Note 13 for further details.

Liquidity risk

Portugalia performs regular monitoring of its liquidity position to keep sufficient financial resources to settle its liabilities and commitments.

Portugalia's current ratio (current assets divided by current liabilities) as at each reporting period is as follows:

	<u>31 March 2019</u>	<u>31 December 2018</u>	<u>31 December 2017</u> (unaudited)	<u>1 January 2017</u> (unaudited)
Current ratio	1.31	2.48	2.25	2.89

The table below summarizes the maturity profile of Portugalia's financial liabilities based on contractual undiscounted payments (EUR '000):

<u>31 March 2019</u>	<u>On demand</u>	<u>Less than 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Interest-bearing loans and borrowings	—	1,342	12	2	—	1,356
Other non-current liabilities	—	—	—	24	—	24
Trade and other payables	—	4,051	—	—	—	4,051
Total	<u>—</u>	<u>5,393</u>	<u>12</u>	<u>26</u>	<u>—</u>	<u>5,431</u>
<u>31 December 2018</u>	<u>On demand</u>	<u>Less than 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Interest-bearing loans and borrowings	—	4	12	6	—	22
Other non-current liabilities	—	—	—	22	—	22
Trade and other payables	—	4,388	—	—	—	4,388
Total	<u>—</u>	<u>4,392</u>	<u>12</u>	<u>28</u>	<u>—</u>	<u>4,432</u>
<u>31 December 2017 (unaudited)</u>	<u>On demand</u>	<u>Less than 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Interest-bearing loans and borrowings	—	7	21	26	—	54
Other non-current liabilities	—	—	—	233	—	233
Trade and other payables	—	4,311	—	—	—	4,311
Total	<u>—</u>	<u>4,318</u>	<u>21</u>	<u>259</u>	<u>—</u>	<u>4,598</u>
<u>1 January 2017 (unaudited)</u>	<u>On demand</u>	<u>Less than 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Interest-bearing loans and borrowings	—	3	9	18	—	30
Other non-current liabilities	—	—	—	19	—	19
Trade and other payables	—	3,297	—	—	—	3,297
Total	<u>—</u>	<u>3,300</u>	<u>9</u>	<u>37</u>	<u>—</u>	<u>3,346</u>

20. CAPITAL MANAGEMENT

For the purpose of Portugalia's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of Portugalia's capital management is to maximize the shareholder value.

Portugalia manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, Portugalia may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Portugalia monitors capital using the equity/total assets ratio:

<u>EUR '000</u>	<u>31 March 2019</u>	<u>31 December 2018</u>	<u>31 December 2017</u> (unaudited)	<u>1 January 2017</u> (unaudited)
Total equity	2,172	7,049	6,003	6,612
Total assets	7,738	11,520	10,766	9,957
Equity ratio (Equity/TA)	<u>28.07%</u>	<u>61.19%</u>	<u>55.76%</u>	<u>66.41%</u>

No changes were made in the objectives, policies, or processes for managing capital during the periods ended 31 March 2019, 31 December 2018 and 2017.

21. RELATED PARTY DISCLOSURES

Parent entity

The parent controlling Portugalia is disclosed in Note 1.

Subsidiaries

Portugalia does not hold interest in any subsidiaries.

Key management personnel compensation

Key management personnel was not directly employed by Portugalia.

Paid dividends

Paid dividends are disclosed in the Statement Of Changes In Shareholders' Equity.

Transactions with other related parties

EUR '000	For the three months ended 31 March		For the year ended 31 December	
	2019	2018 (unaudited)	2018	2017 (unaudited)
Services provided to entities controlled by Portugalia's shareholders	870	1,004	4,018	3,479
Purchases of various goods and services from entities controlled by Portugalia's shareholders	149	74	296	348
Purchases of various goods and services from the shareholders	—	—	—	5

Outstanding balances arising from sales/purchases of goods and services

EUR '000	31 March 2019	31 December 2018	31 December 2017 (unaudited)	1 January 2017 (unaudited)
Trade receivables from entities controlled by Portugalia's shareholders	1,507	1,976	276	457
Trade payables to entities controlled by Portugalia's shareholders	77	94	65	8

Portugalia provided no loans, credit, security or other benefits in either monetary or in-kind form to persons who are the governing body or to members of governing or other management and supervisory bodies, including former officers and members of those bodies.

Terms and conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders. Goods were sold during the year based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

22. SUBSEQUENT EVENTS

Portugalia dissolution as a result of amalgamation

On 25 October 2019, the Board of Directors of Portugalia approved amalgamation of Portugalia with companies Arraia-Oil, S.L. and Area Diesel Service, S.L. in line with Merger Project approved on 31 July 2019, registered by the Commercial Register of Álava on 28 October 2019.

On the same date, it has been decided that the closing balances as of 31 March 2019 of each company (approved by their respective Board of Directors) should be used for the transaction.

In line with relevant legislation, the amalgamation resulted in dissolution of companies Portugalia Global Services, S.L. and Area Diesel Service, S.L. and transfer of their net assets to the company Arraia-Oil, S.L., who became the successor of rights and responsibilities of the dissolved companies.

The amalgamation is part of a process of streamlining and simplifying the corporate structure of the group to which the merging entities belong, where the main aim is to concentrate all the assets and activities of the dissolved companies to the successor company.

As of the date of amalgamation, Portugalia ceased to exist and the Historical Financial Information as at 31 March 2019 was the last Historical Financial Information prepared for Portugalia

Part D: Sygic a.s.

Section (1): Accountants' Report on the Historical Financial Information of Sygic



The Directors (the “**Directors**”)
W.A.G payment solutions plc (the “**Company**”)
Horton House Exchange Flags
Liverpool
L2 3PF

Morgan Stanley & Co. International plc
25 Cabot Square
London
E14 4QA

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

8 October 2021

Dear Ladies and Gentlemen

Sygic, a.s. (“Sygic”)

We report on the financial information of Sygic for the years ended 31 December 2018 and 31 December 2019 set out in section 2 of Part D of *Historical Financial Information* of the prospectus dated 8 October 2021 (the “**Prospectus**”) of the Company (the “**Sygic Financial Information Table**”).

This report is required by item 18.3.1 of Annex 1 to the PR Regulation and is given for the purpose of complying with that item and for no other purpose.

Opinion on financial information

In our opinion, the Sygic Financial Information Table gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of Sygic as at the dates stated and of its profits, cash flows and statement of changes in equity for the years ended 31 December 2018 and 31 December 2019 in accordance UK adopted international accounting standards.

Conclusions Relating to Going Concern

We are required to report if we have anything material to add or draw attention to in respect of the Directors’ statement in the Sygic Financial Information Table about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Sygic Financial Information Table and the Directors’ identification of any material uncertainties to Sygic’s ability to continue as a going concern over a period of at least twelve months from the date of this Prospectus.

PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH
T: +44 (0) 1509 604 000, F: +44 (0) 1509 604 010, www.pwc.co.uk

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

We have nothing material to add or to draw attention to.

Responsibilities

The Directors of the Company are responsible for preparing the Sygic Financial Information Table in accordance with UK adopted international accounting standards.

It is our responsibility to form an opinion on the Sygic Financial Information Table and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.3.2R(2)(f) of the Prospectus Regulation Rules of the Financial Conduct Authority (the "**Prospectus Regulation Rules**") to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 to the PR Regulation, consenting to its inclusion in the Prospectus.

Basis of Preparation

The Sygic Financial Information Table has been prepared for inclusion in the Prospectus of the Company on the basis of the accounting policies set out in note 2 to the Sygic Financial Information Table.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council ("**FRC**") in the United Kingdom. We are independent in accordance with the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Sygic Financial Information Table. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Declaration

For the purposes of item 5.3.2R(2)(f) of the Prospectus Regulation Rules we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 to the PR Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

Section (2): Historical Financial Information of Sygic

STATEMENT OF COMPREHENSIVE INCOME (EUR '000)

For the year ended 31 December

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Revenue	6	18,041	18,265
Other operating income		48	67
Employee expenses	7	(5,340)	(5,910)
Depreciation and amortisation	9,10,11	(487)	(472)
Impairment losses of financial assets	15	(50)	(5)
Technology expenses		(375)	(385)
Other operating expenses		<u>(7,088)</u>	<u>(6,968)</u>
Operating profit		4,749	4,592
Finance income		58	109
Finance costs		<u>(50)</u>	<u>(61)</u>
Profit before tax		4,757	4,640
Income tax expense	8	<u>(595)</u>	<u>(462)</u>
PROFIT FOR THE YEAR		<u>4,162</u>	<u>4,178</u>

There is no other comprehensive income in the year.

Comprehensive income for the year is wholly attributable to equity holders of Sygic.

STATEMENT OF FINANCIAL POSITION
(EUR '000)

	<u>Notes</u>	<u>31 December 2019</u>	<u>31 December 2018</u>	<u>1 January 2018</u>
ASSETS				
Non-current assets				
Intangible assets	9	843	235	21
Property, plant and equipment	10	158	207	235
Right-of-use assets	11	1,360	1,752	2,129
Investments in subsidiaries	12	622	622	622
Deferred tax assets	8	42	54	60
Contract assets	13	2,225	2,759	2,826
Other non-current assets	14	320	385	665
Total non-current assets		<u>5,570</u>	<u>6,014</u>	<u>6,558</u>
Current assets				
Inventories		5	7	12
Trade and other receivables	15	2,069	1,953	1,830
Contract assets	13	2,629	2,977	2,851
Income tax receivables		334	430	676
Cash and cash equivalents	16	4,572	6,089	5,684
Total current assets		<u>9,609</u>	<u>11,457</u>	<u>11,053</u>
TOTAL ASSETS		<u>15,179</u>	<u>17,471</u>	<u>17,611</u>
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital	17	50	50	50
Reserve fund	17	12	12	12
Retained earnings	17	6,262	7,301	7,123
Equity attributable to equity holders of Sygic		<u>6,324</u>	<u>7,363</u>	<u>7,185</u>
Total equity		<u>6,324</u>	<u>7,363</u>	<u>7,185</u>
Non-current liabilities				
Lease liabilities	11	1,085	1,501	1,883
Contract liabilities	13	2,555	2,897	2,967
Total non-current liabilities		<u>3,640</u>	<u>4,398</u>	<u>4,850</u>
Current liabilities				
Trade and other payables	19	2,041	2,181	2,336
Lease liabilities	11	414	402	246
Contract liabilities	13	2,760	3,126	2,994
Total current liabilities		<u>5,215</u>	<u>5,708</u>	<u>5,576</u>
TOTAL EQUITY AND LIABILITIES		<u>15,179</u>	<u>17,471</u>	<u>17,611</u>

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(EUR '000)**

For the year ended 31 December

	Share capital	Reserve fund	Retained earnings	Total equity attributable to equity holders of Sygic
At 1 January 2018	<u>50</u>	<u>12</u>	<u>7,123</u>	<u>7,185</u>
Profit for the year	—	—	4,178	4,178
Total comprehensive income	<u>—</u>	<u>—</u>	<u>4,178</u>	<u>4,178</u>
Transactions with owners in their capacity as owners:				
Dividends paid	—	—	(4,000)	(4,000)
At 31 December 2018	<u>50</u>	<u>12</u>	<u>7,301</u>	<u>7,363</u>
Profit for the year	—	—	4,162	4,162
Total comprehensive income	<u>—</u>	<u>—</u>	<u>4,162</u>	<u>4,162</u>
Transactions with owners in their capacity as owners:				
Dividends paid	—	—	(5,201)	(5,201)
At 31 December 2019	<u>50</u>	<u>12</u>	<u>6,262</u>	<u>6,324</u>

STATEMENT OF CASH FLOWS
(EUR '000)

For the year ended 31 December

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities			
Profit before tax for the year		4,757	4,640
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation	9,10,11	487	472
Interest income		(3)	(12)
Interest expense		50	61
Movements in allowances for receivables		50	5
Foreign currency exchange rate differences		(16)	10
Dividend income		(37)	—
Working capital adjustments:			
Increase in trade and other receivables and prepayments		(186)	(127)
Decrease/(increase) in contract assets		882	(59)
Increase/decrease in inventories		2	5
Decrease in trade and other payables		(1,183)	(364)
(Decrease)/increase in contract liabilities		(287)	36
Interest received		1	8
Interest paid		(50)	(61)
Income tax paid		(454)	(206)
Net cash flows from operating activities		<u>4,013</u>	<u>4,402</u>
Cash flows from investing activities			
Loans provided		(2)	(59)
Proceeds from loans		69	344
Purchase of property, plant and equipment		(21)	(41)
Purchase of intangible assets		(8)	—
Dividends received		37	—
Investment in subsidiaries, net of cash acquired		—	(7)
Net cash received in investing activities		<u>75</u>	<u>243</u>
Cash flows from financing activities			
Payment of lease liabilities		(404)	(240)
Paid out dividend		(5,201)	(4,000)
Net cash used in financing activities		<u>(5,605)</u>	<u>(4,240)</u>
Net increase in cash and cash equivalents		(1,517)	406
Cash and cash equivalents at beginning of period	16	<u>6,089</u>	<u>5,684</u>
Cash and cash equivalents at end of period	16	<u>4,572</u>	<u>6,089</u>

1. CORPORATE INFORMATION

Sygie a.s. (“Sygie”) is a joint stock company incorporated and domiciled in the Slovak republic and whose shares are not publicly traded. Sygie and its subsidiaries are principally engaged in:

- Making use of the results of creative activity with the consent of the author
- Providing software—sale of ready-to-use programmes base on agreement with author
- Creating an automated journey book and optimizing traffic with the use of integrated digital maps
- Combine advanced solutions in the field of electronics, software engineering and applied mathematics
- Sale of licenses for lifetime of device
- Other services.

A list of subsidiaries is included in Note 12.

Registered office

Sygie a.s.
Twin City C, Mlynské Nivy 16,
821 09 Bratislava
Slovak republic

Identification number

35 892 030

On 15 April 2019 W.A.G. Payment Solutions, a.s. acquired 70% of shares of Sygie a.s.

Shareholders holding a 10% or greater interest in Sygie’s basic capital as at 31 December 2019, 2018 and 1 January 2018 are as follows:

Shareholder	Interest in basic capital		
	31 December 2019	31 December 2018	1 January 2018
W.A.G. payment solutions, a.s	70%	—	—
PASANOTE LIMITED	—	26%	26%
HUX HOLDINGS LIMITED	12%	38%	38%
Slovenský rastový kapitálový fond, a.s.	—	22%	22%

2. BASIS OF PREPARATION

The Sygie Historical Financial Information has been prepared in accordance with UK adopted international accounting standards (“IFRS”) (this being IFRS as adopted by UK Endorsement Board), as expected to be applied by W.A.G PAYMENT SOLUTIONS PLC in its financial statements for the year ending 31 December 2021.

The Sygie Historical Financial Information has been prepared on a historical cost basis. The Sygie Historical Financial Information is presented in EUR and all values are rounded to the nearest thousand (EUR’000), except where otherwise indicated.

The Sygie Historical Financial Information is in respect of the company only and does not show the consolidated sub-group that it is the parent company of.

The Sygie Historical Financial Information was prepared on going concern basis.

Sygie’s fiscal year begins on 1 January and ends on 31 December.

Information on independent auditor

EUR ‘000	2019	2018
The statutory audit of the financial statements, including the audit of financial statements	20	8
Tax advice	—	—
Other non-audit services	—	—
Total	20	8

The Historical Financial Information of Sygic a.s. for 2019 and 2018 were audited by PricewaterhouseCoopers Audit, s.r.o. and FINECO spol. s.r.o, respectively.

IFRS FIRST-TIME ADOPTION

These Historical Financial Information, for the year ended 31 December 2019, are the first Sygic has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2018, Sygic prepared its Historical Financial Information in accordance with local generally accepted accounting principles (Local GAAP).

Accordingly, Sygic has prepared Historical Financial Information that complies with IFRS applicable as at 31 December 2019, together with the comparative period data for the year ended 31 December 2018, as described in the summary of significant accounting policies. In preparing the Historical Financial Information, Sygic's opening statement of financial position was prepared as at 1 January 2018, Sygic's date of transition to IFRS. This note explains the principal adjustments made by Sygic in restating its Local GAAP Historical Financial Information, including the statement of financial position as at 1 January 2018 and the Historical Financial Information as of, and for, the year ended 31 December 2018.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

Sygic has applied the following exemptions:

- In the separate Historical Financial Information, Sygic used deemed cost (previous GAAP carrying amount at the date of transition to IFRS) for initial measurement of its investments in a subsidiary. Subsequently, the investments are measured at cost.
- Sygic assessed all contracts existing at 1 January 2018 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2018.
- Lease liabilities were measured at the present value of the remaining lease payments, discounted using Sygic's incremental borrowing rate at 1 January 2018. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2018. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognised as an expense on either a straight-line basis over the lease term or another systematic basis.

Estimates

The estimates at 1 January 2018 and at 31 December 2018 are consistent with those made for the same dates in accordance with Local GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by Sygic to present these amounts in accordance with IFRS reflect conditions at 1 January 2018, the date of transition to IFRS and as at 31 December 2018.

Sygic's reconciliation of equity as at 1 January 2018 (date of transition to IFRS)

	<u>Notes</u>	<u>Local GAAP</u>	<u>Reclassifications and Remeasurements</u>	<u>IFRS as at 1 January 2018</u>
ASSETS				
Non-current assets				
Intangible assets		21	—	21
Property, plant and equipment		235	—	235
Right-of-use assets	A	—	2,129	2,129
Investments in subsidiaries		622	—	622
Deferred tax assets	B	—	60	60
Contract assets	B	—	2,826	2,826
Other non-current assets		665	—	665
Total non-current assets		1,543	5,015	6,558
Current assets				
Inventories		12	—	12
Trade and other receivables		1,830	—	1,830
Contract assets	B	—	2,851	2,851
Income tax receivable		676	—	676
Cash and cash equivalents		5,684	—	5,684
Total current assets		8,202	2,851	11,053
TOTAL ASSETS		9,745	7,866	17,611
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital		50	—	50
Reserve fund		12	—	12
Retained earnings	B	7,347	(224)	7,123
Equity attributable to equity holders of Sygic		7,409	(224)	7,185
Total equity		7,409	(224)	7,185
Non-current liabilities				
Lease liabilities	A	—	1,883	1,883
Contract liabilities	B	—	2,967	2,967
Total non-current liabilities		—	4,850	4,850
Current liabilities				
Trade and other payables		2,336	—	2,336
Contract liabilities	B	—	2,994	2,994
Lease liabilities	A	—	246	246
Total current liabilities		2,336	3,240	5,576
TOTAL EQUITY AND LIABILITIES		9,745	7,866	17,611

Sygic's reconciliation of statement of comprehensive income as at 31 December 2018 (year of transition to IFRS)

	Notes	Local GAAP	Reclassifications and Remeasurements	IFRS as at 31 December 2018
Revenue		18,326	(61)	18,265
Other operating income		67	—	67
Employee expenses		(5,910)	—	(5,910)
Depreciation and amortisation	A	(81)	(391)	(472)
Impairment losses of financial assets		(5)	—	(5)
Technology expenses		(385)	—	(385)
Other operating expenses	A, B	(7,451)	483	(6,968)
Operating profit		4,561	31	4,592
Finance income		109	—	109
Finance costs	A	—	(61)	(61)
Profit before tax		4,670	(30)	4,640
Income tax expense	A	(456)	(6)	(462)
PROFIT FOR THE YEAR		<u>4,214</u>	<u>(36)</u>	<u>4,178</u>
OTHER COMPREHENSIVE INCOME				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>		—	—	—
COMPREHENSIVE INCOME FOR THE YEAR		<u>4,214</u>	<u>(36)</u>	<u>4,178</u>

Notes to the reconciliation of equity as at 1 January 2018 and statement of comprehensive income for the period ended 31 December 2018

A) Leases

Under Local GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, as explained in Note 3.7, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the date of transition to IFRS, Sygic applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using Sygic's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments.

As a result, Sygic recognised an increase of EUR 2,129 thousand of lease liabilities and EUR 2,129 thousand of right-of-use assets.

To the recognition of right-of-use asset and lease liabilities relate increase of amortisation and depreciation expense by EUR 391 thousand, decrease in other operating expenses by EUR 425 thousand, increase in finance expenses by EUR 61 thousand with related income tax expense.

B) Contract assets and Contract liabilities

Under Local GAAP, navigation revenue recognition is different from IFRS 15 and revenue is fully recognised at a point in time when license is sold. Therefore, at the date of transition to IFRS, Sygic presented contract assets in amount of EUR 5,678 thousand representing deferred direct costs, and contract liabilities in amount of EUR 5,961 thousand representing revenue deferred in line with revenue recognition policy (see Note 3.1). To the recognition of contract assets and liabilities relates decrease in revenues recognised in the year ended 31 December 2018 by EUR 61 thousand and decrease in other operating expenses by EUR 59 thousand. Also, as a result, Sygic presented at the date of transition to IFRS change in retained earnings and deferred tax asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the Sygic Historical Financial Information are set out below. These accounting policies have been consistently applied in all material respects to all periods presented.

3.1. Revenue from contracts with customers

Revenues are recognised, when Sygic has satisfied a performance obligation and the amount of revenue can be reliably measured. Sygic will recognise revenue at an amount that reflects the consideration to which Sygic expects to be entitled (after reduction for expected discounts) in exchange for transferring goods or services to a customer.

Navigation

Navigation revenue is generated through licensing of navigation software and digital map content updates to B2B and B2C customers. License of navigation software is granted as a “right to use an intellectual property” while the second performance obligation to be delivered under the navigation contracts are updates of digital map content (including traffic). The update services rendered over the contract term, include map data which is regularly updated and traffic information. Right to use licenses are those that only provide the customer the right to use navigation software as it exists at the moment the control passes to the customer. This does not give the customer the right to receive future updates or upgrades other than those that can be considered as minor enhancements or bug fixing.

Revenue for “right to use” licenses is recognised at the moment the control passes to the customer. Revenue from rendering services is recognised over the (estimated) period during which Sygic is obliged to render those services to the customers based on third party content costs plus an appropriate margin. The period for B2C life-time traffic services and map updates is estimated at three years, B2B life-time at five years.

Deferred navigation revenue and related map update costs result in recognition of contract liabilities and contract assets.

Other services

Other services include services that are immaterial from Sygic perspective.

3.2. Taxes

Current income tax

Current income tax assets and liabilities for an accounting period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where Sygic operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is calculated for Sygic using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which

the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.3. Foreign currency transactions

Sygic's Historical Financial Information are presented in EUR. The functional currency of Sygic is EUR.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange valid at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss as finance income and expenses. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

3.4. Cash dividend to equity holders of the parent

Sygic recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of Sygic. As per the corporate laws of the Slovak Republic, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.5. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Sygic does not have intangible assets with indefinite useful life on its balance sheet.

Intangible assets with finite life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic

benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Amortisation of intangible assets with finite life is recorded on a straight-line basis over their estimated useful life as follows:

	<u>Years</u>
Developments of software	individually assessed
Software	2

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when Sygic can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale,
- Its intention to complete and its ability and intention to use or sell the asset,
- How the asset will generate future economic benefits,
- The availability of resources to complete the asset,
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit.

Development includes the programming relating to internal development of externally purchased software, development of software provided to Sygic's customers

3.6. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the aggregate amount paid, and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

When significant parts of property, plant and equipment are required to be replaced at intervals, Sygic depreciates them separately based on their specific useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recorded on a straight-line basis over the estimated useful life of an asset as follows:

	<u>Years</u>
Machinery and equipment	4
Vehicles	4
Fixtures and fittings	6

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.7. Leases

Identification of the Subject of a Lease—Lease Agreement

A lease is a contract, or part of a contract, that conveys the right to use an identifiable asset for a period of time in exchange for consideration. At the inception of the contract, Sygic assesses whether the contract is a lease or contains a lease. Sygic reassesses whether the contract is a lease or contains a lease only when the contractual terms are amended.

Sygic assesses whether a contract transfers the right to control the use of an identifiable asset over a period of time based on:

- Sygic has the right to obtain a substantial economic benefit from the asset for the period of its use,
- The lease is agreed for the lease of a specific asset, and the lessor does not have the right to exchange it or to profit financially from the exchange,
- Sygic has the right to control the use of an identifiable asset,
- The lease is longer than 12 months (short-term lease exemption allowed under IFRS 16),
- The value of the new asset exceeds EUR 4,500 (low value exemption allowed under IFRS16)

Sygic assesses whether the contract contains a lease separately for each potential lease component.

Sygic does not have any external subleases outside of Sygic nor any contract, where Sygic is a lessor.

Lease Liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are payments by the lessee to the lessor for the right to use an underlying asset for the duration of the lease. These payments include:

- fixed payments (lowered by any lease incentives),
- variable lease payments that are indexed or fixed to a rate,
- call option to purchase where there is sufficient certainty that the lessee will make use of the option,
- payment of penalties for termination of the lease where the lease period corresponds to the lessee making use of the option to terminate the lease.

After commencement date, variable lease payments not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers those payment occurs. Interest from the lease obligation is Sygic's finance costs.

Right to Use an Asset

Sygic measures the right to use an asset on the date the lease commences on the basis of a lease agreement. These are based on:

- the value of the lease liability increased by the lease payment that Sygic has paid before the day the lease commences (reduced by lease incentives—discounts),
- the initial direct costs of the lease paid by Sygic,
- the estimated value of the costs for dismantling and removing an identified asset or the reclamation of the site where the asset was located,
- an increase by the asset's modification and renovation costs required in the lease agreement, namely by the creation of a reserve in compliance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.8. Investment in subsidiaries

Investments in subsidiaries are accounted for using the cost method and are annually reviewed for impairment.

3.9. Financial instruments—IFRS 9

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

As at 31 December 2019 and 2018 all of Sygic's financial assets were measured at amortised cost, net of provision for expected credit losses.

Trade and other receivables

Trade and other receivables are carried at original invoice amount less an allowance for impairment of these receivables.

See Impairment of assets carried at amortised cost for a description of Sygic's impairment policies and Note 15 for further information on Trade and other receivables.

Impairment of assets carried at amortised cost

If there is an objective evidence that there has been an increase in the credit risk of a financial instrument measured at amortised cost since initial recognition, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the income statement.

As Sygic's Historical Financial Information include financial assets representing Trade and other receivables only which do not include a significant financing component, the Group applies a simplified approach in calculating expected loss ("ECLs"). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Impaired debts are derecognised when they are assessed as uncollectible.

Financial liabilities

As at 31 December 2019 and 2018 all of Sygic's financial liabilities were measured at amortised cost.

All financial liabilities are recognised initially at fair value.

The Sygic's financial liabilities include trade and other payables and lease liabilities (Note 3.7).

Trade and other payables

Trade payables are recognised at their nominal value which is deemed to be materially the same as the fair value.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

3.10. Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for raw materials and goods as actual cost using the "first in, first out" (FIFO) method (the initial price in the measurement of inventory additions is used as the initial price in the measurement of inventory disposals). Costs of purchased inventory include acquisition-related costs (freight, customs, commission, etc.).

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.11. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash in hand and cash at banks.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES, ADOPTION OF NEW AND REVISED STANDARDS

4.1. New IFRSs and IFRICs published by the IASB that are not yet effective and have not been approved by the EU

Sygic is currently assessing the potential impacts of the new and revised standards and interpretations that will be effective or adopted by the European Union from 1 January 2020 or later.

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture—**amendments to IFRS 10 and IAS 28
- **IFRS 17 “Insurance Contracts”**
- **Amendments to the Conceptual Framework for Financial Reporting**
- **Definition of a business—Amendments to IFRS 3**
- **Definition of materiality—Amendments to IAS 1 and IAS 8**
- **Classification of liabilities as current or non-current—Amendments to IAS 1**
- **Interest rate benchmark reform—Amendments to IFRS 9, IAS 39 and IFRS 7**

These new standards and amendments are not expected to have any significant impacts on Sygic’s Historical Financial Information.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and assumptions

The preparation of Sygic Historical Financial Information in accordance with IFRS requires the use of estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the Sygic Historical Financial Information. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Sygic based its assumptions and estimates on parameters available when the Sygic Historical Financial Information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of Sygic. Such changes are reflected in the assumptions when they occur.

Navigation revenue recognition

Navigation revenue is generated through licensing of navigation software and digital map content updates to B2B and B2C customers. Revenue from rendering of digital map content update services is recognised over the (estimated) period during which Sygic is obliged to render those services to the customers.

Deferred revenue amount estimate is based on direct expenses related to digital map content, which were increased by an expected mark-up for this type of service. Direct expenses related to deferred revenue were deferred in full as contract assets.

The period for B2C life-time traffic services and map updates is estimated at three years, B2B life-time at five years. Estimated B2C period is based on useful life of B2C navigation devices (mobile phones) and market practice. Estimated B2B period is based on expected useful life of B2B navigation devices, which is longer than B2C.

Impairment of non-financial assets

Sygic with its subsidiaries was acquired on 15 April 2019 for a price, which is above the book value of the assets, which confirmed no impairment risk for Sygic in 2019 and prior years.

6. REVENUE

Sygic has following principal activities:

- Sale of licenses for lifetime of device (“Navigation”).
- Creating an automated journey book and optimizing traffic with the use of integrated digital maps (“Services-other”).

Set out below is the disaggregation of Sygic’s revenue from contracts with customers:

EUR ‘000	For the year ended 31 December 2019		
	Navigation	Services-other	Total
Geographical markets			
EU	13,119	435	13,554
Other countries	3,725	762	4,487
Total revenue from contracts with customers	16,844	1,197	18,041
Timing of revenue recognition			
Goods and services transferred at a point in time	173	12	185
Services transferred over time	16,671	1,185	17,856
Total revenue from contracts with customers	16,844	1,197	18,041

EUR ‘000	For the year ended 31 December 2018		
	Navigation	Services-other	Total
Geographical markets			
EU	12,061	39	12,100
Other countries	5,164	1,001	6,165
Total revenue from contracts with customers	17,225	1,040	18,265
Timing of revenue recognition			
Goods and services transferred at a point in time	74	5	79
Services transferred over time	17,151	1,035	18,186
Total revenue from contracts with customers	17,225	1,040	18,265

Performance obligations

The performance obligation for arranging sale of licenses and other services is satisfied upon delivery of services the customer and payment is generally due within 0-30 days from delivery.

7. EMPLOYEE EXPENSES

Employee expenses for the year ended 31 December consist of the following:

EUR ‘000	2019		2018	
	Total personnel	Key management	Total personnel	Key management
Number of full-time employees	137	6	134	6
Wages and salaries	4,417	613	4,524	439
Social security and health insurance	1,459	157	1,519	132
Social cost	89	8	93	6
Own work capitalised (Note 9)	(625)	—	(226)	—
Total employee expense	5,340	778	5,910	577

8. INCOME TAX

Corporate income tax for companies in the Slovak republic for the years 2019 and 2018 was in line with the Income Tax Act set at the rate of 21%. The tax rate applicable for 2020 and beyond is 21%.

Structure of the income tax for the year ended 31 December is as follows:

EUR '000	2019	2018
Current income tax charge	583	457
Deferred tax	12	5
Total	595	462

Reconciliation of tax expense and the accounting profit multiplied by the parent domestic tax rate for 2019 and 2018:

EUR '000	2019	2018
Accounting profit before income tax from continuing operations	4,757	4,640
At Slovak republic's statutory income tax rate of 21%	1,000	975
Non-deductible expenses	53	21
Tax credits—research and development	(298)	(534)
Effect of non-taxable income	(157)	—
Other tax adjustments	(3)	—
At the effective income tax rate of 13.46% (2018: 9.90%)		
Income tax expense reported in the statement of profit or loss	595	462

Deferred tax balances and movements:

EUR '000	1 January 2019	(Charged) credited to profit or loss	31 December 2019
Difference between net book value of fixed assets for accounting and tax purposes	(6)	(3)	(9)
Deferrals taxable in different period	60	(9)	51
Net deferred tax asset/(liability)	54	(12)	42
Recognised deferred tax asset	54	(12)	42
Recognised deferred tax liability	—	—	—

EUR '000	1 January 2018	(Charged) credited to profit or loss	31 December 2018
Difference between net book value of fixed assets for accounting and tax purposes	—	(6)	(6)
Deferrals taxable in different period	60	1	60
Net deferred tax asset/(liability)	60	(5)	54
Recognised deferred tax asset	60	(5)	54
Recognised deferred tax liability	—	—	—

Sygic offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Sygic does not expect any material taxes to be paid on unremitted retained earnings.

9. INTANGIBLE ASSETS

Cost of intangible assets subject to amortisation:

EUR '000	Internal software development	External software	Other intangible assets	Internal assets in progress	Total
1 January 2018	26	102	—	—	128
Additions	46	—	—	179	225
31 December 2018	<u>72</u>	<u>102</u>	<u>—</u>	<u>179</u>	<u>353</u>
Additions	—	—	8	625	633
31 December 2019	<u>72</u>	<u>102</u>	<u>8</u>	<u>804</u>	<u>986</u>

Accumulated amortisation and impairment of intangible assets subject to amortisation:

EUR '000	Internal software development	External software	Other intangible assets	Internal assets in progress	Total
1 January 2018	(5)	(102)	—	—	(107)
Amortisation	(11)	—	—	—	(11)
31 December 2018	<u>(16)</u>	<u>(102)</u>	<u>—</u>	<u>—</u>	<u>(118)</u>
Amortisation	(24)	—	(1)	—	(25)
31 December 2019	<u>(40)</u>	<u>(102)</u>	<u>(1)</u>	<u>—</u>	<u>(143)</u>

Net book value:

EUR '000	Internal software development	External software	Other intangible assets	Internal assets in progress	Total
Net book value at 1 January 2018	21	—	—	—	21
Net book value at 31 December 2018	56	—	—	179	235
Net book value at 31 December 2019	32	—	7	804	843

Internal assets in progress consist of assets where the development phase has not yet been completed.

Sygic capitalised employee expenses (Note 7) and cost of materials and services used or consumed in generating the intangible asset.

Research and development costs that were not capitalised and are therefore recognised in operating expenses amount to EUR 27 thousand for the year ended 31 December 2019 and EUR 44 thousand for the year ended 31 December 2018.

10. PROPERTY, PLANT AND EQUIPMENT

Cost of property, plant and equipment:

EUR '000	Machinery and equipment	Other tangibles	Total
1 January 2018	390	39	428
Additions	27	15	41
Disposals	(20)	—	(20)
31 December 2018	<u>397</u>	<u>53</u>	<u>450</u>
Additions	21	—	21
Disposals	(4)	—	(4)
31 December 2019	<u>414</u>	<u>53</u>	<u>467</u>

Accumulated depreciation and impairment of property, plant and equipment:

<u>EUR '000</u>	<u>Machinery and equipment</u>	<u>Other tangibles</u>	<u>Total</u>
1 January 2018	187	(6)	(193)
Depreciation charge	(63)	(7)	(70)
Disposals	20	—	20
31 December 2018	(230)	(13)	(243)
Depreciation charge	(61)	(9)	(70)
Disposals	4	—	4
31 December 2019	(287)	(22)	(309)

Net book value of property, plant and equipment:

<u>EUR '000</u>	<u>Machinery and equipment</u>	<u>Other tangibles</u>	<u>Total</u>
Net book value			
at 1 January 2018	203	32	235
Net book value			
at 31 December 2018	167	40	207
Net book value			
at 31 December 2019	127	31	158

Property, plant and equipment was not pledged as at 31 December 2019, 2018 and 1 January 2018.

11. LEASES (SYGIC AS A LEASEE)

Sygic leases assets including buildings and motor vehicles. The average lease term is 5 years. Leases represent larger number of various diversified lease contracts in different locations.

Right-of-use assets

<u>EUR '000</u>	<u>31 December 2019</u>	<u>31 December 2018</u>	<u>1 January 2018</u>
Buildings	1,354	1,742	2,129
Vehicles	6	10	—
Total	1,360	1,752	2,129

Additions to the right-of-use assets during the 2019 financial year were EUR 0 thousand (2018: EUR 14 thousand).

Depreciation charge of right-of-use assets

<u>EUR '000</u>	<u>2019</u>	<u>2018</u>
Buildings	(387)	(387)
Vehicles	(5)	(4)
Total	(392)	(391)

Lease liabilities

<u>EUR '000</u>	<u>31 December 2019</u>	<u>31 December 2018</u>	<u>1 January 2018</u>
Long-term lease liabilities	1,085	1,501	1,883
Short-term lease liabilities	414	402	246
Total lease liabilities	1,499	1,903	2,129

EUR '000	31 December 2019	31 December 2018	1 January 2018
Within one year	414	402	246
After one year but not more than five years	1,085	1,501	1,883
More than five years	—	—	—
Total lease liabilities	<u>1,499</u>	<u>1,903</u>	<u>2,129</u>

Discount rate used was 3%. The total cash outflow for leases is presented in the statement of cash flow under Payment of lease liabilities.

Leases in the Income statement

Leases are shown as follows in the income statement:

Leases in the Income statement

EUR '000	2019	2018
Other operating expense		
Short-term lease expenses	162	121
Other lease expenses (additional costs)	<u>3</u>	<u>—</u>
Depreciation and impairment losses		
Depreciation of right-of-use assets	<u>392</u>	<u>391</u>
Net finance costs		
Interest expense on lease liabilities	49	61
Currency translation (gains) / losses on lease liabilities	<u>—</u>	<u>—</u>
Total	<u>606</u>	<u>573</u>

12. INVESTMENTS IN SUBSIDIARIES

EUR'000	31 December 2019	31 December 2018	1 January 2018
Tripomatic s.r.o. (51%)	622	622	622
Sygic Czech republic s.r.o. (100%)	—	—	—
Sygic LTD (100%)	—	—	—
Sygic North America (100%)	—	—	—
Total	<u>622</u>	<u>622</u>	<u>622</u>

Registered offices:

Tripomatic s.r.o.
Za Parkem 631/14
621 00 Brno
Czech republic

Sygic Czech republic s.r.o.
Běchovická 701/26
100 00 Praha 10
Czech republic

Sygic LTD
11-12 St. James's Square
London
SW1Y 4LB
United Kingdom

Sygic North America Inc.
340 King Street East
Toronto, ON M5A 1K8
Canada

13. CONTRACT ASSETS AND LIABILITIES

Contract assets represent Navigation expenses directly related to deferred Navigation revenues, which were deferred in line with revenue recognition policy (Note 3.1).

The movements of contract assets during the years are as follows:

<u>EUR '000</u>	<u>2019</u>	<u>2018</u>
1 January	5,736	5,678
Addition of deferred costs	2,095	2,909
Amortisation as cost in the income statement	(2,977)	(2,851)
31 December	4,854	5,736
Short-term	2,629	2,977
Long-term	2,225	2,759
Total	4,854	5,736

Contract liabilities represent revenue deferred in live with Navigation revenue recognition policy (Note 3.1). The movements of contract deferred revenue during the years are as follows:

<u>EUR '000</u>	<u>2019</u>	<u>2018</u>
1 January	6,023	5,961
Additions	2,200	3,056
Release	(3,126)	(2,994)
31 December	5,097	6,023
Short-term	2,760	3,126
Long-term	2,337	2,897
Total	5,097	6,023

The total amount of deferred revenue is expected to be released in the income statement with the following pattern:

<u>Release to income statement</u>	<u>1 year</u>	<u>2 years</u>	<u>3–5 years</u>	<u>Total</u>
31 December 2019	2,760	1,590	747	5,097
31 December 2018	3,126	1,923	974	6,023
1 January 2018	2,994	1,912	1,055	5,961

14. OTHER NON-CURRENT ASSETS

Balance of non-current assets represents balance of loans provided to Sygic's subsidiaries.

<u>EUR '000</u>	<u>31 December 2019</u>	<u>31 December 2018</u>	<u>1 January 2018</u>
Loans provided	320	385	665
Total	320	385	665

The balance mainly comprise loan to Sygic Czech republic s.r.o., which had original maturity until 31 December 2020 and interest rate 1% p.a. The loan was later prolonged until 31 December 2025.

15. TRADE AND OTHER RECEIVABLES

<u>EUR '000</u>	<u>31 December 2019</u>	<u>31 December 2018</u>	<u>1 January 2018</u>
Trade receivables	1,721	1,432	1,555
Guarantee deposits	123	112	117
Miscellaneous receivables	2	2	49
Prepaid expenses and accrued income	222	407	109
Total	2,068	1,953	1,830

Trade receivables are non-interest bearing and are generally payable on terms below 30 days. Trade and other receivables are non-derivative financial assets carried at amortised cost.

Sygic applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Sygic used a provision matrix based on its territory and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The ageing analysis of past due but not individually impaired trade and other receivables was as follows:

EUR '000	Past due but not individually impaired				Total
	Past due 1-90 days	Past due more than 90 days	Past due more than 180 days	Past due more than 365 days	
As at 31 December 2019	164	22	50	8	244
As at 31 December 2018	554	—	—	4	558
As at 1 January 2018	275	43	—	—	318

The carrying value of trade and other receivables approximates their fair value due to their short term maturities.

On basis described above, the loss allowance as at 31 December 2019 and 31 December 2018 was as follows:

31 December 2019

EUR '000	Neither past due nor impaired	Past due 1-90 days	Past due more than 90 days	Total
Gross value of receivables	1,634	164	334	2,132
Expected credit loss	—	—	64	64

31 December 2018

EUR '000	Neither past due nor impaired	Past due 1-90 days	Past due more than 90 days	Total
Gross value of receivables	1,374	554	44	1,972
Expected credit loss	—	—	19	19

1 January 2018

EUR '000	Neither past due nor impaired	Past due 1-90 days	Past due more than 90 days	Total
Gross value of receivables	1,512	275	57	1,844
Expected credit loss	—	—	14	14

Allowances against outstanding receivables that are considered doubtful were charged to income statement based on the analysis of their collectability in the year ended 31 December 2019 and 2018.

EUR '000	Amount
Allowances at 1 January 2018	14
Charged	5
Allowances at 31 December 2018	19
Charged	50
Utilized	(5)
Allowances at 31 December 2019	64

Trade receivables and contract assets are derecognised where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with Sygic, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been derecognised is subject to enforcement activities.

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

EUR '000	31 December 2019	31 December 2018	1 January 2018
Cash at banks	4,571	6,089	5,683
Cash on hand	<u>1</u>	<u>—</u>	<u>1</u>
Total	<u>4,572</u>	<u>6,089</u>	<u>5,684</u>

The fair value of cash and cash equivalents approximates their carrying value due to their short term maturities.

The cash balances are not subject to any pledge.

Credit quality of cash at banks:

EUR '000	31 December 2019	31 December 2018	1 January 2018
External rating scale			
Aa	4,533	—	—
Baa	—	5,815	5,451
Ba	—	78	15
Unrated	<u>38</u>	<u>196</u>	<u>217</u>
Total	<u>4,571</u>	<u>6,089</u>	<u>5,683</u>

17. EQUITY

There were no changes in the share capital in any of the reporting periods.

Ordinary shares issued and fully paid:

	shares	EUR '000
At 1 January 2018	50,250	50
At 31 December 2018	<u>50,250</u>	<u>50</u>
At 31 December 2019	<u>50,250</u>	<u>50</u>

Ordinary shares

All the ordinary shares are transferable without restrictions.

One vote is attached to each EUR 1 of the nominal value of one share.

Changes in shareholders' equity

During the year 2019, the shareholders decided to distribute EUR 5,201 thousand as dividends among the shareholders from the available retained earnings.

During the year 2018, the shareholders decided to distribute EUR 4,000 thousand as dividends among the shareholders from the available retained earnings.

Reserve fund

In the Slovak Republic, companies are obliged to transfer part of their annual profits to legal reserve fund up to 20% of share capital. Sygic contributions to this fund as at 1 January 2018 were above the statutory limit and thus there were no changes in the reserve fund during any of the reporting periods.

Reserve fund distribution is limited and allows only to compensate of future losses of Sygic.

18. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below sets out an analysis of liabilities from financing activities and the movements in Sygic's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the statement of cash flows:

EUR '000	Liabilities from financing activities		
	Lease liabilities	Dividend payable	Total
Liabilities from financing activities at 1 January 2018	2,129	—	2,129
Cash outflows	(240)	(4,000)	(4,240)
New leases	14	—	14
Declared dividends	—	4,000	4,000
Liabilities from financing activities at 31 December 2018	1,903	—	1,903
Cash outflows	(404)	(5,201)	(5,605)
Declared dividends	—	5,201	5,201
Liabilities from financing activities at 31 December 2019	1,499	—	1,499

19. TRADE AND OTHER PAYABLES

EUR '000	31 December 2019	31 December 2018	1 January 2018
Current			
Trade payables	985	1,271	958
Employee related liabilities	911	810	1,137
Advances received	3	9	—
Miscellaneous payables	142	91	240
Total Trade and other payables	2,041	2,181	2,336

Trade payables are non-interest bearing and are normally settled on 30-day terms.

For explanations on Sygic's liquidity risk management processes, refer to Note 20.

As at 31 December 2019 and 2018 and 1 January 2018, employee related liabilities include liabilities from social security and health insurance, liabilities payable to employees for salaries and accrued employee vacation to be taken or compensated for in the following accounting period.

Trade and other payables are non-derivative financial liabilities carried at amortised cost. The fair value of current trade and other payables approximates their carrying value due to their short term maturities.

20. FINANCIAL RISK MANAGEMENT

Sygic's classes of financial instruments correspond with the line items presented in the statement of financial position.

Sygic's principal financial liabilities, comprise leases and trade and other payables. The main purpose of these financial liabilities is to finance Sygic's operations and investments. Sygic's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations.

Sygic is exposed to market risk, credit risk and liquidity risk. The management of Sygic identifies the financial risks that may have adverse impact on the business objectives and through active risk management reduces these risks to an acceptable level.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The sensitivity analyses in the following sections relate to the position as at 31 December 2019 and 2018.

The sensitivity analyses have been prepared on the basis that the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2019 and 2018.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Sygic is not exposed to the interest rate risk as it relates primarily to the bank loans and borrowings with floating interest rates which Sygic does not have.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Sygic's exposure to the risk of changes in foreign exchange rates relates primarily to Sygic's operating activities (when revenue or expense is denominated in a foreign currency).

Sygic invoices mainly in EUR. However, there are transactional currency exposures that arise from sales and purchases also in other currencies, in particular GBP and USD.

Financial assets and liabilities include cash and cash equivalents, trade and other receivables, lease liabilities and trade and other payables. All remaining assets and liabilities in foreign currencies are immaterial or not subject to exchange rate exposure (such as property, plant and equipment).

The table below presents the sensitivity of the profit before tax to a hypothetical change in GBP, USD and other currencies and the impact on financial assets and liabilities of Sygic. The sensitivity analysis is prepared allrounder the assumption that the other variables are constant.

Effect of the change in exchange rates between functional currency of entity and GBP, USD and other currencies on profit before tax as at 31 December:

EUR'000	% change in rate	31 December 2019	31 December 2018	1 January 2018
GBP	+/- 10%	+/- 17	+/- 11	+/- 17
USD	+/- 10%	+/- 91	+/- 185	+/- 457
Others	+/- 10%	+/- 9	+/- 11	+/- 24

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Sygic is exposed to credit risk from its operating activities (primarily trade receivables). The risk is managed on a company basis and individual risk limits are set based on internal ratings.

The outstanding balances of trade receivables and compliance with credit limits are monitored on a regular basis. The aim of Sygic management is to minimize exposure of credit risk to single counterparty or company of similar counterparties. As of 31 December 2019, and 2018, there is no significant concentration of credit risk as there were no individually significant customers.

Sygic does not use credit derivatives to mitigate credit risk.

The ageing of receivables is regularly monitored by Sygic management.

Refer to Note 15 for further details.

Liquidity risk

Sygic performs regular monitoring of its liquidity position to keep sufficient financial resources to settle its liabilities and commitments.

As at 31 December 2019 and 2018, Sygic's current ratio (current assets divided by current liabilities) was 1.562 and 1.724, respectively and as at 1 January 2018 the current ratio was 1.678.

The table below summarizes the maturity profile of Sygic's financial liabilities based on contractual undiscounted payments (EUR '000):

31 December 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Lease liabilities	—	113	340	1,120	—	1,573
Trade and other payables	—	3,935	119	2	—	4,056
Total	—	4,048	459	1,122	—	5,629
31 December 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Lease liabilities	—	113	340	1,573	—	2,026
Trade and other payables	—	4,387	126	5	—	4,518
Total	—	4,500	466	1,578	—	6,544
1 January 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Lease liabilities	—	112	340	2,026	—	2,478
Trade and other payables	—	4,444	197	2	—	4,643
Total	—	4,556	537	2,028	—	7,121

21. CAPITAL MANAGEMENT

For the purpose of Sygic's capital management, capital includes issued capital and all other equity reserves attributable to the equity attributable to shareholders. The primary objective of Sygic's capital management is to maximize the shareholder value.

Sygic manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, Sygic may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Sygic monitors capital using the equity/total assets ratio:

EUR '000	31 December 2019	31 December 2018	1 January 2018
Total equity	6,324	7,363	7,185
Total assets	15,179	17,471	17,611
Equity ratio (Equity/TA)	41.66%	42.14%	40.80%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

22. RELATED PARTY DISCLOSURES

Parent entity

The parent entity controlling Sygic is disclosed in Note 1.

Subsidiaries

Interests in subsidiaries are set out in Note 12.

Paid dividends

Paid dividends are disclosed in Statement Of Changes In Shareholders' Equity.

Transactions with related parties

EUR '000	2019	2018
Sale of goods to parent company	67	—
Interest income from loan provided—controlled entities	3	5
Reinvoicing of expenses—controlled entities	2	5
Sale of navigation—controlled entities	153	302
Sale of navigation—entities controlled by the same parent	75	47
Rental income—entities controlled by the same parent	42	—
Total sales	342	359

EUR '000	2019	2018
Purchases of various goods and services from parent company	1	—
Purchase of goods for resale—controlled entities	139	121
Reinvoicing of expenses—controlled entities	491	615
Total purchases	631	736

Outstanding balances arising from sales of goods and services to related parties

EUR '000	2019	2018
Trade receivables—parent company	25	—
Loan provided—controlled entities	282	349
Interest receivable—controlled entities	38	36
Trade receivables—controlled entities	1	16
Total receivables	346	401

Outstanding balances arising from purchases of goods and services from related parties

EUR '000	2019	2018
Deferred revenue—parent company	300	—
Other payables—parent company	30	—
Trade payables—controlled entities	159	242
Total payables	489	242

Sygic provided no loans, credit, security or other benefits in either monetary or in-kind form to persons who are the governing body or to members of governing or other management and supervisory bodies, including former officers and members of those bodies.

Selected employees benefit from the private use of Sygic cars.

Terms and conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders. Goods were sold during the year based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

23. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the outbreak of the COVID-19 virus a global pandemic. The pandemic has continued to cause major disruptions to businesses and markets across Europe as the virus has spread. A number of countries have implemented measures in an effort to contain the virus, including physical distancing, travel restrictions, border closures, limitations on public gatherings, work from home and closure of or restrictions on nonessential businesses. The effects of the outbreak are still evolving, and the ultimate severity and duration of the pandemic and the implications on regional economic conditions remain uncertain.

Sygic have also taken a number of measures to monitor and mitigate the effects of COVID-19, such as cost avoidance, strict investment control and safety and health measures for our teams (such as social distancing and working from home). All of Sygic's processes and systems continued undisrupted in the home office regime.

At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Section A: Accountants' Report on the Unaudited Pro Forma Financial Information



The Directors (the “**Directors**”)
W.A.G payment solutions plc (the “**Company**”)
Horton House Exchange Flags
Liverpool
L2 3PF

Morgan Stanley & Co. International plc
25 Cabot Square
London
E14 4QA

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

8 October 2021

Dear Ladies and Gentlemen

W.A.G payment solutions plc (the “Company” and, together with its subsidiaries, the “Group”)

We report on the unaudited pro forma financial information (the “**Pro Forma Financial Information**”) set out in section B of *Unaudited Pro Forma Financial Information* of the Company’s prospectus dated 8 October 2021 (the “**Prospectus**”).

This report is required by section 3 of Annex 20 to the PR Regulation and is given for the purpose of complying with that item and for no other purpose.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Responsibilities

It is the responsibility of the Directors to prepare the Pro Forma Financial Information in accordance with sections 1 and 2 of Annex 20 of the PR Regulation.

It is our responsibility to form an opinion, as required by section 3 of Annex 20 of the PR Regulation as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH
T: +44 (0) 2075 835 000, F: +44 (0) 2072 124 652, www.pwc.co.uk

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed at the date of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.3.2R(2)(f) of the Prospectus Regulation Rules of the Financial Conduct Authority (the “**Prospectus Regulation Rules**”) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 to the PR Regulation, consenting to its inclusion in the Prospectus.

Basis of preparation

The Pro Forma Financial Information has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the net proceeds of the Subscription Shares that are part of the Global Offering might have affected the financial information presented on the basis of the accounting policies to be adopted by the Company in preparing the financial statements for the period ending 31 December 2021.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council (“**FRC**”) in the United Kingdom. We are independent in accordance with the FRC’s Ethical Standard as applied to Investment Circular Reporting Engagements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Declaration

For the purposes of item 5.3.2 R (2)(f) of the Prospectus Regulation Rules we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 to the PR Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

Section B: Unaudited Pro Forma Financial Information

Unaudited pro forma statement of net assets as at 30 June 2021

The unaudited pro forma statement of net assets set out below (the “**Pro forma Financial Information**”) has been prepared to illustrate the impact on the Group’s net assets of the net proceeds of the Subscription Shares that are part of the Global Offering, as if this event had occurred on 30 June 2021.

The Pro forma Financial Information has been prepared for illustrative purposes only, and by its nature, addresses a hypothetical situation and, therefore, does not represent the Group’s actual financial position following the matters referred to above. It may not therefore give a true picture of the Group’s financial position, nor is it indicative of the financial position that may be achieved in the future.

The Pro forma Financial Information has been prepared in accordance with the basis set out in the notes below, in a manner consistent with the IFRS accounting policies of the Group applied in preparing the historical financial information of the Group as at 30 June 2021 as set out in “*Historical Financial Information*”, and in accordance with the requirements of sections 1 and 2 of Annex 20 of the PR Regulation. It should be read in conjunction with the notes to the Pro forma Financial Information set out below.

The unaudited consolidated pro forma statement of net assets does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006. Investors should read the whole of this document and not rely solely on the information in this “*Unaudited Pro Forma Financial Information*”.

Unaudited pro forma statement of net assets as at 30 June 2021

		Adjustment	
	Consolidated net assets of the Operating Group, a.s. as at 30 June 2021 ⁽¹⁾	Net proceeds of the Subscription Shares ⁽²⁾	Pro Forma statement of net assets of the Group as at 30 June 2021
		(EUR '000)	
ASSETS			
Non-current assets			
Intangible assets	183,992	—	183,992
Property, plant and equipment	33,925	—	33,925
Right-of-use assets	8,074	—	8,074
Investments in associates	13,551	—	—
Financial assets	139	—	139
Deferred tax assets	8,840	—	8,840
Derivative assets	—	—	—
Other non-current assets	4,329	—	4,329
Total non-current assets	252,850	—	252,850
Current assets			
Inventories	4,075	—	4,075
Trade and other receivables	305,898	—	305,898
Income tax receivables	2,646	—	2,646
Derivative assets	1,193	—	1,193
Cash and cash equivalents	78,477	183,961	262,438
Total current assets	392,289	—	392,289
TOTAL ASSETS	645,139	183,961	829,100
LIABILITIES			
Current liabilities			
Trade and other payables	334,017	—	334,017
Interest-bearing loans and borrowings	32,261	—	32,261
Lease liabilities	2,629	—	2,629
Provisions	1,766	—	1,766
Income tax liabilities	6,972	—	6,972
Derivative liabilities	2	—	2
Total current liabilities	377,647	—	377,647
Non-current liabilities			
Deferred tax liabilities	4,907	—	4,907
Interest-bearing loans and borrowings	153,609	—	153,609
Lease liabilities	6,308	—	6,308
Derivative liabilities	1,433	—	—
Other non-current liabilities	27,388	—	—
Total non-current liabilities	193,645	—	193,645
Total liabilities	571,292	—	571,292
Net assets	73,847	183,961	257,808

Notes:

- (1) The net assets of the Operating Group as at 30 June 2021 have been extracted without material adjustment from the historical financial information of the Operating Company as set out in Section A of “*Historical Financial Information*” of this document. No separate balance sheet has been presented for the Company as the Company does not have material equity or reserves, and therefore has no material impact on the pro forma combined net assets.
- (2) The issue of Subscription Shares under the Global Offering is expected to result in gross proceeds of approximately €200 million less approximately €16.0 million of related underwriting commissions and other estimated fees and expenses subsequent to 30 June 2021 (in addition to approximately €3.2 million of transaction-related fees and expenses already incurred prior to 30 June 2021).
- (3) No adjustment is shown for the sale of Sales Shares as part of the Global Offering because the Group will not receive any of the proceeds from the sale of the Sale Shares, and underwriting commissions and other estimated fees and expenses associated with the sale of Sale Shares will be borne by the Selling Shareholders.
- (4) No adjustment has been made to reflect the trading results or financial position of the Group since 30 June 2021.

DETAILS OF THE GLOBAL OFFERING

The Global Offering

Under the Global Offering, the Offer Shares are being offered to certain institutional and professional investors in the United Kingdom and elsewhere outside the US in reliance on Regulation S, to QIBs in the US in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

In addition, any Over-allotment Shares (representing up to 10.0% of the number of Offer Shares (prior to the utilisation of the Over-allotment Option)) will be made available by the Over-allotment Shareholders pursuant to the Over-allotment Option. Admission is expected to become effective, and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange, at 8:00 a.m. on 13 October 2021.

Under the Global Offering, all Offer Shares will be sold at the Offer Price.

On Admission, there will be 688,911,333 Ordinary Shares in issue. All Ordinary Shares in issue on Admission will be fully paid.

Immediately following Admission, it is expected that approximately 20.58% of the Company's issued ordinary share capital will be held in public hands (within the meaning of Listing Rule 6.14) assuming no Over-allotment Shares are acquired pursuant to the Over-allotment Option (increasing to approximately 22.38% if the maximum number of Over-allotment Shares are acquired pursuant to the Over-allotment Option).

Through the sale of the Subscription Shares pursuant to the Global Offering, the Company expects to raise in aggregate, subject to the Offer Size, net proceeds of approximately €184.0 million (assuming no exercise of the Over-allotment Option). On that basis, the remaining aggregate underwriting commissions, expenses and any potential discretionary fee payable by the Company are estimated to be approximately €16.0 million (in addition to approximately €3.2 million of transaction-related fees and expenses already incurred prior to 30 June 2021).

Through the sale of the Sale Shares pursuant to the Global Offering, the Company expects the Selling Shareholders to sell Sale Shares (in a total number to be determined) in an amount to achieve at least a minimum free float, when combined with the sale of the Subscription Shares by the Company, of 20% of the Company's Ordinary Shares, plus any additional Over-Allotment Shares to be sold by the Over-allotment Shareholders upon the exercise of the Over-allotment Option.

Pursuant to the Global Offering, existing Shareholders will experience a 16.5% dilution as a result of the issue of the 113,333,333 Subscription Shares (that is, their proportionate interest in the Company will decrease by 16.5%).

Certain restrictions that apply to the distribution of this Prospectus and the offer and sale of Ordinary Shares in jurisdictions outside the United Kingdom are described in "*Selling Restrictions*" below.

The Global Offering is subject to the satisfaction of conditions, which are customary for transactions of this type, contained in the Underwriting Agreement (subject only to Admission, and save for those steps which are to be completed after Admission), Admission becoming effective no later than 8:00 a.m. on 13 October 2021 (or such later date and time, not being later than the fourteenth calendar day after the date of the Underwriting Agreement, as the Joint Global Co-ordinators may agree with the Company and the Selling Shareholders) and the Underwriting Agreement not having been terminated prior to Admission.

The Global Offering will be underwritten, subject to certain conditions which are customary for transactions of this type, by the Underwriters.

Admission is expected to become effective and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8:00 a.m. on 13 October 2021. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a "when issued" basis, will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. The earliest date for settlement of such dealings will be 13 October 2021.

When admitted to trading, the Ordinary Shares will be registered with ISIN GB00BLGXWY71, SEDOL BLGXWY7 and LEI 213800HU63CWV5J8YK95, and it is expected that the Ordinary Shares will be traded under ticker symbol "WPS".

The Offer Shares (including any Ordinary Shares sold pursuant to the Over-allotment Option) will, upon Admission, rank equally in all respects with all other Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission. The Ordinary Shares will,

immediately on and from Admission, be freely transferable, subject to the applicable law, the Articles and any contractual obligations of a Shareholder.

The Company expressly reserves the right to determine, at any time prior to Admission, not to proceed with the Global Offering. If such right is exercised, the Global Offering (and the arrangements associated with it) will lapse and any money received in respect of the Global Offering will be returned to investors without interest.

The Company further reserves the right to extend or shorten the timetable, or any aspect of the timetable, for the Global Offering.

Global Offering and Use of Proceeds

The Global Offering is being conducted, among other reasons, to allow the Selling Shareholders to sell part of their shareholding, to support the Company's growth strategy, and to raise the Company's international profile. The Company intends to raise gross proceeds of approximately €200 million from the issue and sale of the Subscription Shares pursuant to the Global Offering. The remaining aggregate expenses of, or incidental to, Admission and the Global Offering to be borne by the Company are estimated to be approximately €16.0 million and therefore the net proceeds received by the Company are expected to be approximately €184.0 million. No expenses will be charged to investors in connection with Admission or the Global Offering by the Company or the Selling Shareholders.

The Company intends to use the gross proceeds from the Subscription Shares as follows:

- (a) Up to approximately €65 million to fund the remaining portion of the Company's approximately €75 million transformational capital expenditure programme and related operational expenses as outlined in the relevant sections of the prospectus, "*Operating and Financial Review—Liquidity and Capital Resources—Capital Expenditure*" and "*Business Description—Financial Guidance—Capital Expenditure*"; and
- (b) The remaining approximately €135 million i) to cover the remaining aggregate expenses of, or incidental to, Admission and the Global Offering estimated to be approximately €16.0 million; ii) to provide the Company with enhanced flexibility to take advantage of strategically and financially attractive inorganic acquisition opportunities; and iii) for general corporate purposes.

Note that any contemplated acquisitions will be targeted at improving the Company's existing product offering or its geographic footprint to deliver an integrated end-to-end digital ecosystem for its customers.

Cornerstone Investors

On 24 September 2021, the Company has entered into cornerstone investment agreements with funds and accounts managed by Select Equity Group, L.P. ("**Select Equity**") and FIL Investments International as agent for and on behalf of various funds ("**Fidelity**") and together with Select Equity, the "**Cornerstone Investors**") who have, subject to certain conditions, agreed to subscribe for and/or purchase Offer Shares as part of the Global Offering (the "**Cornerstone Investment Agreements**"). Subject to the terms of the Cornerstone Investment Agreements, the Cornerstone Investors have agreed to subscribe for, in aggregate, €103,494,767 of Offer Shares at the Offer Price, consisting of a commitment of €47 million from Select Equity and €56,494,767 from Fidelity (each a "**Cornerstone Commitment**").

The following table sets out the number of Offer Shares each Cornerstone Investor committed to subscribe for pursuant to its Cornerstone Commitment.

	Number of Offer Shares	Percentage Interest in the Company
Funds and accounts under the management of Select Equity Group, L.P.	26,633,333	3.87%
FIL Investments International	32,073,333	4.66%
Total	58,706,666	8.52%

For further information on the actual subscription amounts of Select Equity's and Fidelity's interests in the Company see "*Additional Information—Major shareholders' interest in the company*".

The Cornerstone Investors will, subject to certain conditions, subscribe for Offer Shares pursuant to, and as part of, the Global Offer. The Offer Shares to be subscribed for by the Cornerstone Investors will rank pari passu with the other Ordinary Shares issued and sold in the Global Offer. No special rights have been granted to the Cornerstone Investors pursuant to the Cornerstone Investment Agreements. The Cornerstone Investment

Agreements contain customary certifications and undertakings from each Cornerstone Investor as to such Cornerstone Investor's identity and its ability to subscribe for the Offer Shares. The Cornerstone Investment Agreements also contain certain representations, warranties and undertakings from the Company in favour of the relevant Cornerstone Investors. The Cornerstone Investment Agreements will, amongst other things, terminate if the Underwriting Agreement has not become unconditional in accordance with its terms and Admission has not occurred on or before 30 November 2021. The Cornerstone Investment Agreements are governed by English law. For more information, see "*Additional Information—Material Contracts—Cornerstone Investment Agreements*".

Related Party Transactions

Save as disclosed in Note 33 to the Historical Financial Information for the Operating Group, Note 22 to the Historical Financial Information for Arraia, Note 21 to the Historical Financial Information for Portugalia and Note 22 to the Historical Financial Information for Sygic set out on pages 112, 181, 209 and 234 of this Prospectus, neither the Company nor any other member of the Group has entered into any related party transactions (which for these purposes are those set out in the standards adopted according to the Regulation (EC) No 1606/2002) with any related party during the period covered by the Historical Financial Information and up to the latest practicable date prior to publication of this Prospectus.

All the transactions set out therein are entered into at fair value and on arm's-length terms.

Selling Shareholders

The following table sets forth the Company's Selling Shareholders holding Ordinary Shares: (i) immediately prior to Admission; and (ii) immediately following the Global Offering, assuming no exercise of the Over-allotment Option:

	Immediately prior to Admission		Immediately following Admission	
	Number of Ordinary Shares	Percentage (%)	Number of Ordinary Shares	Percentage (%)
<i>Shareholders</i>				
Couverina Business, s.r.o. ⁽³⁾	196,104,211	34.11	193,419,103	28.08
Bock Capital EU Luxembourg WAG S.à.r.l. ⁽²⁾	183,533,427	31.92	179,505,764	26.06
Martin Vohánka ⁽¹⁾	135,775,918	23.61	135,775,918	19.71
Other Individual Selling Shareholders ⁽⁵⁾	40,404,300	7.03	38,083,440	5.53
Ivan Jakúbek	12,823,822	2.23	12,091,679 ⁽⁴⁾	1.76
Magdalena Bartoś	190,181	0.03	324,151	0.05

(1) The business address of Martin Vohánka is Horton House, Exchange Flags, Liverpool, Merseyside L2 3PF, United Kingdom.

(2) A vehicle affiliated with TA Associates. The business address of Bock Capital EU Luxembourg WAG S.à.r.l. is Avenue Monterey 40, L-2163 Luxembourg, Grand Duchy of Luxembourg.

(3) A vehicle wholly owned by Martin Vohánka. The business address of Couverina Business, s.r.o is Na Vítězné pláni 1719/4, Prague 4, 140 00, Czech Republic.

(4) 2,589,016 Ordinary Shares will be held directly by Ivan Jakúbek and 9,502,663 Ordinary Shares are held by I. Family Invest Trust LTD, a Cypriot company wholly owned by Ivan Jakúbek. The business address of Ivan Jakúbek is Horton House, Exchange Flags, Liverpool, Merseyside L2 3PF, United Kingdom.

(5) There are eight additional Individual Selling Shareholders. For the purposes of the Global Offering, the business address of each of the Individual Selling Shareholders is Horton House, Exchange Flags, Liverpool, Merseyside L2 3PF, United Kingdom.

No holder of Ordinary Shares has voting rights that differ from those of any other holders of Ordinary Shares. As at the date of this Prospectus, the Company and the Directors are not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

Underwriting Arrangements

On the date of this Prospectus, the Company (acting for itself and as agent on behalf of the Individual Selling Shareholders pursuant to the Deeds of Election entered into by the Individual Selling Shareholders), the Principal Selling Shareholders, the Directors and the Banks have entered into the Underwriting Agreement pursuant to which, on the terms and subject to the conditions contained therein (which are customary in agreements of this nature), each of the Underwriters has severally agreed to underwrite a proportion of, and together to underwrite in aggregate all of, the issue or sale (as the case may be) of the Offer Shares.

The Global Offering is conditional upon, among other things, Admission occurring not later than 8:00 a.m. on 13 October 2021 (or such other date, not being later than the fourteenth calendar day after the date of the Underwriting Agreement, as the Joint Global Co-ordinators may agree with the Company and the Principal Selling Shareholders) and the Underwriting Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms. The underwriting commitment of the Underwriters will cease to be conditional at the point of Admission. If the conditions to the Underwriting Agreement have not been satisfied and the Joint Global Co-ordinators determine that the Underwriting Agreement should be terminated, or if the Underwriters otherwise cease to underwrite the Global Offering in accordance with the terms of the Underwriting Agreement, Admission will not occur.

The Underwriting Agreement provides for the Banks to be paid certain commissions by the Company and the Selling Shareholders in respect of the Offer Shares issued and sold in the Global Offering and in respect of any Over-allotment Shares transferred by the Over-allotment Shareholders upon the Stabilising Manager exercising the Over-allotment Option and by the Selling Shareholders in respect of any discretionary commission. Any commissions received by the Banks may be retained, and any Ordinary Shares acquired by them may be retained or dealt in by them, for their own benefit.

Under the terms and conditions of the Underwriting Agreement, the Joint Sponsors have agreed to act as joint sponsors to the Company in connection with Admission, in accordance with the Listing Rules.

Further details of the Underwriting Agreement are set out in “*Additional Information—Material Contracts—Underwriting Agreement*”.

Lock-up Arrangements and Exceptions

The Selling Shareholders and the Directors have agreed to certain lock-up arrangements in respect of the Ordinary Shares they hold immediately following Admission.

Underwriting Agreement

Each of the Directors have undertaken to each of the Banks that, during a period of 365 days from (but not including) the date of Admission, they will not, without the prior written consent of the Joint Global Co-ordinators (on behalf of themselves and the other Banks), such consent not to be unreasonably withheld or delayed: (A), directly or indirectly, offer, allot, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, or issue or sell options, in respect of or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction with the same economic effect (including a transaction involving derivatives) as any of the foregoing, whether any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; or (B), or agree to do, any of the foregoing, other than pursuant to the Global Offering, in the manner described in this document, and save that the above restrictions shall not apply in respect of Ordinary Shares issued pursuant to the exercise or vesting of options, awards or other rights to acquire Ordinary Shares or an interest in Ordinary Shares under the employee share plans in existence on the date of Admission and described in “*Additional Information—Share Incentive Plans*” and shall not prohibit a Director from:

- (a) (i) accepting a general offer for the ordinary share capital of the Company made to all holders of issued and allotted Ordinary Shares for the time being (other than Ordinary Shares held or contracted to be acquired by the offeror or its associates within the meaning of the Companies Act 2006) made in accordance with the City Code on Takeovers and Mergers (the “**City Code**”) on terms which treat all such holders alike; or (ii) executing and delivering an irrevocable commitment or undertaking to accept a general offer (without any further agreement to transfer or dispose of any Ordinary Shares or any interest therein) as is referred to in sub-paragraph (i) above; or (iii) selling or otherwise disposing of Ordinary Shares pursuant to any offer by the Company to purchase its own Shares which is made on identical terms to all holders of Ordinary Shares in the Company;
- (b) selling or otherwise disposing of Ordinary Shares in order to satisfy any individual Director’s tax liabilities (if any) arising out of or in connection with the Global Offer;
- (c) transferring or disposing of Ordinary Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them which is agreed to by the creditors or members and (where required) sanctioned by the court under the Companies Act 2006;

- (d) taking up Ordinary Shares or other rights granted in respect of a rights issue or other pre-emptive share offering by the Company; or
- (e) transferring Ordinary Shares to any of his or her connected persons or to a trust whose beneficiaries (including any named discretionary beneficiaries) comprise connected persons (as defined in section 252 of the Companies Act 2006),

provided that, in the case of paragraph (e) above, prior to any such transfer the relevant transferee has entered into a deed of adherence in a form reasonably satisfactory to the Joint Global Co-ordinators (on behalf of themselves and the other Underwriters) in relation to such Shares agreeing to be bound by the lock-up restrictions in this paragraph.

The Principal Selling Shareholders undertake to each of the Underwriters that, during a period of 180 days from (but not including) the date of Admission, they will not, without the prior written consent of the Joint Global Co-ordinators (on behalf of themselves and the other Banks), such consent not to be unreasonably withheld or delayed: (A), directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, or issue, issue or sell options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction with the same economic effect (including a transaction involving derivatives) as any of the foregoing whether any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (B) agree to do any of the foregoing; or (C) publicly announce such an intention to effect, any of the foregoing, other than pursuant to the Global Offering, in the manner described in this document, and save that the above restrictions shall not prohibit a Selling Shareholder from:

- (a) (i) accepting a general offer made to all holders of issued and allotted Ordinary Shares for the time being (other than Ordinary Shares held or contracted to be acquired by the offeror or its associates within the meaning of the Companies Act 2006) made in accordance with the City Code on terms which treat all such holders alike; or (ii) executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Ordinary Shares or any interest therein) as is referred to in sub-paragraph (i) above; or (iii) selling or otherwise disposing of Ordinary Shares pursuant to any offer by the Company to purchase its own Shares which is made on identical terms to all holders of Ordinary Shares in the Company;
- (b) selling or otherwise disposing of Ordinary Shares in order to satisfy such Selling Shareholder's tax liabilities (if any) arising out of the Global Offer;
- (c) taking up Ordinary Shares or other rights granted in respect of a rights issue or other pre-emptive share offering by the Company;
- (d) transferring or disposing of Ordinary Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them which is agreed to by the creditors or members and (where required) sanctioned by the court under the Companies Act 2006;
- (e) entering into, and transferring Ordinary Shares in accordance with the terms of the Stock Lending Agreement (as defined in "*—Stock Lending Arrangements*");
- (f) disposing of Ordinary Shares to its ultimate holding company or any of its subsidiaries or subsidiary undertakings or to any subsidiary or subsidiary undertakings of its ultimate holding company, limited partners, members or shareholders; or
- (g) transferring Ordinary Shares to any of his or her connected persons (as defined in section 252 of the Companies Act 2006),

provided that, in the case of paragraph (g) above, prior to any such transfer, the relevant transferee has entered into a deed of adherence in a form reasonably satisfactory to the Joint Global Co-ordinators (on behalf of themselves and the other Banks) in relation to such Ordinary Shares agreeing to be bound by the lock-up restrictions in this paragraph.

The Company has undertaken to each of the Banks that, during the period of 180 days from (but not including) the date of Admission, it will not, without the prior written consent of the Joint Global Co-ordinators (on behalf of itself/themselves and the other Underwriters) such consent not to be unreasonably withheld or delayed: (A) directly or indirectly, offer, issue, allot, lend, mortgage, assign, charge, pledge, sell or contract to sell or issue, issue or sell any options, in respect of, or otherwise dispose of, directly or indirectly, or announce an offering

or issue of, any Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction with the same economic effect (including a transaction involving derivatives) as any of the foregoing, whether any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise, (B) agree to do any of the foregoing; or (C) publicly announce such an intention to effect, any of the foregoing, save that the above restrictions shall not apply in respect of the issue of Ordinary Shares pursuant to the Global Offering or the vesting or exercise of options, awards or other rights to acquire Ordinary Shares or an interest in Ordinary Shares under the employee share option schemes in existence on the date of Admission described in “*Additional Information—Share Incentive Plans*”.

Other lock-up arrangements

Under the Deeds of Election, certain of the Individual Selling Shareholders have agreed that, subject to the exceptions described below (among others), from the date of Admission until the date falling 180 days from the date of Admission, they will not directly or indirectly, offer, sell, contract to sell, grant or sale of options over, purchase of any option or contract to sell, transfer, charge, pledge, grant of any right or warrant to purchase or otherwise transfer, lend, or dispose of, directly or indirectly, any Ordinary Shares or any other securities convertible into or exercisable or exchangeable for Ordinary Shares or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Ordinary Shares, any other disposal or agreement to dispose of any Ordinary Shares, or any announcement or publication of the intention to do any of the foregoing (each a “**Disposal**”), other than in and for the purpose of the Global Offering pursuant to the Deeds of Election, and save that the above restrictions shall not apply to any of the following:

- (a) any Disposal of Ordinary Shares notified in writing in advance to the Joint Global Co-ordinators and the Company and to which the Joint Global Co-ordinators give their prior consent in writing (not to be unreasonably withheld or delayed);
- (b) (i) an acceptance of a general offer for the ordinary share capital of the Company made in accordance with the City Code; or (ii) the provision of an irrevocable undertaking to accept such an offer; or (iii) a sale of Ordinary Shares to an offeror or potential offeror during an offer period (within the meaning of the City Code);
- (c) any Disposal of Ordinary Shares pursuant to a scheme of reconstruction under Section 110 of the Insolvency Act 1986 in relation to the Company;
- (d) any Disposal of Ordinary Shares pursuant to a compromise or arrangement under Section 896 of the Companies Act 2006 providing for the acquisition by any person (or group of persons acting in concert as such expression is defined in the City Code) of 50% or more of the ordinary share capital of the Company;
- (e) any Disposal by way of gift (i) by the Individual Selling Shareholder to a family member; or (ii) by the Individual Selling Shareholder to any person or persons acting in the capacity of trustee or trustees of a trust created by such Individual Selling Shareholder or, upon any change of trustees of a trust so created, provided that the trust is established for charitable purposes only or there are no persons beneficially interested under the trust other than the Individual Selling Shareholder and his or her family members; or (iii) by the trustee or trustees of a trust to which (e)(ii) above applies to any person beneficially interested under that trust, provided that, prior to the making of any such Disposal, the relevant individual shall have satisfied the Joint Global Co-ordinators that the transferee falls within one of the categories in paragraphs (i) to (ii) above;
- (f) in respect of certain of the Individual Selling Shareholders, any Disposal made for the purposes of funding any tax or similar liabilities incurred by them in connection with their subscription, purchase or receipt of shares in the Operating Company or the Company, provided that the market value of the Ordinary Shares subject to such Disposals shall not in aggregate exceed a specified limit during the restricted period;
- (g) any Disposal of Ordinary Shares acquired following Admission, including any acquired in the Global Offering, other than: (i) all or any Ordinary Shares which are allotted or issued to it, him or her pursuant to any capital reorganisation (including, for the avoidance of doubt, by way of capitalisation of profits, share premium account or any capital or reserve account of the Company) on or after Admission in respect of Ordinary Shares beneficially owned, held or controlled by it, him or her at Admission, or in respect of Ordinary Shares acquired as described in (f)(iii) below; (ii) all or any Ordinary Shares issued after the date of the Deeds of Election pursuant to the conversion of any convertible debt securities or the exercise of

any warrants, options or similar rights held by it, him or her at Admission; and (iii) all or any Ordinary Shares or other securities, if any, which are allotted or issued to him or it by way of rights in respect of any Ordinary Shares beneficially owned, held or controlled by it, him or her on Admission or issued to it, him or her in the circumstances set out in paragraphs (f)(i) and (f)(ii);

(h) any Disposal of rights to new Ordinary Shares to be issued by way of a rights issue to fund its, his or her take-up of the balance of his or her rights; and

(i) any Disposal to or by personal representatives of an individual who dies during the lock-up period,

provided that, in the case of paragraph (e) above, prior to any such transfer or disposition, the relevant transferee has entered into a deed of adherence.

Stabilisation and Over-allotment Option

In connection with the Global Offering, Morgan Stanley & Co. International plc (the “**Stabilising Manager**”), or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Ordinary Shares and effect other transactions to maintain the market price of the Ordinary Shares at a level other than that which might otherwise prevail in the open market (the “**Over-allotment Option**”). Such transactions may include short sales, stabilising transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Stabilising Manager of a greater number of Ordinary Shares than the Banks are required to procure purchasers for, or failing which, the Underwriters are required to purchase in the Global Offering. Stabilising transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Ordinary Shares while the Global Offering is in progress. Such transactions shall be carried out in accordance with applicable rules and regulations. Such stabilisation activities may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period from the date of the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter.

However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Stabilisation, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken with the intention of stabilising the market price of the Ordinary Shares above the Offer Price. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Global Offering.

In connection with the Global Offering, the Stabilising Manager may, for stabilisation purposes, over-allot Ordinary Shares up to a maximum of 10.0% of the total number of Offer Shares (prior to any exercise of the Over-allotment Option). The Stabilising Manager has entered into the Over-allotment Option with the Over-allotment Shareholders pursuant to which the Stabilising Manager may require the Over-allotment Shareholders to transfer at the Offer Price additional Ordinary Shares representing up to 10.0% of the total number of Offer Shares (prior to any exercise of the Over-allotment Option), to allow it to cover short positions arising from over-allotments and/or stabilising transactions. The Over-allotment Option may be exercised in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange. The Over-allotment Shares made available pursuant to the Over-allotment Option will be sold on the same terms and conditions as, and will rank equally with, the other Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission and will form a single class for all purposes with the other Ordinary Shares.

Stock Lending Arrangements

In connection with settlement and stabilisation, the Stabilising Manager has, on the date of this Prospectus, entered into a stock lending agreement (the “**Stock Lending Agreement**”) with the Over-allotment Shareholders pursuant to which the Stabilising Manager will be able to borrow from the Over-allotment Shareholders a number of Ordinary Shares equal in aggregate to up to 10.0% of the total number of Offer Shares (prior to any exercise of the Over-allotment Option) for the purposes, among other things, of allowing the Stabilising Manager to settle, at Admission, over-allotments, if any, made in connection with the Global Offering.

If the Stabilising Manager borrows any Ordinary Shares pursuant to the Stock Lending Agreement, it will be obliged to return equivalent shares to the Over-allotment Shareholders in accordance with the terms of the Stock Lending Agreement.

Dealing Arrangements

Application has been made to the FCA for all of the Ordinary Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for those Ordinary Shares to be admitted to trading on the main market for listed securities of the London Stock Exchange. It is expected that dealings in the Ordinary Shares will commence on a conditional basis on the London Stock Exchange at 8:00 a.m. on 8 October 2021. The earliest date for settlement of such dealings will be 13 October 2021. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares will commence on the London Stock Exchange at 8:00 a.m. on 13 October 2021. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a “when issued” basis, will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. The above-mentioned dates and times may be changed without further notice.

Each investor will be required to undertake to pay the Offer Price for the Ordinary Shares sold to such investor in such manner as shall be directed by the Joint Global Co-ordinators.

It is intended that, where applicable, definitive share certificates in respect of the Ordinary Shares will be despatched within 10 Business Days of Admission or as soon thereafter as is practicable. Temporary documents of title will not be issued. Dealings in advance of crediting of the relevant CREST stock account(s) shall be at the sole risk of the persons concerned.

Following Admission, the Ordinary Shares held by the Selling Shareholders and the Directors will be subject to the lock-up arrangements described in “*—Lock-up Arrangements and Exceptions*” above.

Other Relationships

Subject to the terms and conditions of the Underwriting Agreement, each of the Banks and any affiliate, acting as an investor for its own account, in connection with the Global Offering, may take up Ordinary Shares and in that capacity may retain, purchase or sell for its own account such Ordinary Shares and any related investments and may offer or sell such Ordinary Shares or other investments otherwise than in connection with the Global Offering. Accordingly, references in this Prospectus to the Ordinary Shares being offered or placed should be read as including any offering or placement of Ordinary Shares to the Banks and any affiliate acting as an investor for its own account.

None of the Banks intend to disclose the extent of any such investment or transactions otherwise than to the Company and the Selling Shareholders and in accordance with any legal or regulatory obligation to do so. In addition, in connection with the Global Offering, certain of the Banks may enter into financing arrangements with investors, such as share-swap arrangements or lending arrangements where securities are used as collateral, that could result in such Banks acquiring shareholdings in the Company.

CREST

CREST is a paperless settlement system enabling securities to be transferred from one CREST account to another without the need to use share certificates or written instruments of transfer. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and, also with effect from Admission, the Articles will permit the holding of Ordinary Shares under the CREST system. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

Selling Restrictions

The distribution of this document and the offer of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this document comes should inform themselves

about and observe any restrictions on the distribution of this document and the offer of Ordinary Shares contained in this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for or purchase any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

United Kingdom

In relation to the United Kingdom, no Offer Shares have been offered or will be offered pursuant to the Global Offering to the public in the United Kingdom prior to the publication of the Prospectus which has been approved by the FCA, except that the Offer Shares may be offered to the public in the United Kingdom at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Co-ordinators for any such offer; or
- (c) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of the Offer Shares shall require the Company or any Bank to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

Each person in the United Kingdom who acquires any Offer Shares in the Global Offering or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Banks that it is a qualified investor within the meaning of the UK Prospectus Regulation.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Banks that the Offer Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the United Kingdom to qualified investors, in circumstances in which the prior consent of the Banks has been obtained to each such proposed offer or resale. Neither the Company nor the Banks have authorised, nor do they authorise, the making of any offer of Offer Shares through any financial intermediary, other than offers made by the Banks which constitute the final placement of Offer Shares contemplated in this document.

The Company, the Selling Shareholders and the Banks and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of retained EU law by virtue of the EUWA.

European Economic Area

In relation to each Member State of the EEA (each a Member State), no Offer Shares have been offered or will be offered pursuant to the Global Offering contemplated by this document to the public in that Member State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that the Offer Shares may be offered to the public in that Member State at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Co-ordinators for any such offer; or

- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Offer Shares shall require the Company or any Bank to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Member State who acquires any Offer Shares in the Global Offering or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Banks that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Banks that the Offer Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Member State to qualified investors, in circumstances in which the prior consent of the Banks has been obtained to each such proposed offer or resale. Neither the Company nor the Banks have authorised, nor do they authorise, the making of any offer of Offer Shares through any financial intermediary, other than offers made by the Banks which constitute the final placement of Offer Shares contemplated in this document.

The Company, the Selling Shareholders and the Banks and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an offer to the public in relation to any Offer Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Global Offering and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares and the expression Prospectus Regulation means Regulation (EU) 2017/1129.

United States of America

The Ordinary Shares have not been and will not be registered under the US Securities Act or under any applicable securities laws or regulations of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States except to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Ordinary Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

In addition, until 40 days after the commencement of the Global Offering of the Ordinary Shares, an offer or sale of Ordinary Shares within the United States by any dealer (whether or not participating in the Global Offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

The Underwriting Agreement provides that the Banks may directly or through their respective US broker-dealer affiliates arrange for the offer and resale of Ordinary Shares within the United States only to QIBs in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

Rule 144A

Each acquirer of Ordinary Shares within the United States, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that it has received a copy of this document and such other information as it deems necessary to make an investment decision and that:

- (a) it acknowledges that the Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer;
- (b) it is: (i) a QIB within the meaning of Rule 144A; (ii) acquiring the Ordinary Shares for its own account or for the account of one or more QIBs with respect to whom it has sole investment discretion with respect to each such account and the authority to make, and does make, the representations and warranties set forth herein on behalf of each such account; (iii) acquiring the Ordinary Shares for investment purposes, and not with a view to further distribution of such Ordinary Shares; and (iv) aware, and each beneficial owner of the Ordinary Shares has been advised, that the sale of the Ordinary Shares to it is being made in reliance

on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act;

- (c) it understands that the Ordinary Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the US Securities Act, that the Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except: (i) to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act; (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; (iii) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 thereunder (if available); or (iv) pursuant to an effective registration statement under the US Securities Act, in each case in accordance with any applicable securities laws of any state of the United States. The purchaser will, and each subsequent holder is required to, notify any subsequent purchaser from it of those Ordinary Shares of the resale restrictions referred to in (i), (ii), (iii) and (iv) above. No representation can be made as to the availability of the exemption provided by Rule 144 for resale of the Ordinary Shares.
- (d) it further: (i) understands that the Ordinary Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Ordinary Shares established or maintained by a depositary bank; (ii) acknowledges that the Ordinary Shares (whether in physical certificated form or in uncertificated form held in CREST) are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Ordinary Shares; and (iii) understands that the Company may not recognise any offer, sale, resale, pledge or other transfer of the Ordinary Shares made other than in compliance with the above-mentioned restrictions;
- (e) it understands that the Ordinary Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE ORDINARY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “**US SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE US SECURITIES ACT (“**RULE 144A**”) TO A PERSON THAT THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE US SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR REALES OF THE ORDINARY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE ORDINARY SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE ORDINARY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF ORDINARY SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS;

- (f) it represents that if, in the future, it offers, resells, pledges or otherwise transfers such Ordinary Shares while they remain “restricted securities” within the meaning of Rule 144, it shall notify such subsequent transferee of the restrictions set out above;
- (g) it acknowledges that the Company, the Selling Shareholders, the Banks and their affiliates, and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements; and

- (h) it acknowledges that the Company will not recognise any resale or other transfer, or attempted resale or other transfer, in respect of the Ordinary Shares made other than in compliance with the above stated restrictions.

Australia

This document:

- (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia (“**Corporations Act**”);
- (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act;
- (c) has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission (“**ASIC**”), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and
- (d) may not be provided in Australia other than to select investors (“**Exempt Investors**”) who are able to demonstrate that they: (i) fall within one or more of the categories of investors under Section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act; and (ii) are “wholesale clients” for the purpose of Section 761G of the Corporations Act.

The Ordinary Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Ordinary Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Ordinary Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Ordinary Shares, each subscriber or purchaser of Ordinary Shares represents and warrants to the Company, the Selling Shareholders, the Banks and their affiliates that such subscriber or purchaser is an Exempt Investor.

As any offer of Ordinary Shares under this document, any supplement or the accompanying prospectus or any other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Ordinary Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Ordinary Shares, each subscriber or purchaser of Ordinary Shares undertakes to the Company, the Selling Shareholders, the Banks that such subscriber or purchaser will not, for a period of 12 months from the date of issue or purchase of the Ordinary Shares, offer, transfer, assign or otherwise alienate those Ordinary Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Canada

No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Ordinary Shares, the Ordinary Shares have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof and no securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the Ordinary Shares and any representation to the contrary is an offence.

The Ordinary Shares may not be offered or sold, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws and, without limiting the generality of the foregoing:

- (a) any offer or sale of the Ordinary Shares in Canada will be made only to in, or to persons subject to the securities laws of, the provinces of Alberta, British Columbia, Manitoba, Ontario or Québec and only to purchasers that are “accredited investors” (as such term is defined in section 1.1 of NI 45-106 or, in Ontario, as such term is defined in section 73.3(1) of the Securities Act (Ontario)), that are also “permitted clients” (as such term is defined in section 1.1 of NI 31-103), that are purchasing as principal, or are deemed to be purchasing as principal in accordance with applicable Canadian securities laws, and that are not a person created or used solely to purchase or hold the Ordinary Shares as an “accredited investor” as described in paragraph (m) of the definition of “accredited investor” in section 1.1 of NI 45-106;
- (b) each Joint Bookrunner distributing the Ordinary Shares in Canada is (I) appropriately registered under applicable Canadian securities laws in each relevant province or territory to distribute the Offered Shares,

- or (II) relying on an exemption from the dealer registration requirements under applicable Canadian securities laws and has complied with the requirements of that exemption; and
- (c) no offering memorandum or any other offering material other than this Prospectus will be distributed or delivered in or to a resident of Canada in connection with the offering of the Ordinary Shares, except in compliance with applicable Canadian securities laws.

Japan

The Ordinary Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the “**FIEL**”). This document is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The Ordinary Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“**SIX**”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Ordinary Shares or the Global Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Global Offering, the Company or the Ordinary Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Ordinary Shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of Ordinary Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (“**CISA**”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Ordinary Shares.

Hong Kong

This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of the Prospectus or any documents issued in connection with it. Accordingly: (a) the Ordinary Shares may not be offered or sold in Hong Kong by means of this document or any other document other than to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong); and (b) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Ordinary Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Ordinary Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as set out above).

No person sold Ordinary Shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such shares.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. Potential equity investors are advised to exercise caution in relation to the offer. Potential equity investors in doubt about any contents of this document should obtain independent professional advice.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Ordinary Shares may not be circulated or distributed, nor may the Ordinary Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA; (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Ordinary Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (however described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Ordinary Shares pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer; where the transfer is by operation of law;
- (c) as specified in Section 276(7) of the SFA;
- (d) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

TAXATION

UK Taxation

The following statements are intended to apply only as a general guide to certain UK tax considerations in relation to the Ordinary Shares. They are based on current UK tax legislation and what is understood to be the current published practice of Her Majesty's Revenue and Customs ("HMRC") (which may not be binding on HMRC), in each case as at the latest practicable date before the date of this prospectus, and both of which may change at any time, possibly with retrospective effect.

They relate only to certain limited aspects of the UK taxation treatment of, and are intended to apply only to, Shareholders who are resident and, in the case of individuals, domiciled or deemed domiciled, solely in the United Kingdom for UK tax purposes (except where the position of non-UK resident or non-UK domiciled Shareholders is referred to expressly) and do not apply to Shareholders to whom "split year" treatment applies. They apply only to Shareholders who hold their Ordinary Shares as investments (other than in an individual savings account or a self-invested personal pension) and who are, or are treated as, the absolute beneficial owners of both the Ordinary Shares and any dividends paid on them. The statements may not apply to certain categories of Shareholders, such as (but not limited to) trustees, persons acquiring (or deemed to be acquiring) their Ordinary Shares in connection with an office or employment, persons holding their shares through trust arrangements, dealers in securities, banks, insurance companies and collective investment schemes.

Shareholders or prospective holders of Ordinary Shares who are unsure as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice. In particular, Shareholders should be aware that the tax legislation of any jurisdiction where a Shareholder is resident or otherwise subject to taxation (as well as the jurisdictions discussed below) may have an impact on the tax consequences of an investment in the Shares including in respect of any income received from the Shares.

1.1 Taxation of dividends

(a) *Withholding Tax*

The Company will not be required to deduct or withhold amounts on account of UK tax at source from dividend payments, irrespective of the residence or particular circumstances of the Shareholder receiving such dividend payments.

(b) *Individual Shareholders*

Dividends received by a United Kingdom resident individual Shareholder from the Company will generally be subject to tax as dividend income.

A nil rate of income tax will apply for the first GBP 2,000 of dividend income (including any dividends received from the Company) received by individual Shareholders in a tax year from 6 April 2021 (the "**Nil Rate Amount**"), regardless of what tax rate would otherwise apply to that dividend income.

The rate of tax applicable to dividend income in excess of the Nil Rate Amount will depend on the wider tax position of the Shareholder. Broadly speaking, after taking into account the amount (if any) of a Shareholder's personal allowance, and any other allowances, exemptions and reliefs, the Shareholder's taxable income up to the basic rate limit will fall within the basic rate band; taxable income between the basic rate limit and the higher rate limit will fall within the higher rate band; and taxable income above the higher rate limit will fall within the additional rate band. For the tax year running from 6 April 2021 to 5 April 2022, the basic rate limit is GBP 50,270 and the higher rate limit is GBP 150,000 (although these limits can be increased in certain circumstances).

The rates of income tax on dividends received above the Nil Rate Amount for the tax year running from 6 April 2021 to 5 April 2022 are:

- (i) 7.5% to the extent the dividend income falls in the basic rate band;
- (ii) 32.5% to the extent the dividend income falls in the higher rate band; and
- (iii) 38.1% to the extent the dividend income falls in the additional rate band.

In determining the tax band in which any dividend income over the Nil Rate Amount falls, dividend income is treated as the top slice of a Shareholder's income, and dividend income within the Nil Rate Band is still taken into account.

Because dividend income (including income within the Nil Rate Amount) is taken into account in assessing whether a Shareholder's overall income is above the basic, higher or additional rate thresholds, the receipt of such income may also affect the amount of personal allowances and savings allowances to which the Shareholder is entitled.

An individual Shareholder who has ceased to be resident in the UK for tax purposes and then reacquires UK tax residence before five complete tax years have elapsed and who receives or becomes entitled to dividends from the Company during that period of non-residence may, if the Company is treated as a close company for UK tax purposes (Shareholders are referred to paragraph (1.5) (*Close Company*) below) and certain other conditions are met, be liable for UK income tax on those dividends on their return to the UK.

(c) *Corporate Shareholders*

Shareholders within the charge to UK corporation tax that are "small companies" for the purposes of the UK taxation of dividends legislation in Part 9A of the Corporation Tax Act 2009, will not be subject to UK corporation tax on dividends received from the Company so long as certain conditions are met (including an anti-avoidance condition).

Shareholders within the charge to UK corporation tax that are not "small companies" for the purposes of the UK taxation of dividends legislation in Part 9A of the Corporation Tax Act 2009 will not be subject to UK corporation tax on any dividend received from the Company so long as the dividend falls within an exempt class and certain conditions are met. For example: (i) dividends paid on shares that are not redeemable and which do not carry any present or future preferential rights to dividends or to the Company's assets on its winding-up; and (ii) dividends paid to a person holding less than a 10% interest in the Company, should generally fall within an exempt class. However, the exemptions mentioned above are not comprehensive and are subject to anti-avoidance rules.

If the conditions for exemption are not met or cease to be satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company, at the rate of corporation tax applicable to that Shareholder (the main rate of corporation tax is currently 19%, rising to 25% from 1 April 2023).

1.2 Capital Gains

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident in the United Kingdom for tax purposes or, in the case of individuals, who cease to be resident in the United Kingdom for a period of five years or less, may, depending on the Shareholder's circumstances and subject to any available exemptions or reliefs, give rise to a chargeable gain. For the purposes of UK tax on chargeable gains, the amounts paid by a Shareholder for Ordinary Shares will generally constitute the base cost of the Shareholder's holdings in those Ordinary Shares.

(a) *Individual Shareholders*

For individual Shareholders, the principal factors that will determine the UK capital gains tax position on a disposal or deemed disposal of Ordinary Shares are the extent to which the Shareholder realises any other capital gains in the UK tax year in which the disposal is made, the extent to which the Shareholder has incurred capital losses in that or earlier UK tax years, the UK income tax band into which the Shareholder falls, and the level of the annual allowance of tax-free gains in that UK tax year (the "**Annual Exemption**"). The Annual Exemption for the tax year running from 6 April 2021 to 5 April 2022 is GBP 12,300.

The applicable rate for an individual Shareholder who makes a capital gain on the disposal (or deemed disposal) of Ordinary Shares, which (after taking advantage of the Annual Exemption and deducting any available capital losses) is liable to UK capital gains tax for the tax year running 5 April 2021 to 5 April 2022, is 10% for individuals who are subject to income tax at the basic rate or 20% for individuals who are subject to income tax at the higher or additional rates.

A Shareholder who ceases to be resident in the United Kingdom for tax purposes and then reacquires UK tax residence before five complete tax years have elapsed and who disposes of Ordinary Shares during that period of non-residence may also be liable on their return to the United Kingdom to tax on any capital gain realised, subject to any available exemptions or reliefs.

(b) *Corporate Shareholders*

A disposal or deemed disposal of Ordinary Shares by a Shareholder within the charge to UK corporation tax may give rise to a chargeable gain or allowable loss for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemptions or reliefs. UK corporation tax is charged on chargeable gains at the rate applicable to that company (the main rate of corporation tax is currently 19%, rising to 25% from 1 April 2023).

1.3 ***Inheritance Tax***

The Ordinary Shares will be assets situated in the United Kingdom for the purposes of UK inheritance tax.

Accordingly, regardless of whether or not a Shareholder is resident, domiciled or deemed domiciled in the United Kingdom for tax purposes: (a) the deemed transfer of Ordinary Shares on the death of the Shareholder under the UK inheritance tax rules; or (b) a lifetime disposition (which may include a gift, transfer at less than full market value, settlement or deemed transfer) of the Ordinary Shares may give rise to a liability to UK inheritance tax. The applicable rate of inheritance tax depends on the circumstances of the Shareholder and can be up to 40% on the value of the transfer based on the value by which the donor's estate has been reduced.

Various exemptions and reliefs may be available depending on the circumstances of the Shareholder and of the disposition. In particular, no inheritance tax liability should generally arise for a Shareholder who is not domiciled or deemed domiciled in the United Kingdom, unless the cumulative aggregate value of their UK assets, including any gifts of UK assets subject to disposition in the previous seven years, is in excess of the inheritance tax nil rate band (currently GBP 325,000).

A non-UK domiciled Shareholder who is unsure as to whether a disposition may be within the scope of UK inheritance tax or where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country is recommended to seek professional advice.

1.4 ***Stamp duty and stamp duty reserve tax***

The following statements about UK stamp duty and stamp duty reserve tax ("SDRT") apply regardless of whether or not a Shareholder is resident, domiciled or deemed domiciled in the United Kingdom. The statements in this section are intended as a general guide to the current United Kingdom stamp duty and SDRT position. Special rules apply to certain transactions such as transfers of shares to a company connected with the transferor and those rules are not described below. Certain categories of person, including intermediaries, brokers, dealers and persons connected with depositary receipt arrangements and clearance services, may not be liable to stamp duty or SDRT or may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

(a) *The Offer*

No liability to stamp duty or SDRT will arise on the issue of the Ordinary Shares by the Company.

The sale of existing Ordinary Shares by the Selling Shareholders under the Global Offering will generally give rise to a liability to stamp duty and/or SDRT at a rate of 0.5% of the Offer Price (in the case of stamp duty, rounded up to the nearest multiple of GBP 5). Under the terms of the Underwriting Agreement, the Selling Shareholders have agreed to meet such liability. This includes any liability to SDRT of the original purchasers arising in respect of the initial transfer of the existing Ordinary Shares by the Selling Shareholders within the CREST system at no more than the rate of 0.5% of the Offer Price.

Special rules apply to depositary receipt systems and clearance services which are discussed below.

(b) *Clearance Services and Depositary Receipt arrangements*

Subject to the comments in the following paragraphs, where Ordinary Shares are issued or transferred (i) to, or to a nominee for, a person whose business is or includes the provision of clearance services or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT may be payable at a rate of 1.5% of the amount or value of the consideration payable or, in certain circumstances, the value of the Ordinary Shares (in the case of stamp duty, rounded up to the nearest multiple of GBP 5). Under the terms of the Underwriting

Agreement, the Selling Shareholders will not be required to generally meet such a liability in excess of 0.5%.

However, following litigation, HMRC has confirmed that it will no longer seek to impose the 1.5% SDRT charge on issues or transfers integral to capital raising of UK shares to depositary receipt issuers and clearance services anywhere in the world on the basis that the charge is not compatible with EU law. (HMRC's published practice states that the 1.5% charge on such issues will remain disappplied under the terms of the European Union (Withdrawal Agreement) Bill following the end of the transition period and this will remain the position unless stamp taxes on shares legislation is amended). HMRC's published practice states that the 1.5% SDRT charge will still apply to transfers of shares to depositary receipt issuers or clearance services that are not an integral part of an issue of share capital. Specific professional advice should be sought before paying the 1.5% SDRT or stamp duty charge in any circumstances.

Transfers of Ordinary Shares within a clearance service or transfers of depositary receipts issued in respect of the Ordinary Shares within a depositary receipt system will generally be exempt from SDRT and, provided no instrument of transfer is entered into, will not be subject to stamp duty. However, clearance service providers may elect, in certain circumstances, for the 0.5% rate of SDRT and stamp duty (on the amount or value of the consideration payable for the transfer) to apply to the entry into, and transfers of Ordinary Shares within, the clearance service instead of the 1.5% charges described above.

Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depositary receipt system, or in respect of a transfer within such a service, which does arise will strictly be accountable by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depositary receipt system.

(c) *Deposit of Ordinary Shares in CREST*

Deposits of Ordinary Shares into CREST will generally not be subject to stamp duty or SDRT unless such a transfer is made for a consideration in money or money's worth, in which case, a liability to SDRT will arise usually at the rate of 0.5% of the amount or value of the consideration.

(d) *Subsequent transfers within CREST*

Paperless transfers of Ordinary Shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5% of the amount or value of the consideration for the transfer. CREST is obliged to collect SDRT on relevant transactions settled within the system and to account for this to HMRC. In practice, the charge is generally borne by the purchaser or transferee of the Ordinary Shares.

(e) *Subsequent transfers outside CREST*

The conveyance or transfer on sale of Ordinary Shares outside the CREST system will generally be subject to stamp duty on the instrument of transfer at the rate of 0.5% of the amount or value of the consideration given (rounded up to the nearest GBP 5).

An exemption from stamp duty is available on an instrument transferring Ordinary Shares where the amount or value of the consideration is GBP 1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds GBP 1,000.

An unconditional agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT at the rate of 0.5% of the amount or value of the consideration for the Ordinary Shares. However, where, within six years of the date of the agreement (or, if the agreement is conditional, the date on which it becomes unconditional) an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, any SDRT already paid will generally be refunded (generally, but not necessarily, with interest) provided that a claim for payment is made, and any outstanding liability to SDRT will be cancelled.

The purchaser or transferee of the Ordinary Shares will generally be responsible for paying SDRT. In the absence of contractual agreement, no party is legally responsible for the payment of stamp duty as it is not an assessable tax; however in practice the purchaser or transferee will usually pay this to ensure that the company register of members can be updated by the registrar to show the transfer.

1.5 *Close Company*

It is likely that the Company is a close company within the meaning of Part 10 of the Corporation Tax Act 2010 as at the date of this Prospectus and will continue to be so immediately following the Global Offering. As a result, certain transactions entered into by the Company or other members of the Group may, in certain circumstances, have tax implications for a Shareholder (including, but not limited to, implications related to UK inheritance tax and/or implications related to the Shareholder's base cost in the Ordinary Shares for the purposes of UK taxation of capital gains). There may also be consequences for certain Shareholders in relation to dividends they receive or become entitled to from the Company if they cease to be resident in the UK for tax purposes and then return to the UK (as described in paragraph 1.1 above).

A close company includes a company that is controlled by five or fewer participators. "Control" is defined very widely, and the interests of certain associated persons can be aggregated together. It is likely that this will be the case in relation to the Company. There are limited exceptions from close company status for listed companies meeting certain conditions, which may not be satisfied in the case of the Company immediately following the Global Offering.

A Shareholder who is unsure as to the consequences of holding an interest in a company with close company status is strongly recommended to seek professional advice.

US Federal Income Taxation

Summary

The following is a summary of certain US federal income tax considerations relevant to US Holders (as defined below) acquiring, holding and disposing of the Ordinary Shares. This summary is based on the US Internal Revenue Code of 1986, as amended (the "Code"), final, temporary and proposed US Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all of which are subject to change, possibly with retroactive effect.

This summary does not discuss all aspects of US federal income taxation that may be relevant to investors in light of their particular circumstances, such as investors subject to special tax rules (including, without limitation):

- (i) financial institutions;
- (ii) insurance companies;
- (iii) traders or dealers in stocks, securities, currencies or notional principal contracts;
- (iv) regulated investment companies;
- (v) real estate investment trusts;
- (vi) tax-exempt organisations;
- (vii) entities or arrangements that are treated as partnerships or pass-through entities for US federal income tax purposes or persons that hold Ordinary Shares through such entities;
- (viii) holders that own (directly, indirectly or constructively) 10% or more of the stock by vote or value of the Company;
- (ix) investors that hold Ordinary Shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for US federal income tax purposes;
- (x) persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to the Ordinary Shares as a result of such income being recognised on an applicable financial statement;
- (xi) US Holders that have a functional currency other than the US dollar; and
- (xii) US expatriates and former long-term residents of the United States, all of whom may be subject to tax rules that differ significantly from those summarised below.

This summary also does not address tax consequences applicable to holders of equity interests in a holder of the Ordinary Shares, US federal estate, gift, Medicare contribution or alternative minimum tax considerations or non-US, state or local tax considerations. This summary only addresses investors that will acquire Ordinary

Shares in the Global Offering, and it assumes that investors will hold their Ordinary Shares as capital assets (generally, property held for investment).

For the purposes of this summary, a “**US Holder**” is a beneficial owner of Ordinary Shares that is for US federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia; (iii) an estate the income of which is includible in gross income for US federal income tax purposes regardless of its source; or (iv) a trust subject to the control of one or more US persons and under the primary supervision of a US court or that has validly elected to be treated as a domestic trust for US federal income tax purposes.

If a partnership holds Ordinary Shares, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Any such partner or partnership should consult their tax advisers as to the US federal income tax consequences to them of the acquisition, ownership and disposition of Ordinary Shares.

Distributions

Subject to the passive foreign investment company (“**PFIC**”) rules discussed below, a distribution made by the Company on the Ordinary Shares generally will be treated as a dividend includible in the gross income of a US Holder as ordinary income to the extent of the Company’s current and accumulated earnings and profits as determined under US federal income tax principles. To the extent the amount of such distribution exceeds the Company’s current and accumulated earnings and profits as so computed, the distribution will be treated first as a non-taxable return of capital to the extent of such US Holder’s adjusted tax basis in the Ordinary Shares and, to the extent the amount of such distribution exceeds such adjusted tax basis, will be treated as gain from the sale of such shares. The Company does not expect to maintain calculations of earnings and profits for US federal income tax purposes. Therefore, a US Holder should expect that such distribution will generally be treated as a dividend. In addition, such dividends will not be eligible for the dividends received deduction allowed to US corporations with respect to dividends received from other US corporations.

Dividends received by individuals and certain other non-corporate US Holders will be taxed at the preferential rate applicable to qualified dividend income, provided that (i) the Company qualifies for the benefits of the income tax treaty between the United States and the United Kingdom (the “**Treaty**”), (ii) the Company is not classified as a PFIC (as discussed below) in the year of distribution or the preceding year, and (iii) the holder has held the Ordinary Shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date. Although it cannot provide assurances to this effect, and its circumstances could change, the Company currently expects to be eligible for the benefits of the Treaty provided the Ordinary Shares are “regularly traded” on a recognised stock exchange. The London Stock Exchange is a recognised stock exchange for these purposes. The Ordinary Shares will be “regularly traded” in a taxable year if the aggregate number of Ordinary Shares traded on one or more recognised stock exchanges during the 12 months ending on the day before the beginning of the taxable year is at least 6% of the average number of Ordinary Shares outstanding during that 12-month period. If, however, the Ordinary Shares are not listed on a recognised stock exchange during such 12-month period, the Ordinary Shares will still be treated as regularly traded so long as the Ordinary Shares meet such aggregate trading requirements for the taxable period in which the income arises.

Dividends on the Ordinary Shares generally will constitute income from sources outside the United States for foreign tax credit limitation purposes. The amount of any distribution of property other than cash will be the fair market value of the property on the date of the distribution.

The US dollar value of any distribution made by the Company in non-US currency must be calculated by reference to the exchange rate in effect on the date of actual or constructive receipt of such distribution by the US Holder, regardless of whether the non-US currency is in fact converted into US dollars. If the non-US currency so received is converted into US dollars on the date of receipt, such US Holder generally will not recognise foreign currency gain or loss on such conversion. If the non-US currency so received is not converted into US dollars on the date of receipt, such US Holder will have a basis in the non-US currency equal to its US dollar value on the date of receipt. Any gain or loss on a subsequent conversion or other disposition of the non-US currency generally will be treated as ordinary income or loss to such US Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Sale or other Disposition

Subject to the PFIC rules discussed below, a US Holder generally will recognise gain or loss for US federal income tax purposes upon a sale or other disposition of its Ordinary Shares in an amount equal to the difference between the amount realised from such sale or disposition and the US Holder's adjusted tax basis in such Ordinary Shares, as determined in US dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain (taxable at a reduced rate for non-corporate US Holders, such as individuals) or loss if, on the date of sale or disposition, such Ordinary Shares were held by such US Holder for more than one year. The deductibility of capital loss is subject to significant limitations. Such gain or loss realised generally will be treated as derived from US sources.

A US Holder that receives non-US currency from a sale or disposition of Ordinary Shares generally will realise an amount equal to the US dollar value of the non-US currency on the date of sale or disposition or, if such US Holder is a cash basis or electing accrual basis taxpayer and the Ordinary Shares are treated as being traded on an "established securities market" for this purpose, the settlement date. If the Ordinary Shares are so treated and the non-US currency received is converted into US dollars on the settlement date, a cash basis or electing accrual basis US Holder will not recognise foreign currency gain or loss on the conversion. Such an election by an accrual method US Holder must be applied consistently from year to year and cannot be revoked without the consent of the US Internal Revenue Service. A non-electing accrual basis US Holder may be required to recognise foreign currency gain or loss on the conversion attributable to changes in the relevant exchange rate between the date of sale or disposition and the settlement date. If the non-US currency received is not converted into US dollars on the settlement date, the US Holder will have a basis in the non-US currency equal to the US dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the non-US currency generally will be treated as ordinary income or loss to such US Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Passive Foreign Investment Company Rules

In general, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which either: (a) at least 75% of its gross income is classified as "passive income"; or (b) at least 50% of the average quarterly value attributable to its assets produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. For purposes of the above calculations, a non-US corporation that directly or indirectly owns at least 25% by value of the stock of another corporation is treated as if it held its proportionate share of the assets of such other corporation and received directly its proportionate share of the income of such other corporation.

Based on the present nature of its activities, including the Global Offering, and the present composition of its assets and sources of income, the Company believes that it was not a PFIC for the taxable year ended 31 December 2020, and does not expect to be a PFIC for the current taxable year or for the foreseeable future. There can be no assurances, however, that the Company will not be considered a PFIC for any particular year because PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and will depend on, among other things, the ownership and the composition of the income and assets, as well as the market value of the assets, of the Company and its subsidiaries from time to time. If the Company is classified as a PFIC in any year that a US Holder is a shareholder, the Company generally will continue to be treated as a PFIC for that US Holder in all succeeding years, regardless of whether the Company continues to meet the income or asset test described above, unless the holder makes certain elections under PFIC rules. If the Company is a PFIC for any taxable year during which a US Holder holds Ordinary Shares and any of the Company's non-US subsidiaries is also a PFIC, such US Holder will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. If the Company were a PFIC in any taxable year, US Holders could be subject to materially negative US tax consequences, including but not limited to special tax rules relating to dividends and certain distributions and gains on sale as well as additional tax reporting obligations. US Holders should consult their own tax adviser about the application of the PFIC rules.

US Information Reporting and Backup Withholding

Payments in respect of the Ordinary Shares may be subject to information reporting unless the US Holder establishes that payments to it are exempt from these rules. Payments that are subject to information reporting may be subject to backup withholding if a US Holder does not provide its taxpayer identification number and otherwise comply with the backup withholding rules. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a US Holder's US federal

income tax liability and may be refunded to the extent they exceed such liability, provided a claim is timely filed with the US Internal Revenue Service.

Certain US Holders that own “specified foreign financial assets” that meet certain US dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Ordinary Shares generally will constitute specified foreign financial assets subject to these reporting requirements unless the Ordinary Shares are held in an account at certain financial institutions. Penalties can apply if US Holders fail to satisfy such reporting requirements. US Holders are urged to consult their tax advisers regarding the application of these or other disclosure requirements to their ownership of the Ordinary Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN ORDINARY SHARES IN LIGHT OF THE INVESTOR’S OWN CIRCUMSTANCES.

ADDITIONAL INFORMATION

1. Responsibility

The Directors of the Company, whose names appear on page 37 of this Prospectus, and the Company accept responsibility for the information contained in this Prospectus and declare that, to the best of the knowledge of the Directors and the Company, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

2. Incorporation

- 2.1 The Company was incorporated and registered in England and Wales as a public company limited by shares under the Companies Act 2006 with registered number 13544823 and LEI 213800HU63CWV5J8YK95.
- 2.2 The Company's registered office is at Horton House, Exchange Flags, Liverpool, Merseyside L2 3PF, United Kingdom. The Company's telephone number is +44 15 1351 4552.
- 2.3 The principal laws and legislation under which the Company operates and the Ordinary Shares have been created are the Companies Act 2006 and regulations made thereunder.
- 2.4 The business of the Company, and its principal activity, is to act as the ultimate holding company of the Group.
- 2.5 The statutory auditors of the Company for the period covered by the Historical Financial Information are PricewaterhouseCoopers Audit, s.r.o. of Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic. PricewaterhouseCoopers Audit, s.r.o. is registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021. PricewaterhouseCoopers LLP, whose address is Donington Court, Pegasus Business Park, Castle Donington, East Midlands, DE74 2UZ, United Kingdom, will be appointed the statutory auditor of the Company.

3. Share capital

- 3.1 Immediately prior to the publication of this Prospectus, the share capital of the Company was as follows:

	Number	Amount
Ordinary shares of GBP 0.01 each	575,000,000	GBP 5,750,000

- 3.2 The Company was incorporated on 3 August 2021 as a public company limited by shares. The issued share capital at the time of incorporation was GBP 50,000 which was issued to the initial subscriber to the Company's memorandum. No changes have occurred in the share capital of the Company since its incorporation.
- 3.3 Since incorporation, the Company's share capital has been issued in conformity with the laws of England and Wales.
- 3.4 The Company has not undertaken share issues or offers during the period covered by the Historical Financial Information set out in this Prospectus, and no consolidations or sub-divisions in respect of the Company's share capital have occurred during that period.
- 3.5 On 14 September 2021, as part of the Pre-IPO Shares Subscription, certain directors, senior managers and employees, including the Chief Financial Officer and Chief Strategy Officer, subscribed for, in aggregate, 1,516,648 ordinary shares in the capital of the Operating Company ("OpCo Shares") at a discount to the estimated value of a OpCo Share as at that date. Pursuant to the Pre-IPO Reorganisation (as described in paragraph 5 of this Section), the OpCo Shares will be exchanged for, in aggregate, 575,000,000 Ordinary Shares in the Company. Should an employee who subscribed for these OpCo Shares cease to be employed by the Group before the expiry of a period of maximum length of up to 30 June 2024, the employee will be required to refund to the Group a certain amount of the discount at which they acquired their OpCo Shares, with the amount of the discount to be refunded reducing on a linear basis over time. The employees who participated in this subscription will be permitted to sell in the Global Offering sufficient Ordinary Shares to fund any tax liability arising in connection with the subscription.

- 3.6 Immediately following Admission, the issued share capital of the Company is expected to be GBP 6,889,113.33 comprising 688,911,333 Ordinary Shares (all of which shall be fully paid or credited as fully paid).

4. Authorisations

- 4.1 In advance of Admission, the Company has obtained the shareholder approvals disclosed in paragraphs 4.2 to 4.5 below to effect the Pre-IPO Reorganisation described in paragraph 5 of this section. In addition, the Company has obtained the shareholder approvals disclosed in 4.6 below which are customary for a listed company and which will remain in place until the Company's first annual general meeting following Admission (or, if earlier, on the date falling 15 months after the resolution conferring it is passed).
- 4.2 On 7 October 2021, the Company obtained shareholder approval to adopt amended articles of association (the "**Articles**") in a form suitable for the Company as a company whose shares will be admitted to the Official List and to trading on the main market for listed securities of the London Stock Exchange.
- 4.3 On 7 October 2021, the Company obtained shareholder approval for a resolution of the Company that the Directors are authorised in connection with section 551 of the Companies Act 2006:
- (a) to allot shares in the Company up to a maximum nominal amount of GBP 5,750,000 in connection with the acquisition by the Company of the Operating Group (as described in paragraph 5.3(b) of this section);
 - (b) in connection with the capitalisation and capital reduction (as described in paragraph 5.5 of this section):
 - (i) to capitalise such sum standing to the credit of the Company's merger reserve as the Board may decide;
 - (ii) to apply this capitalised sum in issuing one class B share in the capital of the Company with a nominal amount equal to the amount capitalised, such share having no voting rights or rights to distributions or rights to return of capital on winding up (the "**Class B Share**"); and
 - (iii) to allot the Class B Share, credited as fully paid up, at 6.00 pm on the day before the date of the final hearing of the Company's application to cancel the Class B Share and the share premium created pursuant to the resolution described in paragraph (c) below, to the shareholder whose name appears on the register of members of the Company as at the date of the notice of general meeting at which the resolutions were passed; and
 - (c) in connection with the Global Offering, subject to and conditional upon Admission becoming effective:
 - (i) to allot shares in the Company up to a maximum nominal amount of GBP 1,133,333; and
 - (ii) to allot shares in the Company up to a maximum nominal amount of GBP 5,780 in connection with a proposed award of shares to employees of the Company (as described in paragraph 13.1 of this section),

each such authority to expire on the date falling six months after the date of this resolution.

- 4.4 On 7 October 2021, subject to and conditional on the resolution set out in paragraph 4.3(b)(i) above, and following the allotment and issue of the Class B Share, the Company obtained shareholder approval for the share capital of the Company to be reduced by cancelling and extinguishing the Class B Share and the share premium created pursuant to the resolution described in paragraph 4.3(c) above.
- 4.5 On 7 October 2021, subject to the resolutions set out in paragraph 4.3 above, the Company obtained shareholder approval for Directors to be given power to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority conferred on them by the resolution set out in paragraph 4.3(c)(i) above under section 551 of the Companies Act 2006 as if section 561 of the Companies Act 2006 did not apply to that allotment.

- 4.6 On 7 October 2021, the Company obtained shareholder approval for the following resolutions of the Company, in each case to be subject to and conditional upon Admission becoming effective:
- (a) that a general meeting (other than an annual general meeting) may be called on not less than 14 clear days' notice;
 - (b) that the Directors are to be authorised, in accordance with section 551 of the Companies Act 2006, to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company:
 - (i) up to a maximum nominal amount of GBP 2,296,371 (such amount to be reduced by the nominal amount of any equity securities (as defined in section 560 of the Companies Act 2006) allotted under paragraph (ii) below in excess of such sum); and
 - (ii) comprising equity securities up to a maximum nominal amount of GBP 4,592,742 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue,
 such authorities to expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the annual general meeting of the Company to be held in 2022 (or, if earlier, on the date falling 15 months after the date of this resolution);
 - (c) subject to the resolutions set out in paragraph 4.6(b) above, that:
 - (i) the Directors be given power to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority conferred on them by the resolution set out in paragraph 4.6(b) above as if section 561 of the Companies Act 2006 did not apply to the allotment, such power (other than in connection with a rights issue) being limited to the allotment of equity securities having a nominal amount not exceeding in aggregate GBP 3,445; and
 - (ii) the Directors, in addition to any authority granted under (i) above, be given power to allot equity securities for cash pursuant to the authority conferred on them by the resolution set out in paragraph 4.6(b) above as if section 561 of the Companies Act 2006 did not apply to the allotment, such power:
 - (A) being limited to the allotment of equity securities up to an aggregate nominal amount of GBP 6,890; and
 - (B) to be used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice of general meeting at which the resolutions were passed,
 such authorities to expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the annual general meeting of the Company to be held in 2022 (or, if earlier, on the date falling 15 months after the date of this resolution);
 - (d) that, in accordance with section 701 of the Companies Act 2006, the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693 of the Companies Act 2006) of Ordinary Shares on such terms and in such manner as the Directors may determine provided that:
 - (i) the maximum aggregate number of Ordinary Shares that may be purchased under this authority is 10% of the Company's issued share capital immediately following Admission;
 - (ii) the maximum price which may be paid for any Ordinary Share purchased under this authority (exclusive of expenses payable by the Company in connection with the purchase) shall not be more than:
 - (A) the higher of an amount equal to 105% of the average of the middle market prices shown in the quotations for the Ordinary Shares in the London Stock Exchange Daily Official List for the five Business Days immediately preceding the day on which that Ordinary Share is purchased; and

- (B) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out,

by the condition that the minimum price which may be paid shall be GBP 0.01 per Ordinary Share (being the nominal value of that Ordinary Share, exclusive of expenses payable by the Company in connection with the purchase),

such authority to expire at the conclusion of the annual general meeting of the Company to be held in 2022 (or, if earlier, on the date falling 15 months after the date of this resolution); and

- (e) that, in accordance with section 366 of the Companies Act 2006, the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect be authorised to:

- (i) make political donations to political parties and/or independent election candidates;
- (ii) make political donations to political organisations other than political parties; and
- (iii) incur political expenditure,

provided that the aggregate amount of any such donations and expenditure shall not exceed GBP 100,000 during the period beginning with the date of the passing of this resolution and ending at the conclusion of the annual general meeting of the Company to be held in 2022 (or, if earlier, on the date falling 15 months after the date of this resolution).

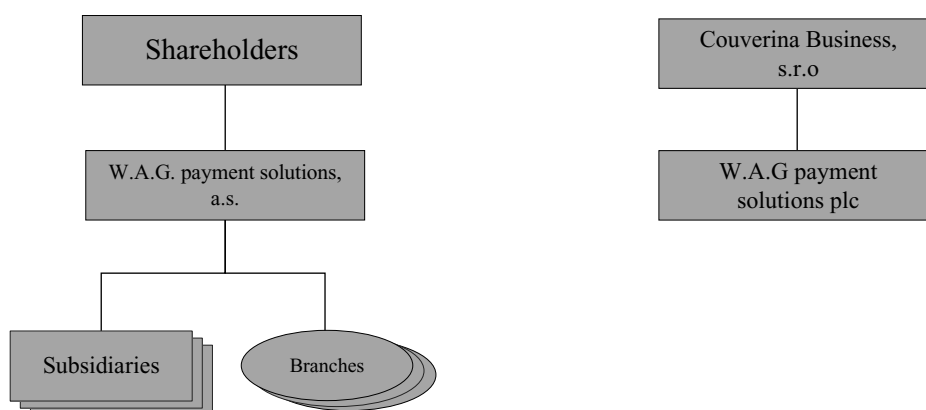
For the purpose of this resolution the terms “political donations”, “political parties”, “independent election candidates”, “political organisations” and “political expenditure” have the meanings set out in sections 363 to 365 of the Companies Act 2006.

- 4.7 Except as disclosed in this Prospectus, there is no contract or arrangement, nor has any been proposed, whereby an option or preferential right of any kind has been or will be given to any person to subscribe for any shares in the Company or its subsidiaries.

5. Pre-IPO Reorganisation

- 5.1 In preparation for Admission, the Group has undertaken certain steps as part of a reorganisation of its corporate structure, and will undertake certain further steps immediately prior to and in connection with Admission (the “**Pre-IPO Reorganisation**”). The result of the Pre-IPO Reorganisation will be that, as at Admission, the Company will be the ultimate holding company of the Group.

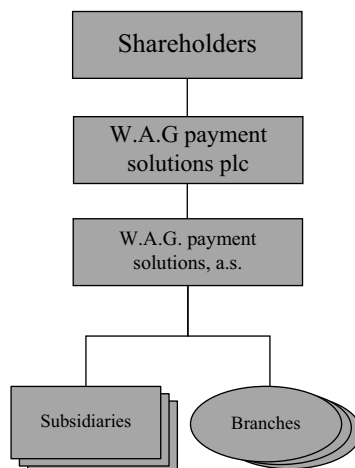
- 5.2 The following diagram illustrates the corporate structure of the Group as at the date of this Prospectus:



5.3 Pre-Admission steps under the Reorganisation

- (a) On 3 August 2021, Couverina Business, s.r.o (as sole shareholder) incorporated the Company with a nominal share capital of GBP 50,000.
- (b) On 7 October 2021 the Company acquired the entire issued share capital of the Operating Company from its shareholders in exchange for shares issued by the Company to the shareholders of Operating Company thereby making the Company the holding company of the Group.

- 5.4 The following diagram illustrates the corporate structure of the Group at Admission, and following the Pre-IPO Reorganisation.



5.5 Following Admission

- (a) Prior to Admission the Company passed the necessary resolutions to enable it to increase its share capital through the capitalisation of its merger reserves (created when the Company was put on top of the Group as described in paragraph 5.3(b) above) which will be used to fund a bonus issue of one Class B Share to the sole shareholder of the Company on the register on the date of the resolution (the “**Bonus Issue**”).
- (b) The Company shall subsequently undertake a court approved reduction of capital in which the Class B Share issued as described in this subparagraph above and share premium will be cancelled in order to create distributable reserves. It is expected that this step will be completed approximately six weeks after Admission. The Bonus Issue will be effected on the night before the final court hearing.

6. Articles of Association

The Articles, which are to be adopted with effect from Admission, include provisions to the following effect. All capitalised terms in this section are defined in the Glossary unless the context provides otherwise.

6.1 *Objects*

In accordance with Section 31(1) of the Act, the objects of the Company are unrestricted.

6.2 *Limited liability*

The liability of the members is limited to the amount, if any, unpaid on the shares in the Company respectively held by them.

6.3 *Rights attaching to shares*

(a) Voting rights of members

Subject to the Articles and to any special rights or restrictions as to voting for the time being attached to any class of shares in the Company, the provisions of the Companies Act 2006 shall apply in relation to voting rights. On a vote on a resolution on a show of hands at a general meeting which is held as a physical general meeting, every proxy or corporate representative present who has been duly appointed by one or more members entitled to vote on the resolution has one vote. On a vote on a resolution on a show of hands at a general meeting which is held as a physical general meeting, a proxy or corporate representative has one vote for and one vote against the resolution if the proxy or corporate representative has been appointed by more than one member entitled to vote on the resolution and has been instructed by one or more of those members to vote against the resolution and by one or more of those members to vote for the resolution.

(b) Dividends

Subject to the rights attached to any shares issued on any special terms and conditions, dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls should be treated for these purposes as paid up on the share.

(c) Return of Capital

If the Company is in liquidation, the liquidator may, with the authority of a special resolution of the Company and any other authority required by any applicable statutory provision: (A) divide among the members in specie the whole or any part of the assets of the Company and, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members; or (B) vest the whole or any part of the assets in trustees on such trusts for the benefit of members as the liquidator shall think fit, but no member shall be compelled to accept any assets upon which there is any liability.

(d) Capitalisation of reserves

The Board may, with the authority of an ordinary resolution of the Company: (A) resolve to capitalise any sum standing to the credit of any reserve account of the Company (including the share premium account and capital redemption reserve) or any sum standing to the credit of the profit and loss account not required for the payment of any preferential dividend (whether or not it is available for distribution); and (B) appropriate that sum as capital to the holders of ordinary shares in proportion to the nominal amount of the ordinary share capital held by them respectively and apply that sum on their behalf in paying up in full any shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions or in paying up the whole or part of any amounts which are unpaid in respect of any issued shares in the Company held by them respectively, or otherwise deal with such sum as directed by the resolution provided that the share premium account, the capital redemption reserve, any redenomination reserve and any sum not available for distribution in accordance with the applicable statutory provisions may only be applied in paying up shares to be allotted credited as fully paid up.

6.4 *Issue of Ordinary Shares*

- (a) The Company may from time to time pass an ordinary resolution authorising, in accordance with section 551 of the Companies Act 2006, the Board to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to the maximum nominal amount specified in the resolution. Unless previously revoked, the authority shall expire on the day specified in the resolution (not being more than five years from the date on which the resolution is passed).
- (b) Subject (other than in relation to the sale of treasury shares) to the Board being generally authorised to allot shares and grant rights to subscribe for or to convert any security into shares in the Company in accordance with section 551 of the Companies Act 2006, the Company may from time to time resolve, by special resolution, that the Board be given power to allot equity securities for cash as if section 561 of the Companies Act 2006 did not apply to the allotment but that power shall be limited: (A) to the allotment of equity securities in connection with a rights issue; and (B) to the allotment (other than in connection with a rights issue) of equity securities having a nominal amount not exceeding in aggregate the sum specified in the special resolution. The authority shall expire on the day specified in the resolution.

6.5 *Alteration of share capital*

- (a) The Company may exercise the powers conferred by the applicable statutory provisions to:
- (i) increase its share capital by allotting new shares;
 - (ii) reduce its share capital;
 - (iii) sub-divide or consolidate and divide all or any of its share capital; and
 - (iv) redenominate all or any of its shares and reduce its share capital in connection with such redenomination.

6.6 *Variation of class rights*

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class. Unless otherwise expressly provided by the rights attached to any class of shares, those rights shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them or by the purchase or redemption by the Company of any of its own shares.

6.7 *Transfer of Ordinary Shares*

Save as described below, the Ordinary Shares will be freely transferable upon Admission.

A member may transfer all or any of his or her shares in any manner which is permitted by any applicable statutory provision and is from time to time approved by the Board. The Company shall maintain a record of uncertificated shares in accordance with the relevant statutory provisions.

A member may transfer all or any of his or her certificated shares by an instrument of transfer in any usual form, or in such other form as the Board may approve. The instrument of transfer shall be signed by or on behalf of the transferor and, except in the case of a fully paid share, by or on behalf of the transferee. The Board may, in its absolute discretion, refuse to register any instrument of transfer of any certificated share which is not fully paid up (but not so as to prevent dealings in listed shares from taking place on an open and proper basis) or on which the Company has a lien. The Board may also refuse to register any instrument of transfer of a certificated share unless it is left at the registered office, or such other place as the Board may decide, for registration, accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may reasonably require to prove title of the intending transferor or his or her right to transfer shares; and it is in respect of only one class of shares. If the Board refuses to register a transfer of a certificated share it shall, as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged, give to the transferee notice of the refusal together with its reasons for refusal. The Board must provide the transferee with such further information about the reasons for the refusal as the transferee may reasonably request. Unless otherwise agreed by the Board in any particular case, the maximum number of persons who may be entered on the register as joint holders of a share is four.

6.8 *Disclosure of interests in Ordinary Shares*

If the holder of, or any person appearing to be interested in, any share has been given a notice requiring any of the information mentioned in section 793 of the Companies Act 2006 (the “**Section 793 Notice**”) and, in respect of that share (a “**Default Share**”), has been in default for a period of 14 days after the Section 793 Notice has been given in supplying to the Company the information required by the Section 793 Notice, the following restrictions shall apply: (A) if the Default Shares in which any one person is interested or appears to the Company to be interested represent less than 0.25% of the issued shares of the class, the holders of the Default Shares shall not be entitled, in respect of those shares, to attend or to vote, either personally or by proxy, at any general meeting of the Company; or (B) if the Default Shares in which any one person is interested or appears to the Company to be interested represent at least 0.25% of the issued shares of the class, the holders of the Default Shares shall not be entitled, in respect of those shares:

- (a) to attend or to vote, either personally or by proxy, at any general meeting of the Company; or
- (b) to receive any dividend or other distribution; or
- (c) to transfer or agree to transfer any of those shares or any rights in them.

6.9 *Forfeiture of shares*

If the whole or any part of any call or instalment remains unpaid on any share after the due date for payment, the Board may give a notice to the holder requiring him or her to pay so much of the call or instalment as remains unpaid, together with any accrued interest.

If the requirements of a notice are not complied with, any share in respect of which it was given may (before the payment required by the notice is made) be forfeited by a resolution of the Board. The

forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

Every share which is forfeited or surrendered shall become the property of the Company and (subject to the applicable statutory provisions) may be sold, re-allotted or otherwise disposed of, upon such terms and in such manner as the Board shall decide either to the person who was before the forfeiture the holder of the share or to any other person and whether with or without all or any part of the amount previously paid up on the share being credited as so paid up.

6.10 *Uncertificated shares-general powers*

In relation to any uncertificated share, the Company may utilise the relevant system in which it is held to the fullest extent available from time to time in the exercise of any of its powers or functions under any applicable statutory provision or the Articles or otherwise in effecting any action. Any provision in the Articles in relation to uncertificated shares which is inconsistent with any applicable statutory provision or the exercise of any powers or functions, including actions by means of a relevant system, by the Company shall not apply. The Company may, by notice to the holder of an uncertificated share, require the holder to change the form of that share to certificated form within such period as may be specified in the notice. For the purpose of effecting any action by the Company, the Board may determine that shares held by a person in uncertificated form and in certificated form shall be treated as separate holdings but they shall not be treated as separate classes of shares.

6.11 *Communications by the Company*

Subject to the applicable statutory provisions, a document or information may be sent or supplied by the Company to any member in electronic form to such address as may from time to time be authorised by the member concerned or by making it available on a website and notifying the member concerned (in accordance with the applicable statutory provisions) that it has been made available. A member shall be deemed to have agreed that the Company may send or supply a document or information by means of a website if the applicable statutory provisions have been satisfied.

6.12 *General Meetings*

An annual general meeting shall be held in accordance with the applicable statutory provisions. Other general meetings shall be held whenever the Board thinks fit or on the requisition of the Shareholders in accordance with the Companies Act 2006.

Subject to the applicable statutory provisions, an annual general meeting shall be called by not less than 21 clear days' notice and all other general meetings shall be called by not less than 14 clear days' notice or by not less than such minimum notice period as is permitted by the applicable statutory provisions.

The requisite quorum for general meetings of the Company shall be two qualifying persons entitled to vote on the business to be transacted at the meeting. A qualifying person is an individual who is a member of the Company; a corporate representative; or a proxy.

6.13 *Directors*

(a) Appointment, resignation and termination

The Directors shall not, unless otherwise determined by an ordinary resolution of the Company, be less than two in number.

Following Admission, for so long as there is a controlling shareholder (as defined in the Listing Rules), the Articles allow for the election or re-election of any independent director to be approved by separate resolutions of: (i) the Shareholders, acting as a whole; and (ii) the Shareholders excluding any controlling shareholder. If either of the resolutions is defeated, the Directors may propose a further resolution to elect or re-elect the proposed independent director, which: (i) must not be voted on within a period of 90 days of the original vote; (ii) must be voted on within a period of 30 days from the end of the period in (i); and (iii) must be passed by a vote of the shareholders of the Company, acting as a whole.

A director need not be a member of the Company.

At each annual general meeting every director shall retire from office. A retiring director shall be eligible for re-election, and a director who is re-elected will be treated as continuing in office without a

break. A retiring director who is not re-elected shall retain office until the close of the meeting at which he or she retires. If the Company, at any meeting at which a director retires in accordance with the Articles, does not fill the office vacated by such director, the retiring director, if willing to act, shall be deemed to be re-elected, unless at the meeting a resolution is passed not to fill the vacancy or to elect another person in his or her place or unless the resolution to re-elect him or her is put to the meeting and not passed.

(b) Conflicts of Interest

If a situation (a “**Relevant Situation**”) arises in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company but which does not arise in relation to a transaction or arrangement with the Company, the director must declare the nature and extent of his or her interest to the other directors and the directors (other than the director, and any other director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) or a committee thereof may: (i) if the Relevant Situation arises from the appointment or proposed appointment of a person as a director of the Company, resolve to authorise the appointment of the director and the Relevant Situation on such terms as they may determine; and (ii) if the Relevant Situation arises in other circumstances, resolve to authorise the Relevant Situation and the continuing performance by the director of his or her duties on such terms as they may determine. Any terms of such authorisation may be imposed at the time of the authorisation or may be imposed or varied subsequently and may include (without limitation):

- (i) whether the interested directors may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the Relevant Situation;
- (ii) the exclusion of the interested directors from all information and discussion by the Company of the Relevant Situation; and
- (iii) (without prejudice to the general obligations of confidentiality) the application to the interested directors of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the Relevant Situation.

Any authorisation of a Relevant Situation may provide that, where the interested director obtains (other than through his or her position as a director of the Company) information that is confidential to a third party, he or she will not be obliged to disclose it to the Company or to use it in relation to the Company’s affairs in circumstances where to do so would amount to a breach of that confidence.

If a director is in any way, directly or indirectly, interested in a proposed or an existing transaction or arrangement with the Company, he or she must declare the nature and extent of that interest to the other directors.

Subject to any applicable statutory provisions and to having declared his or her interest to the other directors in accordance with the Articles, a director may:

- (i) enter into or be interested in any transaction or arrangement with the Company, either with regard to his or her tenure of any office or position in the management, administration or conduct of the business of the Company, or as vendor, purchaser or otherwise;
- (ii) hold and be remunerated in respect of any other office or place of profit with the Company (except that of auditor) in conjunction with his or her office of director;
- (iii) act by himself or herself or his or her firm in a professional capacity for the Company (except as auditor) and be entitled to remuneration for professional services as if he or she were not a director;
- (iv) be or become a member or director of, or hold any other office or place of profit under, or otherwise be interested in, any holding company or subsidiary undertaking of that holding company or any other company in which the Company may be interested; and
- (v) be or become a director of any other company in which the Company does not have an interest if that cannot reasonably be regarded as likely to give rise to a conflict of interest at the time of his or her appointment as a director of that other company.

(c) Remuneration

The Directors shall be paid such fees as the Board may decide to be divided among them in such proportion and manner as they may agree or, failing agreement, equally. Any fee payable shall be

distinct from any remuneration or other amounts payable to a director under other provisions of the Articles and shall accrue from day to day.

The Board may grant special remuneration to any director who performs any special or extra services to or at the request of the Company. Such special remuneration may be paid by way of lump sum, salary, commission, participation in profits or otherwise as the Board may decide in addition to any remuneration payable under or pursuant to any of the Articles.

Subject to any guidelines or procedures set out in a director's appointment letter, directors shall be paid out of the funds of the Company all travelling, hotel and other expenses properly incurred by him or her in and about the discharge of his or her duties, including his or her expenses of travelling to and from board meetings, committee meetings and general meetings. Subject to any guidelines and procedures established from time to time by the Board, a director may also be paid out of the funds of the Company all expenses incurred by him or her in obtaining professional advice in connection with the affairs of the Company or the discharge of his or her duties as a director.

The Board may exercise all the powers of the Company to:

- (i) pay, provide, arrange or procure the grant of pensions or other retirement benefits, death, disability or sickness benefits, health, accident and other insurances or other such benefits, allowances, gratuities or insurances, including in relation to the termination of employment, to or for the benefit of any person who is or has been at any time a director of the Company or in the employment or service of the Company or of any body corporate which is or was associated with the Company or of the predecessors in business of the Company or any such associated body corporate, or the relatives or dependants of any such person. For that purpose the Board may procure the establishment and maintenance of, or participation in, or contribution to, any pension fund, scheme or arrangement and the payment of any insurance premiums;
- (ii) establish, maintain, adopt and enable participation in any profit sharing or incentive scheme including shares, share options or cash or any similar schemes for the benefit of any director or employee of the Company or of any associated body corporate, and to lend money to any such director or employee or to trustees on their behalf to enable any such schemes to be established, maintained or adopted; and
- (iii) support and subscribe to any institution or association which may be for the benefit of the Company or of any associated body corporate or any directors or employees of the Company or associated body corporate or their relatives or dependants or connected with any town or place where the Company or an associated body corporate carries on business, and to support and subscribe to any charitable or public object whatsoever.

(d) Indemnity

As far as the applicable statutory provisions allow, the Company may:

- (i) indemnify any director of the Company (or of an associated body corporate) against any liability;
- (ii) indemnify a director of a company that is a trustee of an occupational pension scheme for employees (or former employees) of the Company (or of an associated body corporate) against liability incurred in connection with the company's activities as trustee of the scheme;
- (iii) purchase and maintain insurance against any liability for any director referred to in (i) or (ii) above; and
- (iv) provide any director referred to in paragraph (i) or (ii) above with funds (whether by loan or otherwise) to meet expenditure incurred or to be incurred by him or her in defending any criminal, regulatory or civil proceedings or in connection with an application for relief (or to enable any such director to avoid incurring such expenditure).

(e) Proceedings of the Board

A director may at any time, and the secretary may at the request of a director, call a meeting of the Board. The Board may meet for the dispatch of business, adjourn and otherwise regulate its meeting as it thinks fit. This includes at a meeting which consists of a conference between directors some or all of whom are in different places provided that each director may participate in the business of the meeting by any means which allows him or her both to hear each of the other participating directors (or

otherwise receive real-time communications made by them), and, if he or she so wishes, to address all of the other participating directors (or otherwise communicate in real time with them).

The quorum for board meetings, unless fixed by the Board at any other number, shall be two. A board meeting at which a quorum is present shall be competent to exercise all the powers, authorities and discretions vested in or exercisable by the Board.

The Board may appoint a chair and one or more deputy chair or chairmen and may at any time revoke such an appointment. The chair, or failing him any deputy chair (the longest in office taking precedence, if more than one is present), shall, if present and willing, preside at all board meetings but, if no chair or deputy chair has been appointed, or if he or she is not present within five minutes after the time fixed for holding the meeting or is unwilling to act as chair of the meeting, the directors present shall choose one of their number to act as chair for that meeting.

Questions arising at a board meeting shall be determined by a majority of votes. A resolution which is signed or approved by all the directors entitled to vote on that resolution shall be valid and effectual as if it had been passed at a board meeting duly called and constituted.

All acts executed in a *bona fide* manner by a meeting of the Board, of a committee, or by any person acting as a director or committee member, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or committee or of the person so acting, or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and qualified to be a director and had continued to be a director or member of the committee and had been entitled to vote.

6.14 Borrowing power

There is no requirement on the directors to restrict the borrowing of the Company or any of its subsidiary undertakings.

6.15 Dividends

(a) Declaration of dividends

The Company may, by ordinary resolution, declare a final dividend to be paid to the members, according to their respective rights and interests in the profits, and may fix the time for payment of such dividend, but no dividend shall exceed the amount recommended by the Board.

(b) Interim dividends

The Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the Board whenever the financial position of the Company, in the opinion of the Board, justifies its payment. If the Board acts in good faith, none of the directors shall incur any liability to the holders of shares conferring preferred rights for any loss such holders may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights.

(c) Calculation and currency of dividends

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide: (A) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated as paid up on the share; (B) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; and (C) dividends can be declared or paid in whatever currency the directors decide using an exchange rate selected by the directors for any currency conversions required and the directors can also decide how any costs relating to the choice of currency will be met.

(d) Dividends not to bear interest

No dividend or other moneys payable by the Company on or in respect of any share shall bear interest as against the Company unless otherwise provided by the rights attached to the share.

(e) Calls or debts may be deducted from dividends

The Board may deduct from any dividend or other moneys payable to any person (either alone or jointly with another) on or in respect of a share all such sums as may be due from him or her (either alone or

jointly with another) to the Company on account of calls or otherwise in relation to shares of the Company.

(f) Dividends in specie

With the authority of an ordinary resolution of the Company and on the recommendation of the Board, payment of any dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company.

(g) Scrip dividends

The Board may, with the authority of an ordinary resolution of the Company, offer any holders of ordinary shares the right to elect to receive further shares of that class by way of scrip dividend instead of cash in respect of all (or some part) of any dividend specified by the ordinary resolution.

(h) Unclaimed dividends

Any dividend unclaimed for a period of twelve years after having been declared shall be forfeited and cease to remain owing by the Company.

7. Directors and Senior Management

7.1 The Directors and members of Senior Management, their functions within the Group and brief biographies are set out in “*Management and Corporate Governance*”.

7.2 Each of the Directors and Senior Managers can be contacted at the Company’s registered office address at Horton House, Exchange Flags, Liverpool, Merseyside L2 3PF, United Kingdom.

7.3 In addition to their directorships of the Company and other members of the Group, the Directors and the Senior Management hold, or have held, the following directorships or equivalent roles and are or were members of the following partnerships, within the previous five years prior to the date of this Prospectus:

<u>Name</u>	<u>Company/Partnership</u>	<u>Position still held</u>
Paul Manduca	St Justin Properties Ltd	Yes
	St James’s Place plc	Yes
	Templeton Emerging Markets Investment Trust Public Limited Company	Yes
	Prudential Public Limited Company	No
	Retail Money Market Ltd	No
Martin Vohánka	Couverina Business, s.r.o.	Yes
	D111 Properties a.s.	Yes
	Klub investorov T&G SK, s. r. o.	Yes
	Nadace BLÍŽKSOBĚ	Yes
	Bitustore, a.s.	Yes
Magdalena Bartoš	Copernicus Securities S.A.	Yes
	Paged S.A.	No
	Sklejka Pisz Paged S.A.	No
	Mespila Capital Sp. z o.o.	No
	Paged Trade Sp. z o.o.	No
	Paged Meble S.A.	No
	Forbis Group Sp. z o.o.	No
	Paged consultants Sp. z o.o.	No
	Ivopol Sp. z o.o.	No
	Paged Investments Sp. z o.o.	No
	Mineralna Development Sp. z o.o.	No
	Paged Property Sp. z o.o.	No
	Paged Capital Sp. z o.o.	No
	Europa Systems Sp. z o.o.	No
	Paged Sklejka S.A.	No
	Energetyczne Centrum S.A.	No
	Energia dla Firm S.A.	No
Joseph Morgan Seigler	TA Associates (UK), LLP	Yes
	TA Investors IV EU AIV, L.P.	Yes

<u>Name</u>	<u>Company/Partnership</u>	<u>Position still held</u>
	Auction Technology Group plc	Yes
	ITRS Group Ltd	Yes
	The Access Group	Yes
	think project! GmbH	Yes
	Netrisk	Yes
	IFS AB	Yes
	Compusoft	Yes
	Sovos Compliance, LLC	Yes
	Flash Topco Limited	Yes
	Flash Bidco Limited	Yes
	Simplicity Marketing Limited	Yes
	Bigpoint GmbH	No
	LIST SpA	No
	Auction Topco Limited	No
	Auction Holdco Limited	No
	Auction Midco Limited	No
	Auction Bidco Limited	No
	Gong Cha Global Limited	No
	GC Group Midco Limited	No
	Gong Cha Limited	No
	Mozart Topco Limited	No
	Mozart Midco Limited	No
	Mozart Bidco Limited	No
	Armstrong Topco Limited	No
	Accolade PFSCO Limited	No
	Accolade Topco Limited	No
	Accolade Midco Limited	No
	Accolade Bidco Limited	No
Mirjana Blume	Industrielle Werke Basel	Yes
	W.A.G payment solutions	Yes
	OFH Group	Yes
	Eniso Partners AG	Yes
	Energie und Wasser Erlenbach AG	Yes
	Qnective AG	Yes
	GoldbachGroup	No
	SML Solutions AG	Yes
	Jedlix B.V	No
Caroline Brown	Clifford Chance LLP	Yes
	Georgia Capital plc	Yes
	IP Group plc	Yes
	Luceco plc	Yes
	Rockley Photonics Limited	Yes
	The Gray's Inn Mansion Limited	Yes
	Shoare Management Company Limited	Yes
	Earthport plc	No
	Hydrodec Group plc	No
	IEH plc	No
	NAHL Group plc	No
	Raspberry Pi Foundation	No
Sharon Baylay	Indigo Blu Investments Limited	Yes
	Hyve plc	Yes
	Restore plc	Yes
	Unique X Ltd	Yes
	Foundation SP Ltd	Yes
	DriveWorks Ltd	Yes
	Ted Baker plc	No
	Exclaimer Ltd	No
	Market Tech Ltd	No

<u>Name</u>	<u>Company/Partnership</u>	<u>Position still held</u>
Susan Hooper	Moonpig Group plc	Yes
	Uber London Limited	Yes
	Uber Britannia Limited	Yes
	Affinity Water Ltd	Yes
	The Rank Group Plc	Yes
	Abundance Investment	Yes
	Echo Research Limited	Yes
	The Founders Factory	Yes
	Berkeley Capital Group Limited	Yes
	Chapter Zero Ltd	Yes
	Caresourcer Ltd	Yes
	Quin	Yes
	Department for Exiting the EU (DExEU)	No
	Wizz Air Plc	No
	LUISS University Business School	No
Ivan Jakúbek	I.F. Trust a.s	Yes
	Central European Advisory, s.r.o.	Yes

7.4 Save as set out above, none of the Directors or the Senior Management has any business interests, or performs any activities, outside the Group which are significant with respect to the Group.

7.5 At the date of this document, except as disclosed in paragraph 7.6, none of the Directors or Senior Management has at any time within the last five years:

- (a) had any convictions in relation to fraudulent offences;
- (b) been declared bankrupt or been the subject of any individual voluntary arrangement;
- (c) been associated with any bankruptcy, receivership or liquidation in his or her capacity as director or senior manager;
- (d) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies);
- (e) been disqualified by a court from acting as a director;
- (f) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company;
- (g) been a partner or senior manager in a partnership which, while he or she was a partner or within 12 months of him or her ceasing to be a partner, was put into compulsory liquidation or administration or which entered into any partnership voluntary arrangement;
- (h) owned any assets which have been subject to a receivership or been a partner in a partnership subject to a receivership where he or she was a partner at that time or within the 12 months preceding such event; or
- (i) been an executive director or senior manager of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors, at any time during which he or she was an executive director or senior manager of that company or within 12 months of him or her ceasing to be an executive director or senior manager.

7.6 In June 2018, Magdalena Bartoś was invited to join the Supervisory Board of each of Energetyczne Centrum S.A. and Energia dla Firm S.A., both Polish electricity and gas retailers, to assist with addressing liquidity issues relating to open positions for electricity and gas trades that were being faced by each entity at the time of her appointment. During the six months she spent in these roles, Magdalena was closely involved in monitoring the financial situation of the companies and in supporting management in its dialogue with the Polish Energy Regulatory Office and lending banks. Management ultimately filed for bankruptcy of each of the entities and the court decisions confirming the bankruptcy of these companies were made in December 2018. No criticism or action was taken or

threatened towards the members of the Supervisory Board in connection with the bankruptcy of these companies.

- 7.7 Save as set out below, there are:
- (a) no potential conflicts of interest between any duties to the Company of the Directors and members of Senior Management and their private interests and/or other duties; and
 - (b) no arrangements or understandings with the Shareholders, members, suppliers or others pursuant to which any Director or member of Senior Management was selected other than the appointment of Joseph Morgan Seigler whose nomination for appointment by the Shareholders shall be governed by the terms of the Relationship Agreements (see “—*Material Contracts—Relationship Agreements*”).
- 7.8 Each of the Directors has a statutory duty under the Companies Act 2006 to avoid conflicts of interests with the Company and to disclose the nature and extent of any such interest to the Board. Under the Articles and, as permitted by the Companies Act 2006, the Board may authorise any matter which would otherwise involve a Director breaching this duty to avoid conflicts of interest and may attach to any such authorisation such conditions and/or restrictions as the Board deems appropriate (including in respect of the receipt of information or restrictions on participation at certain Board meetings), in accordance with the Articles (as summarised in paragraph 6 above).
- 7.9 Joseph Morgan Seigler has been appointed to the Board of the Company by TA Associates. Amongst other things, TA Associates may from time to time acquire and hold interests in businesses that compete directly or indirectly with the Group, or with which the Group conducts business.
- 7.10 In addition, under the terms of the Relationship Agreements, Joseph Morgan Seigler, as a nominee director of TA Associates, will be required to declare the nature and extent of any conflict which requires to be declared to the Board pursuant to the Companies Act 2006 or the Articles and, unless a majority of the independent Directors consents or agrees otherwise, may not vote or participate in any part of a meeting of the Board that relates to that matter. The Nominee Directors will also not receive information in respect of any such matter.
- 7.11 There are no family relationships between any of the Directors or members of Senior Management.

8. Directors’ and Senior Management’s interests in the Company

- 8.1 As at the date of this Prospectus and as is expected to be the position immediately following Admission, except as disclosed in paragraph 8.2 below, none of the Directors nor the members of Senior Management, and none of their respective immediate families, has any interest in the share capital of the Company which:
- (a) is required to be notified to the Company pursuant to Article 19 of the UK Market Abuse Regulation;
 - (b) is an interest of a connected person (within the meaning of Schedule 11B of the FSMA), which would be required to be disclosed under paragraph (a) above and the existence of which is known to or could with reasonable diligence be ascertained by that Director or member of Senior Management, as at the date of this Prospectus; or
 - (c) would have been required to be disclosed by paragraph (a) or (b) above if the relevant member of Senior Management had been a PDMR of the Company.

- 8.2 The following table set out the interests of the Directors and members of Senior Management (all of which are beneficial and include interest of persons connected to them) in the share capital of the Company at the date of this document and immediately following Admission:

Director/Senior Management	Interests in Ordinary Shares at the date of this document		Interests in Ordinary Shares immediately following Admission	
	Number of Ordinary Shares ⁽¹⁾	Percentage of issued Ordinary Share capital (%)	Number of Ordinary Shares ⁽²⁾	Percentage of issued Ordinary Share capital (%)
Paul Manduca	0	0	0	0
Martin Vohánka	331,880,128	57.72	329,195,021 ⁽³⁾	47.78
Magdalena Bartoš	190,181	0.03	324,151	0.05
Joseph Morgan Seigler . . .	0	0	0	0
Mirjana Blume	0	0	0	0
Caroline Brown	0	0	0	0
Sharon Baylay	0	0	0	0
Susan Hooper	0	0	0	0
Ivan Jakúbek	12,823,822 ⁽⁴⁾	2.23	12,091,679 ⁽⁵⁾	1.76
Sundeep Mehta	0	0	0	0

(1) Includes Ordinary Shares issued and exchanged pursuant to the Pre-IPO Subscription.

(2) Includes Ordinary Shares issued pursuant to the IPO bonus, less any Ordinary Shares sold in the Global Offering.

(3) 135,775,918 Ordinary Shares are held directly by Martin Vohánka and 193,419,103 Ordinary Shares are held by Couverina Business, s.r.o, a Czech company wholly owned by Martin Vohánka.

(4) 3,121,159 Ordinary Shares are held directly by Ivan Jakúbek and 9,702,663 Ordinary Shares are held by I. Family Invest Trust LTD, a Cypriot company wholly owned by Ivan Jakúbek. As at the date of this document there is an outstanding loan of Euro 800,000 owed to Ivan Jakúbek which was used to purchase certain of the Ordinary Shares. This will be repaid at the time of Admission from proceeds received from the sale of Ordinary Shares in the Global Offering.

(5) 2,598,016 Ordinary Shares are held directly by Ivan Jakúbek and 9,502,663 Ordinary Shares are held by I. Family Invest Trust LTD, a Cypriot company wholly owned by Ivan Jakúbek.

- 8.3 The interests of the Directors and members of Senior Management together are expected to represent approximately 60.0% of the issued Ordinary Share capital of the Company at the date of this document and are expected to represent approximately 49.6% of the issued share capital of the Company immediately following Admission.
- 8.4 Save as set out in this paragraph 8, it is not expected that any Director or member of Senior Management will have any interest in the share or loan capital of the Company on Admission and there is no person to whom any capital of any member of the Group is under award or option or agreed unconditionally to be put under award or option.
- 8.5 Save as set out in this paragraph 8, no Director or member of Senior Management has or has had any interest in any transaction which is or was unusual in its nature or conditions or is or was significant to the business of the Group and which was effected by the Company in the current or immediately preceding year or which was effected during an earlier year and remains in any respect outstanding or unperformed.

9. Major shareholders' interests in the Company

- 9.1 Insofar as it is known to the Company as at the date of this Prospectus, the following persons will, on Admission, be directly or indirectly interested (within the meaning of the Companies Act 2006) in 3% or more of the Company's issued share capital (being the threshold for notification of interests that will apply to Shareholders as at Admission pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules), assuming no exercise of the Over-allotment Option:

Shareholder	Interests in Ordinary Shares at the date of this document		Ordinary Shares to be sold in the Global Offering assuming no exercise of the Over-allotment Option		Interests in Ordinary Shares following Admission assuming no exercise of the Over-allotment Option	
	No.	% of total issued	No.	% of total issued	No.	% of total issued
Couverina Business, s.r.o. ⁽²⁾	196,104,211	34.11	6,818,441	0.99	189,285,770	27.48
Bock Capital EU Luxembourg WAG S.à.r.l. ⁽¹⁾	183,533,427	31.92	12,294,330	1.78	171,239,097	24.86
Martin Vohánka	135,775,918	23.61	0	0	135,775,918	19.71
Funds and accounts under the management of Select Equity Group, L.P. ⁽³⁾	0	0	0	0	26,633,333	3.87
FIL Investments International ⁽³⁾	0	0	0	0	32,073,333	4.66

(1) A vehicle affiliated with TA Associates.

(2) A vehicle wholly owned by Martin Vohánka.

(3) Includes Cornerstone Commitments (for further information see “Details of the Global Offering—Cornerstone Investors”).

- 9.2 Save as disclosed above, insofar as is known to the Directors, there is no other person who is or will be immediately following Admission, directly or indirectly, interested in 3% or more of the issued share capital of the Company, or any other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company.
- 9.3 The Directors have no knowledge of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

10. Overview of remuneration strategy and policy

10.1 Group Policy

In anticipation of Admission, the Company undertook a review of the Group’s remuneration policy for senior employees, including the Executive Directors, to ensure that it is appropriate for the listed company environment, taking into account good practice in the UK and recognising the various jurisdictions in which the Company’s senior executives and employees work and reside. In undertaking this review, the Remuneration Committee sought independent, specialist advice.

The main objectives of the remuneration policy, which will apply from Admission, are to attract, retain and motivate the Executive Directors and senior employees, incorporating incentives that align with and support the Group’s business strategy as it evolves, and which align executives to the creation of long-term shareholder value. To support the Company’s growth ambitions, a significant proportion of potential total remuneration for the Company’s most senior employees will, therefore, be performance-related and will be delivered in awards over Ordinary Shares.

The Remuneration Committee will oversee the implementation of the Company’s remuneration policy and, in particular, will seek to ensure that the Company’s most senior employees are properly rewarded for the Group’s performance and the delivery of the Group’s strategy.

At the annual general meeting of the Company to be held in 2022, as required under UK company law, shareholder approval will be sought for the Directors’ remuneration policy, the main features of which are described below (and which may be subject to amendment following Admission to the extent the Remuneration Committee considers appropriate).

10.2 Directors’ remuneration policy following Admission

(a) Base pay

An executive director’s base pay will take into account the individual’s experience, performance, level of responsibility, the scope and nature of the role. Base pay payable by the Group has been set at an appropriate level in the context of salaries in companies of a broadly similar size. The

Remuneration Committee will keep base pay levels under review over the three-year life of the first Directors' remuneration policy.

(b) Pension and benefits

Pension participation may be offered to executive directors and would be no more generous than any applicable local arrangements implemented for employees. Executive directors may receive other benefits (for example, the provision of life and accident insurance, private medical cover, mobile telephone, car allowance and other market standard benefits). Relocation benefits may also be payable on a case by case basis.

(c) Annual Bonus

Executive directors will be eligible to participate in an annual performance related bonus plan although the Company's founder and Chief Executive Officer will not participate.

The Company will operate an annual bonus plan (the "ABP").

The Company's policy will allow a maximum annual bonus level under the ABP of up to 150% of base pay per annum but a maximum annual bonus level of 125% of base pay per annum is currently anticipated and this will apply in 2021.

In respect of bonus earned in respect of 2022 and thereafter deferral of ABP bonus outcomes will apply for the executive directors participating in the ABP. One third of any ABP bonus outcomes achieved for the relevant financial year will be made in the form of awards over Ordinary Shares under the Company's Deferred Bonus Share Plan ("DBSP") which will vest after a three year period. A summary of the principal terms of the DBSP is set out in "*Additional Information—Share Incentive Plans—Overview of the new Employee Share Plans—Summary of the DBSP*".

DBSP awards will normally be made each year within six weeks of the announcement of annual results. The first awards under the DBSP are currently timetabled for grant in 2023 following the announcement of the Company's annual results for 2022. The DBSP may also be operated at the discretion of the Remuneration Committee in respect of other senior employees.

Although weightings and metrics will continue to be reviewed and may be varied for future years, the Company bonus for the Chief Financial Officer for the current year (2021) is based 80% on Group EBITDA and 20% on Group non-diesel revenues. These targets will be applied for the full 12 months ending 2021. For other senior employees the same targets or business unit related targets apply.

The Remuneration Committee will provide appropriate levels of disclosure on a retrospective basis of the measures and targets used in the ABP in the Directors' remuneration report. As required by the Governance Code, the Remuneration Committee will retain a power to moderate the levels of annual bonus plan outcomes for any year if this is appropriate in all of the circumstances, including consideration of shareholder and broader stakeholder experience.

Once set, performance measures and targets will generally remain unaltered unless events occur which, in the Remuneration Committee's opinion, make it appropriate to make adjustments to the performance conditions so that they maintain their commercial relevance.

(d) Long-Term Incentive

Executive directors and other selected employees will be eligible to participate in the Company's performance share plan ("PSP").

The maximum value of a PSP award for any executive director in any financial year is an award over Ordinary Shares with a value (as at the date of award) of 150% of base pay. The Company's intended policy is to make annual PSP awards at this level to its executive directors other than the Company's founder and Chief Executive Officer who will not participate in the PSP.

Any awards granted under the PSP to executive directors will normally vest after three years from the award date and then be subject to a two year post vesting holding period in respect of vested shares (net of sales of shares for applicable taxation).

Vesting of PSP awards granted to executive directors will be subject to the achievement of performance conditions determined by the Remuneration Committee.

As required by the Governance Code, the Remuneration Committee will retain a power to moderate the vesting levels from awards if this is appropriate in all of the circumstances, including consideration of shareholder and broader stakeholder experience.

Awards granted without performance conditions (restricted share awards) may also be granted under the PSP but not to executive directors. Restricted share awards may be subject to underpin measures (such as satisfactory personal performance and/or achievement of role related goals).

The first awards under the PSP will be granted at or shortly following Admission.

The normal performance share awards included within the first awards under the PSP to the Chief Financial Officer and approximately 15 other senior employees will be subject to sliding scale adjusted EBITDA performance targets (which will be re-expressed as adjusted EBITDA per share following Admission once the capital structure is settled) for the financial year ending 31 December 2023. The targets will be set on grant and will require significant growth on 2020 EBITDA.

The normal performance share award to the Chief Financial Officer would be granted at 150% of base pay and the same or lower grant levels would apply to others.

In recognition of legacy entitlements the Chief Financial Officer and Chief Strategy Officer will also each receive an additional “one-off” performance share award (granted at the same time as their normal performance share award noted above) of reference grant value €1.2 million. Such additional performance share awards will be subject to sliding scale adjusted EBITDA performance targets (which will be re-expressed as adjusted EBITDA per share following Admission once the capital structure is settled) for the financial year ending 31 December 2022. The targets will be set on grant and will require significant growth on 2020 EBITDA.

The additional performance share awards would have normal vesting dates of 1 April 2023 in the case of the Chief Financial Officer and 1 October 2023 in the case of the Chief Strategy Officer with a two year post vesting holding period in respect of vested shares (net of sales of shares for applicable taxation) commencing on the applicable vesting date.

It is currently anticipated that the first performance share awards (including the additional ones noted above) under the PSP would be granted over Ordinary Shares having an aggregate market value at grant of approximately GBP 867,000 by reference to the Offer Price.

From 2022, PSP awards will normally be made each year within six weeks of the announcement of annual results.

A summary of the principal terms of the PSP is set out in “*Additional Information—Share Incentive Plans—Overview of the new Employee Share Plans—Summary of PSP*”.

(e) Malus and clawback

Consistent with best practice, malus and clawback provisions will be operated at the discretion of the Remuneration Committee in respect of both the ABP (including the awards made under the DBSP) and PSP. A summary of the principal circumstances in which malus and clawback may be operated is set out in the summaries of the DBSP and PSP.

(f) All-employee share plans

Executive directors will be entitled to participate in any all-employee share plans operated by the Company, on the same terms as other employees.

(g) Share ownership guidelines

Formal shareholding guidelines will be implemented that require executive directors to build and maintain a shareholding in the Company. Executive directors will be subject to a shareholding requirement of 200% of base pay.

It is expected that executive directors must ordinarily retain all vested Ordinary Shares from the Company’s share plans (net of sales for applicable taxation) until the requirement is achieved. The equivalent net value of unvested Ordinary Shares subject to any awards held by an

executive director to which only time-based vesting or a holding period applies will count towards the shareholding requirement.

The shareholding requirement will continue to apply for a period of two years after termination of employment, with the obligation being to retain the lower of the shareholding requirement or those Ordinary Shares held towards the shareholding requirement at the date of termination. For such purposes the shareholding requirement will halve upon the commencement of the second year following termination.

(h) Service Agreements

The policy is that each executive director's service agreement should be of indefinite duration, subject to termination by the Company or the individual on 6 months' notice. The service agreements of the Executive Directors comply with that policy. A summary of the principal terms of the Executive Directors' service agreements is set out in "*Additional Information—Directors' and Senior Management's remuneration—Executive Directors*".

(i) Recruitment remuneration policy

New executive director hires (including those promoted internally) will be offered remuneration packages in line with the Company's remuneration policy in force at the time. In addition to the above elements of remuneration, the Remuneration Committee may, in exceptional circumstances, consider it appropriate to grant an award under a different structure to facilitate the buyout of outstanding awards held by an individual on recruitment. Any buyout award would be limited to what the Remuneration Committee considers to be a fair estimate of the value of awards forfeited when leaving the former employer and will be structured, to the extent possible, to take into account other key terms (such as vesting schedules and performance targets) of the awards which are being replaced. The Remuneration Committee may consider it appropriate to provide additional relocation support in certain circumstances.

(j) Termination policy

The Remuneration Committee will consider treatment on termination having regard to all of the relevant facts and circumstances available at the time. This termination policy applies both to any negotiations linked to notice periods on a termination and any treatments that the Remuneration Committee may choose to apply under the discretions available to it under the terms of the ABP, DBSP and PSP, which will take account of typical practice regarding, for example, the treatment of "good" and "bad" leavers. A summary of the leaver provisions under the DBSP and PSP is set out in the summaries of the DBSP and PSP.

The Company has power to enter into settlement agreements with executives and to pay compensation to settle potential legal claims. In addition, and consistent with market practice, in the event of termination of an executive director, the Company may pay a contribution towards the individual's legal fees and fees for outplacement services as part of a negotiated settlement. Any such fees would be disclosed as part of the detail of termination arrangements. For the avoidance of doubt, the termination policy does not include an explicit cap on the cost of termination payments.

(k) Non-Executive Directors' Letters of Appointment

The Chair and the other Non-Executive Directors are appointed by a letter of appointment for an initial period of three years and are subject to annual re-election. Details of each Non-Executive Director's appointment with the Company are set out in "*Additional Information—Directors' and Senior Management's remuneration—Non-Executive Directors*".

The chair's and the other non-executive directors' fees will be set at a level to reflect the amount of time and level of involvement required in order to carry out their duties as members of the Board and its committees, and to attract and retain non-executive directors of the highest calibre with relevant commercial and other experience. The fees paid to the chair are determined by the Remuneration Committee (excluding the chair), and the fees of the other non-executive directors are determined by the Board. No Board member may participate in the approval of their own fees.

The chair and other non-executive directors are not eligible to participate in any of the Company's incentive arrangements from Admission and do not receive pension contributions.

Certain instances of business travel (including any related tax liabilities settled by the Company or another Group company) for non-executive directors may technically be considered as benefits and so the Remuneration Committee expressly reserves the right to authorise such activities and reimbursement of associated expenses within its agreed policies.

(l) Statement of consideration of employment conditions elsewhere in the Group

Pay and employment conditions generally in the Group will be taken into account when setting executive directors' remuneration.

The same reward principles guide reward decisions for all Group employees, including executive directors, although remuneration packages differ to take into account appropriate factors in different areas of the business.

(m) Statement of consideration of shareholder views

The annual general meeting held in 2022 will be the first occasion on which the Company will seek the support of its shareholders for matters relating to the remuneration of executive directors. The Remuneration Committee will ensure that it considers all of the feedback which it receives from its shareholders during this process.

11. Directors' and Senior Management's remuneration

11.1 This section 11 provides information on the service agreements and remuneration arrangements for the Executive Directors and Non-Executive Directors of the Company, and Senior Management, as well as on agreements on performance of office of members of the management board of the Operating Company (the "**Members of the Management Board**").

11.2 The aggregate amount of remuneration paid (including any contingent or deferred compensation), and all benefits in kind granted to the Directors and the Senior Management, consisting of four individuals, by the Company and its intended subsidiaries for services in all capacities in 2020 was CZK 23,045,536 (€871,122 based on the annual average CZK:EUR conversion rate for 2020).

11.3 Under the terms of their service contracts, letters of appointment and applicable incentive plans, effective in the year ended 31 December 2020, the Directors were remunerated as set out below:

<u>Name</u>	<u>Position</u>	<u>Annual salary/fees (CZK)</u>	<u>Other benefits (CZK)</u>
Martin Vohánka	Chief Executive Officer	7,767,480 ⁽¹⁾	457,320 ⁽²⁾
Magdalena Bartoš	Chief Financial Officer	5,866,722 ⁽³⁾	1,183,630 ⁽⁴⁾

Notes:

(1) €293,611 based on the annual average CZK:EUR conversion rate for 2020.

(2) €17,287 based on the annual average CZK:EUR conversion rate for 2020.

(3) €221,762 based on the annual average CZK:EUR conversion rate for 2020.

(4) €44,741 based on the annual average CZK:EUR conversion rate for 2020.

11.4 There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

11.5 *Executive Directors*

(a) On 7 September 2021, the Company entered into new service agreements with Martin Vohánka and Magdalena Bartoš as Executive Directors of the Company. It is intended that the Operating Company will enter into agreements on performance of office with Martin Vohánka and Magdalena Bartoš as Members of the Management Board of the Operating Company. The principal terms of these service contracts and agreements on performance of office are set out below.

General terms

(b) Martin Vohánka is entitled to receive a salary of €300,000 per annum under his service contract and agreement on performance of office. Under the agreement on performance of office, he is eligible for benefits including participation in insurance schemes, use of a company car, fuel card and travel

allowances. He is entitled to 25 days of paid holiday per year (where any paid holiday taken under either of the agreements will also constitute a holiday taken under the other agreement), plus public holidays.

- (c) Magdalena Bartoś is entitled to receive a salary of €390,000 per annum under her service contract and agreement on performance of office. She is currently eligible for an annual discretionary bonus of an amount up to 125% of annual salary and is currently eligible for selection to participate in the proposed new long term incentive plan as detailed in section 10.2 above and in *Additional Information—Share Incentive Plans—Overview of the new Employee Share Plans—Summary of PSP*. Under her agreement on performance of office, she is eligible for benefits including participation in insurance schemes, residency allowance of €1,000 per month, air tickets up to €1,000 per month, reimbursement of tax return preparation costs, use of company car, fuel card, and travel allowances. She is entitled to 25 days of paid holiday per year (where any paid holiday taken under either of the agreements will also constitute holiday taken under the other agreement), plus public holidays.

Termination provisions

- (d) Martin Vohánka's service contract is terminable by either party on 6 months' notice. The Company has the ability to terminate the service contract with immediate effect by making a payment in lieu of notice which shall consist of base salary only (for the purposes of this paragraph, the "**PILON**"). The first instalment of the PILON will be paid within 21 days of either party's written notice of termination. The Company may then pay the remainder of the PILON in equal monthly instalments until the date on which the notice period would have expired had notice been given (for the purposes of this paragraph, the "**Payment Period**"). Martin Vohánka is required to inform the Company immediately in the event that he receives, or has a right to receive, remuneration from any source in respect of his employment or the provision of his services during the Payment Period or relating to the Payment Period ("remuneration" shall include any salary, fee or other benefit). If Martin Vohánka obtains alternative employment or an alternative engagement during the Payment Period, any further monthly instalments of the PILON will be reduced on a pro rata basis by any payment or remuneration in respect of such alternative employment or alternative engagement during the Payment Period or relating to the Payment Period. Termination terms of Martin Vohánka's agreement on performance of office concluded with the Operating Company are the same as the termination terms of the service contract, as described above in this paragraph(d).
- (e) The Company and the Operating Company are entitled to put Martin Vohánka on garden leave during any period of notice under, respectively, the service contract and the agreement on performance of office. During such period of garden leave, Martin Vohánka will be entitled to receive his salary and all contractual benefits.
- (f) Martin Vohánka is subject to post termination of employment restrictions on certain competitive activities.
- (g) Magdalena Bartoś' service contract is terminable by either party on 6 months' notice. The Company has the ability to terminate the service contract with immediate effect by making a payment in lieu of notice which shall consist of base salary only (for the purposes of this paragraph, the "**PILON**"). The first instalment of the PILON will be paid within 21 days of either party's written notice of termination. The Company may then pay the remainder of the PILON in equal monthly instalments until the date on which the notice period would have expired had notice been given (for the purposes of this paragraph, the "**Payment Period**"). Magdalena Bartoś is required to inform the Company immediately in the event that she receives, or has a right to receive, remuneration from any source in respect of her employment or the provision of her services during the Payment Period or relating to the Payment Period ("remuneration" shall include any salary, fee or other benefit). If Magdalena Bartoś obtains alternative employment or an alternative engagement during the Payment Period, any further monthly instalments of the PILON will be reduced on a pro rata basis by any payment or remuneration in respect of such alternative employment or alternative engagement during the Payment Period or relating to the Payment Period. Termination terms of Magdalena Bartoś' agreement on performance of office concluded with the Operating Company are the same as the termination terms of the service contract, as described above in this paragraph (g).
- (h) The Company and the Operating Company are entitled to put Magdalena Bartoś on garden leave during any period of notice under, respectively, the service contract and agreement on performance of office.

During such period of garden leave, Magdalena Bartoś will be entitled to receive her salary and all contractual benefits.

- (i) Magdalena Bartoś is subject to post termination of employment restrictions on certain competitive activities.

11.6 **Non-Executive Directors**

- (a) The Company has appointed six Non-Executive Directors: the Chairman, four independent Non-Executive Directors and one Non-Executive Director who is not determined to be independent. The Non-Executive Directors, including the Chairman, were appointed by letter of appointment. A summary of the terms of appointment of the Non-Executive Directors by the Company is set out below:

<u>Name</u>	<u>Title</u>	<u>Date of appointment to the Board</u>
Paul Manduca	Chair	7 September 2021
Joseph Morgan Seigler	Non-Executive Director	7 September 2021
Mirjana Blume	Senior Independent Non-Executive Director	7 September 2021
Caroline Brown	Independent Non-Executive Director	7 September 2021
Sharon Baylay	Independent Non-Executive Director	7 September 2021
Susan Hooper	Independent Non-Executive Director	7 September 2021

- (b) The Chair is entitled to receive an all-inclusive annual fee of £290,000. The base annual fee for each Non-Executive Director is £60,000. Additional fees will be paid as follows: £15,000 per annum for chairing the Audit Committee, £10,000 per annum for chairing the Remuneration Committee, £11,000 per annum to the Senior Independent Director, and £5,000 per annum for acting as a member of one or more of the Audit, Nomination or Remuneration Committees. Additional fees may also apply in respect ESG to responsibilities.
- (c) In addition, each Non-Executive Director is entitled to be reimbursed for reasonable and properly documented expenses incurred arising from the performance of their duties in accordance with the Company's expenses policy applicable from time to time.
- (d) The Chair's appointment is terminable on six months' notice or, at the Company's sole and absolute discretion, the appointment can be terminated with immediate effect in return for a payment in lieu of notice. The Company has the ability to terminate the Chair's appointment with immediate effect without paying compensation.
- (e) The Non-Executive Directors appointment is terminable on one month's notice or, at the Company's sole and absolute discretion, the appointment can be terminated with immediate effect in return for a payment in lieu of notice. The Company has the ability to terminate a Non-Executive Director's appointment with immediate effect without paying compensation in a finite number of circumstances.
- (f) The Non-Executive Directors are not entitled to participate in the Company's share scheme or any bonus or pension schemes upon termination.
- (g) The appointments of each of the Independent Non-Executive Directors are for an initial term of three years from the date of appointment, unless terminated earlier until the conclusion of the Company's annual general meeting occurring approximately three years from that date. The appointment of each Independent Non-Executive Director is also subject to annual re-election at the general meeting of the Company.
- (h) The appointment of any non-independent Non-Executive Directors is terminable in accordance with the relevant Relationship Agreement (see "*Material Contracts—Relationship Agreements*").
- (i) Each Director is eligible to benefit from the directors' indemnity provided for in the Company's Articles, and for cover under any directors and officers liability insurance policy that the Company maintains from time to time. The Directors may obtain, at the Company's expense, external independent professional advice necessary to enable the Director to carry out their duties.
- (j) The Non-Executive Directors are subject to confidentiality undertakings without limitation in time. They are not subject to non-compete restrictive covenants.

12. **Pension and other end of service schemes**

The Group currently has no pension or other end of service schemes in place.

13. Share Incentive Plans

13.1 Pre-IPO Bonus

On Admission, certain directors, senior managers and employees, including the Chief Financial Officer and the Chief Strategy Officer, will be awarded, in aggregate, 578,000 Ordinary Shares in recognition of services provided in connection with the Global Offering. The Ordinary Shares will be subject to a holding period of one year, save that an employee who receives an award will be permitted to sell in the Global Offering or otherwise sufficient of the Ordinary Shares awarded to fund any tax liability and related subscription cost arising in connection with the award.

13.2 Existing Phantom Plan

(a) Introduction

The Operating Company operated a cash based incentive plan (the “**Phantom Plan**”) that is now closed to further awards.

The Phantom Plan provided for the grant of discretionary awards to selected employees relating to a specified number of notional shares in the Operating Company.

On Admission the subsisting rights held under the Phantom Plan will continue over an equivalent number of notional Ordinary Shares in the Company and the Operating Company’s obligations in respect of the Phantom Plan will be met by the Company.

The relevant notional Ordinary Shares are referred to below as “**Phantom Shares**”.

(b) Vesting terms post Admission

In the normal course Phantom Shares can be sold by participants to the Company from the third anniversary of the grant date of the award of Phantom Shares, subject to the participant’s continued service through to such date.

The Company can also require sale of the Phantom Shares to the Company at that time.

If the year on year growth in the value of the Phantom Shares over their three year vesting period is (i) less than 15% per annum, the price at which the Phantom Shares can be sold will be the prevailing market value of an Ordinary Share at the time of sale; or (ii) greater than 15% per annum, the price at which the Phantom Shares can be sold will be four times the prevailing market value of an Ordinary Share at the time of sale.

(c) Subsisting awards under the Phantom Plan

There are currently 11 participants holding awards under the Phantom Plan that on Admission will continue over, in aggregate, 57,126 Phantom Shares.

The third anniversary vesting date of the awards is either 1 January 2022 or 1 January 2023.

None of the existing participants are Senior Management.

(d) Leavers

If a participant leaves before the vesting date other than as a good leaver their entitlement is limited to no more than market value and ordinarily reduced by up to the market value of the Phantom Shares as at the time of the grant of the award.

13.3 Overview of the new Employee Share Plans

To provide discretionary share based incentive awards to selected employees, the Company has adopted, conditional on Admission, the Performance Share Plan (the “**PSP**”) and the Deferred Bonus Share Plan (the “**DBSP**”).

Details of the proposed operation of the PSP and DBSP in respect of the executive directors including in respect of the proposed initial performance share award under the PSP to the Chief Financial Officer are set out in “*Additional Information—Overview of remuneration strategy and policy—Directors’ remuneration policy—Long-Term Incentive*” and “*Additional Information—Overview of remuneration strategy and policy—Directors’ remuneration policy—Annual Bonus*” respectively.

Separately, to provide flexibility for a broader based share incentive policy, the Company has adopted, conditional on Admission, the Employee Share Plan (the “**ESP**”) for operation at the discretion of the Remuneration Committee.

Paragraphs 13.4 to 13.7 of this Section describe the key unique features of the PSP, DBSP and ESP (together, the “**Share Plans**”) and those which are common to the Share Plans.

13.4 **Summary of PSP**

(a) Operation and eligibility

The Remuneration Committee will supervise the operation of the PSP. Any employee (including an executive director) of the Group will be eligible to participate in the PSP at the discretion of the Remuneration Committee.

(b) Structure of awards under the PSP

The Remuneration Committee may grant awards to acquire Ordinary Shares as conditional share awards or as nil (or nominal) cost options. The Remuneration Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

Awards will comprise a single part unless the Remuneration Committee determines that an award will comprise a number of distinct parts, in which case each part will be treated as if it were a separate award for the purposes of the PSP.

(c) Timing of grants

The Remuneration Committee may grant awards within 90 days of Admission. Thereafter, the Remuneration Committee may grant awards within six weeks following the Company’s announcement of its results for any period. The Remuneration Committee may also grant awards at any other time when it considers there to be exceptional circumstances which justify the granting of awards (for example, in the case of recruitment).

(d) Individual limit

Subject to the “one-off” exceptions noted below, an employee may not receive awards in any financial year in respect of Ordinary Shares having a market value in excess of 150% of their annual base pay in that financial year.

The exceptions are the proposed additional performance share awards for the Chief Financial Officer and one other which will not count towards the annual limit.

Market value for this purpose will be based on the market value of Ordinary Shares on the dealing day immediately preceding the grant of an award (or by reference to a short averaging period) save in the case of the first awards under the PSP for which the Offer Price may be taken as market value.

(e) Extent of vesting

Vesting of awards for executive directors will be subject to performance conditions set by the Remuneration Committee. Performance conditions may also apply in the case of awards to others but need not do so.

The Remuneration Committee may vary the performance conditions applying to any award after it is granted if an event occurs which causes the Remuneration Committee to consider that it would be appropriate to amend the performance conditions, provided the Remuneration Committee acts fairly and reasonably in making the alteration and, in the case of awards to the Company’s executive directors, the amended performance conditions are not materially more or less challenging than the original conditions would have been but for the event in question.

(f) Vesting of awards

Awards will ordinarily vest on the normal vesting date specified for the award or, if later, when the Remuneration Committee determines the extent to which any performance conditions and/or additional conditions have been satisfied.

The normal vesting date in respect of awards granted to executive directors will not be earlier than the third anniversary of the grant of the award, save in respect of the additional “one-off” performance

share award envisaged for the Chief Financial Officer (referenced above) which will vest on 1 April 2023.

Where awards are granted in the form of options, once exercisable the awards will remain exercisable until the tenth anniversary of grant (or any shorter period specified by the Remuneration Committee at the time of grant) unless they lapse earlier. Shorter exercise periods will apply in the case of “good leavers” and/or vesting of awards in connection with corporate events.

(g) Leaving employment

As a general rule, an award will lapse if a participant ceases to be an employee of the Group.

However, if a participant ceases to be an employee of the Group because of death, injury, ill-health, disability, redundancy, retirement with the agreement of the Remuneration Committee, their employing company or the business for which they work being sold out of the Group or in other circumstances at the discretion of the Remuneration Committee, then their award will normally vest on the original timetable. The extent to which an award will vest in these situations will depend on: (i) the extent to which any applicable performance conditions/additional conditions have, in the opinion of the Remuneration Committee, been satisfied over the original performance measurement period, and (ii) ordinarily pro-rating of the award to reflect the period employed relative to the normal vesting period. The Remuneration Committee can decide to pro-rate an award to a lesser extent (including as to nil) if it regards it appropriate to do so in the circumstances.

Alternatively, in the “good leaver” circumstances specified above (including in the case of a discretionary good leaver), the Remuneration Committee can decide that the participant’s award will vest when they leave, subject to: (i) the performance conditions/additional conditions measured at that time; and (ii) pro-rating as described above (including the Remuneration Committee’s discretion as described above in respect of pro-rating).

Any holding periods applicable to awards will normally continue to apply to a good leaver’s awards, although the Remuneration Committee may choose to relax this requirement in compassionate cases.

(h) Corporate events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all awards will vest early subject to: (i) the extent that any applicable performance conditions/additional conditions have been satisfied at that time; and (ii) pro-rating of the awards to reflect the period of the award’s normal vesting period that has elapsed. The Remuneration Committee can decide to pro-rate an award to a lesser extent (including as to nil) if it regards it appropriate to do so in the circumstances.

In the event of an internal corporate reorganisation awards will be replaced by equivalent new awards over shares in a new holding company.

In the event of a demerger, special dividend or other similar event which, in the opinion of the Remuneration Committee, would affect the market price of the Ordinary Shares to a material extent, the Remuneration Committee may decide that awards will vest early or be adjusted on the basis it considers appropriate. The Remuneration Committee will also have the ability to require awards to be rolled-over into new equivalent awards granted by an acquiring company if that is considered appropriate.

(i) Holding period

Under the PSP executive directors will ordinarily be required to retain their net of tax number of vested Ordinary Shares delivered under the PSP (or the full number of the vested Ordinary Shares while held under an unexercised nil (or nominal) cost option award, where relevant) until the second anniversary of the vesting of the award. Holding periods if any (of such length as the Committee determines appropriate) may also apply in the case of awards to others at the discretion of the Committee.

(j) Override of formulaic outcomes

Notwithstanding any other provision of the PSP, and irrespective of whether any performance conditions attached to an award have been satisfied, the Remuneration Committee has discretion under the PSP, in line with the UK Corporate Governance Code, to adjust the level of vesting that would otherwise result (for example, that would otherwise result by reference to formulaic outcomes alone). This discretion would only be used in exceptional circumstances and may take into account corporate and personal performance.

(k) Dividend equivalents

The Remuneration Committee may decide that participants will receive a payment (in cash and/or Ordinary Shares) on or shortly following the vesting/exercise of their awards of an amount equivalent to the dividends that would have been paid on those Ordinary Shares between the time (or part of the time) when the awards were granted and the time when they vest (or where an award is structured as an option and subject to a holding period, the date of expiry of the holding period or if earlier the exercise of the award). This amount may assume the reinvestment of dividends.

(l) Malus and clawback

The Remuneration Committee may apply the PSP's malus and clawback provisions if, at any point before the third anniversary of the date of vesting of an award, it is discovered that there has been a material misstatement of the Company's financial results, an error of calculation (including on account of inaccurate or misleading information) or in the event of serious misconduct, serious reputational damage or corporate failure.

The malus and clawback may be satisfied by way of a reduction in the amount of any future bonus, existing award or future share awards and/or a requirement to make a cash payment.

13.5 Summary of the DBSP

(a) Operation and eligibility

The Remuneration Committee will supervise the operation of the DBSP. Any employee (including an executive director) of the Group will be eligible to participate in the DBSP at the discretion of the Remuneration Committee.

The Remuneration Committee currently proposes that one third of any bonus outcomes under the Company's annual bonus arrangements for the participating executive directors in respect of financial year 2022 and thereafter will be deferred under the DBSP.

(b) Structure of awards

The Remuneration Committee may grant awards to acquire Ordinary Shares as conditional share awards or as nil (or nominal) cost options. The Remuneration Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

Awards will comprise a single part unless the Remuneration Committee determines that an award will comprise a number of distinct parts in which case each part will be treated as if it were a separate award for the purposes of the DBSP.

(c) Timing of grants

The Remuneration Committee may grant awards within six weeks following the Company's announcement of its results for any period or the date on which bonuses are determined. The Remuneration Committee may also grant awards at any other time when it considers there to be exceptional circumstances which justify the granting of awards (for example, if awards cannot be granted during the normal grant windows due to dealing constraints).

The first awards under the DBSP are presently timetabled for grant in the first quarter of 2023 following the announcement of the Company's annual results for 2022.

(d) Individual limits

Awards may only be granted in relation to the deferral of bonus and accordingly the employee may not receive awards in any financial year of Ordinary Shares having a market value in excess of the relevant portion of the bonus being deferred under the DBSP.

Market value for this purpose will ordinarily be based on the market value of an Ordinary Share on the dealing day immediately preceding the grant of an award (or by reference to a short averaging period).

(e) Vesting of awards

The normal vesting date for awards will be the third anniversary of grant (or such other vesting date as the Remuneration Committee may specify).

Where awards are granted in the form of options, once exercisable will then remain exercisable until the tenth anniversary of grant (or any shorter period specified by the Remuneration Committee at the time of grant) unless they lapse earlier. Shorter exercise periods will apply in the case of “good leavers” and/or vesting of awards in connection with corporate events.

(f) Leaving employment

As a general rule, an award will lapse if a participant ceases to be an employee of the Group.

However, if a participant ceases to be an employee of the Group because of death, injury, ill-health, disability, redundancy, retirement with the agreement of the Remuneration Committee, their employing company or the business for which they work being sold out of the Group or in other circumstances at the discretion of the Remuneration Committee, then their award will normally vest on the original timetable.

Alternatively, in the “good leaver” circumstances specified above (including in the case of a discretionary good leaver), the Remuneration Committee can decide that the participant’s award will vest when they leave.

In each case the Remuneration Committee may apply pro-rating of the award to reflect the period employed relative to the award’s normal vesting period.

(g) Corporate events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation), all awards will vest early in full.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Remuneration Committee, would affect the market price of the Ordinary Shares to a material extent, then the Remuneration Committee will adjust the awards, or may decide that awards will vest on the basis which would apply in the case of a takeover as described above. The Remuneration Committee will also retain the ability to require awards to be rolled-over into new equivalent awards granted by an acquiring company if that is considered appropriate.

(h) Dividend equivalents

The Remuneration Committee may decide that participants will receive a payment (in cash and/or Ordinary Shares) on or shortly following the vesting/exercise of their awards of an amount equivalent to the dividends that would have been paid on those Ordinary Shares between the time when the awards were granted and the time when they vest. This amount may assume the reinvestment of dividends. Alternatively, participants may have their awards increased as if dividends were paid on the Ordinary Shares subject to their award and then assumed to be reinvested in further Ordinary Shares.

(i) Malus and clawback

The Remuneration Committee may apply the DBSP’s recovery and withholding provisions if, at any point before the third anniversary of the grant of an award, it is discovered that there has been a material misstatement of the Company’s financial results, an error of calculation (including on account of inaccurate or misleading information) or in the event of serious misconduct, serious reputational damage or corporate failure.

The malus and clawback may be satisfied by way of a reduction in the amount of any future bonus, existing award or future share awards and/or a requirement to make a cash payment.

13.6 Summary of ESP

(a) Operation and eligibility

The Remuneration Committee will supervise the operation of the ESP. Any employee (excluding an executive director of the Company) of the Group will be eligible to participate in the ESP at the discretion of the Remuneration Committee.

(b) Structure of awards under the ESP

The Remuneration Committee may grant awards to acquire Ordinary Shares as conditional share awards or as nil (or nominal) cost options. The Remuneration Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

(c) Timing of grants

The Remuneration Committee may grant awards within six weeks following the Company's announcement of its results for any period. The Remuneration Committee may also grant awards at any other time when it considers there to be exceptional circumstances which justify the granting of awards (for example, in the case of recruitment).

(d) Individual limit

An employee may not receive awards in any financial year in respect of Ordinary Shares having a market value in excess of 100% of their annual base pay in that financial year unless the Remuneration Committee determines otherwise.

Market value for this purpose will be based on the market value of Ordinary Shares on the dealing day immediately preceding the grant of an award (or by reference to a short averaging period).

(e) Vesting of awards

Awards will ordinarily vest on the normal vesting date specified for the award.

In addition to the RSP's terms ordinarily requiring continued service through to the applicable vesting date(s) the vesting of an award may be made contingent on any additional conditions the Remuneration Committee determines for the award.

Where awards are granted in the form of options, once exercisable these will then remain exercisable until the tenth anniversary of grant (or any shorter period specified by the Remuneration Committee at the time of grant) unless they lapse earlier. Shorter exercise periods will apply in the case of "good leavers" and/or vesting of awards in connection with corporate events.

(f) Leaving employment

As a general rule, an award will lapse if a participant ceases to be an employee of the Group.

However, if a participant ceases to be an employee of the Group because of death, injury, ill-health, disability, redundancy, retirement with the agreement of the Remuneration Committee, their employing company or the business for which they work being sold out of the Group or in other circumstances at the discretion of the Remuneration Committee, then their award will normally vest on the original timetable. The extent to which an award will vest in these situations will depend on: (i) the extent to which any additional conditions have, in the opinion of the Remuneration Committee, been satisfied over the original performance measurement period; and (ii) ordinarily, pro-rating of the award to reflect the period employed relative to the normal vesting period. The Remuneration Committee can decide to pro-rate an award to a lesser extent (including as to nil) if it regards it appropriate to do so in the circumstances.

Alternatively, in the "good leaver" circumstances specified above (including in the case of a discretionary good leaver), the Remuneration Committee can decide that the participant's award will vest when they leave, subject to: (i) any additional conditions measured at that time; and (ii) pro-rating as described above (including the Remuneration Committee's discretion as described above in respect of pro-ration).

(g) Corporate events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all awards will vest early subject to: (i) the extent that any additional conditions have been satisfied at that time; and (ii) pro-rating of the awards to reflect the period of the award's normal vesting period that has elapsed. The Remuneration Committee can decide to pro-rate an award to a lesser extent (including as to nil) if it regards it appropriate to do so in the circumstances.

In the event of an internal corporate reorganisation awards will be replaced by equivalent new awards over shares in a new holding company.

In the event of a demerger, special dividend or other similar event which, in the opinion of the Remuneration Committee, would affect the market price of the Ordinary Shares to a material extent, the Remuneration Committee may decide that awards will vest early or be adjusted on the basis it considers appropriate. The Remuneration Committee will also have the ability to require awards to be rolled-over into new equivalent awards granted by an acquiring company if that is considered appropriate.

(h) Holding periods

The terms of the ESP include that participants may be required to retain their net of tax number of vested Ordinary Shares delivered under the ESP (or the full number of the vested Ordinary Shares while held under an unexercised nil (or nominal) cost option award, where relevant) until the second anniversary of the vesting of the award.

(i) Override of formulaic outcomes

Notwithstanding any other provision of the ESP, and irrespective of whether any additional conditions attached to an award have been satisfied the Remuneration Committee retains discretion under the ESP, in line with the UK Corporate Governance Code, to adjust the level of vesting that would otherwise result (for example, that would otherwise result by reference to formulaic outcomes alone). This discretion would only be used in exceptional circumstances and may take account of corporate and personal performance.

(j) Dividend equivalents

The Remuneration Committee may decide that participants will receive a payment (in cash and/or Ordinary Shares) on or shortly following the vesting/exercise of their awards of an amount equivalent to the dividends that would have been paid on those Ordinary Shares between the time (or part of the time) when the awards were granted and the time when they vest (or where an award is structured as an option and subject to a holding period, the date of expiry of the holding period or if earlier the exercise of such award). This amount may assume the reinvestment of dividends.

(k) Malus and clawback

The Remuneration Committee may apply the ESP's malus and clawback provisions if, at any point before the third anniversary of the date of vesting of an award, it is discovered that there has been a material misstatement of the Company's financial results, an error of calculation (including on account of inaccurate or misleading information) or in the event of serious misconduct, serious reputational damage or corporate failure.

The malus and clawback may be satisfied by way of a reduction in the amount of any future bonus, existing award or future share awards and/or a requirement to make a cash payment.

13.7 Principal terms common to the Share Plans

(a) Term of the Share Plans

An award may not be granted more than 10 years after the date on which the Share Plans were adopted.

No payment is required for the grant of an award. Awards are not transferable, except on death. Awards are not pensionable.

(b) Participants' rights

Awards under the Share Plans will not confer any shareholder rights until the awards have vested or the options have been exercised as relevant and the participants have received their Ordinary Shares.

(c) Rights attaching to Ordinary Shares

Any Ordinary Shares allotted will rank equally with Ordinary Shares then in issue (except for rights arising by reference to a record date before their allotment).

(d) Variation of capital

In the event of any variation of the Company's share capital, a demerger, payment of a special dividend or similar event which materially affects the market price of the Ordinary Shares, the Remuneration Committee may make the adjustments it considers appropriate to the number of Ordinary Shares subject to an award and/or the exercise price payable (if any).

(e) Overall limits

The Share Plans may operate over new issue shares, treasury shares or shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10% of the issued ordinary share capital of the Company under the Share Plans and any other share incentive plan (executive or otherwise) adopted by the Company.

Further, in the same period as noted above, the Company may not issue (or grant rights to issue) more than 5% of the issued ordinary share capital of the Company under the PSP and DBSP and any other executive share plan adopted by the Company. Awards granted under the ESP will not count towards the 5% limit.

Treasury shares will count as new issue shares for the purposes of these limits unless institutional investor guidelines cease to require them to count.

Ordinary Shares issued or to be issued under awards or options granted before or in connection with Admission (including the first awards under the PSP referenced above) will not count towards these limits.

(f) Alterations

The Remuneration Committee may, at any time, amend the Share Plans in any respect, provided that the prior approval of Shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the shares or cash to be acquired and the adjustment of awards.

The requirement to obtain the prior approval of Shareholders will not, however, apply to any minor alteration made to benefit the administration of the Share Plans, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Group. Shareholder approval will also not be required for any amendments to any performance condition applying to an award amended in line with its terms.

(g) Overseas plans

The Share Plans allow the Remuneration Committee or Board, as relevant, to establish further plans for overseas territories, any such plan to be similar to the relevant Share Plan, but modified to take account of local tax, exchange control or securities laws, provided that any shares made available under such further plans are treated as counting against the limits on individual and overall participation in the relevant Share Plan.

13.8 Staff IPO Bonus

To celebrate Admission, the Company proposes to award approximately 900 of its employees within the Group with cash bonuses of up to €500 per eligible employee. Senior Management and a number of other senior employees will not participate in such bonus, eligibility for other employees will be linked to a short period of qualifying service.

14. Properties, investments, assets

As at the date hereof, the Group owns or leases and operates 26 fuel stations in truck parks. Of these 26, 18 are owned and 8 are leased. The Group owns one truck wash which it owns and six shops (in the truck parks) which it owns.

For further information on the Group's principal and regional offices refer to "*Business—Properties*".

15. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group:

- (a) within the two years immediately preceding the date of this Prospectus which are, or may be, material to the Company or any member of the Group; or

- (b) at any time and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this Prospectus.

15.2 Underwriting Agreement

- (a) The Company (acting for itself and as agent on behalf of the Individual Selling Shareholders pursuant to the Deeds of Election entered into by the Individual Selling Shareholders), the Principal Selling Shareholders, the Directors and the Banks have entered into the Underwriting Agreement dated the date of this Prospectus pursuant to which, on the terms and subject to the conditions contained therein (which are customary in agreements of this nature):
 - (i) the Company has agreed, subject to certain conditions, to allot and issue the Subscription Shares in the Global Offering at the Offer Price;
 - (ii) the Selling Shareholders have severally agreed, subject to certain conditions, to sell the Sale Shares in the Global Offering at the Offer Price; and
 - (iii) the Banks have severally agreed, subject to certain conditions, to procure purchasers for or, failing which, the Underwriters have agreed to purchase themselves the Offer Shares pursuant to the Global Offering.
- (b) Allocations of the Ordinary Shares among prospective investors will be determined at the discretion of the Company and the Principal Selling Shareholders (following consultation with the Joint Global Co-ordinators). All Offer Shares to be sold under the Global Offering, and all Over-allotment Shares that may be sold under the Over-allotment Option, will be sold at the Offer Price which is determined by the Company and the Principal Selling Shareholders in their sole discretion (following consultation with the Joint Global Co-ordinators).
- (c) The Global Offering is conditional upon, among other things, the Pre-IPO Reorganisation having taken place and remaining in full force and effect (subject only to Admission, and save for those steps which are to be completed after Admission), the absence of any breach of representation or warranty under the Underwriting Agreement, Admission occurring not later than 8:00 a.m. on 13 October 2021 (or such other date, not being later than the fourteenth calendar day after the date of the Underwriting Agreement, as the Joint Global Co-ordinators may agree with the Company and the Principal Selling Shareholders) and the Underwriting Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms. The underwriting commitment of each Underwriter will cease to be conditional at the point of Admission.
- (d) The Underwriting Agreement can be terminated at any time prior to Admission in certain customary circumstances set out in the Underwriting Agreement. If these termination rights are exercised jointly by the Joint Global Co-ordinators (on behalf of the Banks), the Global Offering will lapse and any moneys received in respect of the Global Offering will be returned to applicants without interest.
- (e) The Underwriting Agreement provides for Citigroup as the settlement bank (on behalf of itself and the other Banks) to be paid a commission by the Company in respect of the Subscription Shares, by the Selling Shareholders in their respective proportions in respect of the Sale Shares sold by them pursuant to the Global Offering and the Over-allotment Shareholders in respect of any Over-allotment Shares sold by them pursuant to the exercise of the Over-allotment Option. The base commission on the Offer Shares will be equal to 2% of the Offer Price multiplied by the aggregate number of such shares (including pursuant to the exercise of the Over-allotment Option), subject to the deduction of certain advisory costs. The Selling Shareholders may also, at their and the Company's sole and absolute discretion, pay an additional commission equal to up to 1% of the Offer Price multiplied by the aggregate number of such shares (including pursuant to the exercise of the Over-allotment Option), the amount of which will be determined, notified and paid to the Banks within 30 days of Admission. Any commissions received by the Banks may be retained and any Ordinary Shares acquired by them as Banks may be retained or dealt in, by them, for their own benefit.
- (f) The Company has agreed to pay or cause to be paid (together with any applicable irrecoverable amounts in respect of VAT) certain costs, charges, fees and expenses of or arising in connection with or incidental to the Global Offering. The Selling Shareholders have agreed to pay or cause to be paid (subject to certain limitations) any stamp duty and/or SDRT accruing on sales of their Ordinary Shares pursuant to the Global Offering. The Over-allotment Shareholders have agreed to pay or cause to be paid (subject to certain limitations) any stamp duty and/or SDRT accruing on sales of the Over-

allotment Shares pursuant to the Global Offering or on transfers of Ordinary Shares under the Stock Lending Agreement.

- (g) The Company, the Directors and the Principal Selling Shareholders have each given customary representations, warranties and undertakings to the Banks, and the Company has given certain indemnities to the Banks. The liability of the Company is unlimited as to amount and time. The liabilities of the Directors and the Principal Selling Shareholders are limited as to amount and time.
- (h) The Over-allotment Shareholders have granted the Over-allotment Option to the Stabilising Manager, to allow it to cover short positions arising from over-allotments and/or stabilising transactions as set out in “—*Stabilisation arrangements in connection with the Global Offering*”. The Over-allotment Option may be exercised in whole or in part, upon notice by the Stabilising Manager, at any time during the period from the date of the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange and ending 30 days thereafter. The Over-allotment Shares made available pursuant to the Over-allotment Option will be sold on the same terms and conditions as, and will rank equally with, the other Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission and will form a single class for all purposes with the other Ordinary Shares.
- (i) Each of the Company, the Principal Selling Shareholders and the Directors has agreed to certain lock-up arrangements in respect of the Ordinary Shares they hold immediately following Admission. Further details of the lock-up arrangements are set out in “*Details of the Global Offering—Lock-up Arrangements and Exceptions*”.

15.3 Cornerstone Investment Agreements

- (a) On 24 September 2021, in each case in connection with the Global Offering, the Company and the Cornerstone Investors entered into the Cornerstone Investment Agreements.
- (b) Subject to the terms of the Cornerstone Investment Agreements, the Cornerstone Investors have agreed to subscribe for, in aggregate, €103,494,767 of Offer Shares at the Offer Price, consisting of a commitment of €47 million from Select Equity and €56,494,767 from Fidelity (each a “**Cornerstone Commitment**”).
- (c) Each of the Cornerstone Investment Agreements has been entered into on substantially the same terms. A summary of the material terms of the Cornerstone Investment Agreements is as set out below:
- (d) Each Cornerstone Investment Agreement contains, amongst others, the following provisions:
 - (i) the obligations of the Company to issue, and of the Cornerstone Investor to subscribe and pay for, the number of Offer Shares it has agreed to subscribe for which is equal to the number of Offer Shares resulting from dividing its Cornerstone Commitment by the Offer Price pursuant to the relevant Cornerstone Investment Agreement, are subject to certain conditions that are typical for an agreement of this nature. These conditions include:
 - (A) the Offer Price representing an equity value for the Group at Admission of not more than €1.7 billion
 - (B) the Underwriting Agreement having been entered into, not having been terminated and having become unconditional in accordance with its terms;
 - (C) the Company having provided the Cornerstone Investor with this Prospectus (in the form approved by the FCA);
 - (D) the approval by the FCA, and publication, of this Prospectus; and
 - (E) Admission having occurred,(together, the “**Conditions**”);
 - (ii) The agreement may be terminated:
 - (A) if the Conditions have not been fulfilled on or before 30 November 2021 or where applicable waived by the Cornerstone Investor (or such other date as may be agreed between the Company and the Cornerstone Investor);

- (B) by the Company in the event there is a material breach of the agreement by the Cornerstone Investor;
 - (C) by the Cornerstone Investor in the event there is a material breach of this agreement by the Company; and
 - (D) with the written consent of all the parties to the agreement.
- (iii) each of the parties has given certain customary representations and warranties to the other, in particular regarding compliance with laws and regulations affecting the entry into of the relevant Cornerstone Investment Agreement in relevant jurisdictions. The terms of each Cornerstone Investment Agreement do not limit the liability of the parties for breach of contract as to time or amount;
 - (iv) the Company has represented and warranted to each of the Cornerstone Investors that upon the publication of this Prospectus, the Company shall have publicly disclosed all inside information (as defined in the UK Market Abuse Regulation) delivered to the Cornerstone Investor by the Company in connection with the transaction contemplated by the relevant Cornerstone Investment Agreement; and
 - (v) the agreement is governed by English law.

15.4 Relationship Agreements

Relationship Agreement with Martin Vohánka

- (a) In the event of Admission, Martin Vohánka may become a controlling shareholder of the Company for the purposes of the Listing Rules.
- (b) In connection with Admission, on the date of this document, the Company, Martin Vohánka and Couverina Business, s.r.o (together, “**MV**”) entered into the Relationship Agreement. The Relationship Agreement will, conditional on Admission, and for such time as MV’s aggregate shareholding in the Company is greater than or equal to 10%, regulate the on-going relationship between the Company and MV following Admission.
- (c) As required under the Listing Rules, the principal purpose of the Relationship Agreement is to ensure that where, following Admission, MV’s aggregate shareholding in the Company is greater than or equal to 30%, the Company is capable of carrying on its business independently of MV and that transactions and arrangements with MV (including any transactions and arrangements with any member of the Group) are conducted at arm’s length and on normal commercial terms. The Relationship Agreement is not subject to any additional penalty or indemnity clauses.
- (d) The provisions of the Relationship Agreement imposing obligations on MV will remain in full force and effect for so long as MV, together with his associates, holds Ordinary Shares representing at least 10% of the Ordinary Shares in issuance by the Company from time to time (save that MV may terminate the Relationship Agreement if the Company ceases to be admitted to listing on the Official List).
- (e) Under the Relationship Agreement, MV has agreed with the Company that:
 - (i) he shall (and shall procure that each of his associates shall):
 - (A) conduct all transactions and arrangements with any member of the Group at arm’s length and on normal commercial terms;
 - (B) not take any action which would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and
 - (C) not propose or procure the proposal of any shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules; and

- (ii) it shall (and shall, insofar as he is able, procure that each of his associates shall):
 - (A) not take any action which would have the effect of preventing the Company from complying with:
 - I. its obligations under the Disclosure Guidance and Transparency Rules, the requirements of the London Stock Exchange, the FSMA, the Financial Services Act 2012, UK Market Abuse Regulation or the Articles; or
 - II. the principles of good governance set out in the Governance Code, save to the extent disclosed in this document, or disclosed or to be disclosed in any annual report of the Company from time to time, or as otherwise agreed in writing by a majority of independent Directors or as is in accordance with the nominee director rights afforded to MV under the Relationship Agreement;
 - (B) not take any action which would affect the ability of any member of the Group to carry on its business independently of MV and/or any of his associates;
 - (C) not cause or authorise to be done anything which would prejudice the Company's ongoing eligibility as a premium listed company; and
 - (D) abstain from voting on any resolution required by LR 11.1.7R(3) of the Listing Rules to approve a "related party transaction" where the shareholder (or any of its associates) is the related party for the purposes of LR 11.1.7R(4) of the Listing Rules.
- (f) Under the Relationship Agreement, MV has a right to nominate for appointment (a) two non-executive directors to the Board while MV and his associates' shareholding in the Company is greater than or equal to 25%; and (b) one non-executive director to the Board while MV and his associates' shareholding in the Company is greater than or equal to 10% (the "**MV Nominee Directors**"). If MV's and his associates' shareholding in the Company is reduced to less than 10%, MV will, if requested by the Board, procure that his MV Nominee Director(s) resign from the Board.
- (g) Under the Relationship Agreement, MV shall not be considered as an MV Nominee Director for so long as he is an Executive Director of the Company. However, for so long as he is an Executive Director of the Company, the right of MV to appoint MV Nominee Directors shall be reduced by one, to reflect MV's appointment as a Director of the Company. By way of illustration, for so long as MV holds in aggregate more than 25% of the shares, he shall be entitled to appoint one MV Nominee Director in addition to MV. At Admission, MV has chosen not to appoint any Nominee Directors.
- (h) Under the Relationship Agreement, the MV Nominee Director will be required to: (i) declare any matter giving rise to an actual or potential conflict of interest which is required to be declared to the Board pursuant to the Companies Act 2006 or the Articles between: (A) any member of the Group and (B) the MV Nominee Director, MV, or one of its associates; and (ii) unless a majority of the independent Directors (being for these purposes a non-executive Director of the Company who is determined by the Board to be independent in accordance with the requirements of the Governance Code) determines otherwise, the MV Nominee Director will not be permitted to vote or receive any Board of committee papers in relation to that matter and will be required to remove himself or herself from any Board meeting (or the relevant part thereof) during which any matter to which the conflict of interest relates is discussed.
- (i) For so long as MV (or its concert parties (as defined in the City Code on Takeovers and Mergers (the "**City Code**"))) holds in aggregate an interest in 30% or more of the aggregate voting rights in the Company and subject (where necessary) to the prior consent of the Panel, the Company has undertaken to procure that at the first annual general meeting of the Company and thereafter once in every calendar year, to propose to its independent shareholders a resolution to waive, in accordance with Appendix 1 to the City Code, all obligations of the relevant shareholder (and/or its concert parties) to make a general offer for the Ordinary Shares of the Company in accordance with Rule 9 of the City Code that may otherwise arise as a result of the Company purchasing or effecting any other transaction in relation to the Ordinary Shares or related securities.
- (j) The Company has also agreed not to undertake any transaction that may reasonably be expected to give rise to an obligation for MV (or its concert parties (as defined in the City Code)) to make an offer under Rule 9 of the City Code, unless the Company has first obtained a waiver of Rule 9 from independent shareholders (as per above) in accordance with Appendix 1 to the City Code or has otherwise obtained the necessary waivers or consents from the Panel to prevent such obligation from applying.

Relationship Agreement with TA Associates

- (k) In connection with Admission, on the date of this document, the Company and TA Associates entered into the Relationship Agreement. The Relationship Agreement will, conditional on Admission, and for such time as TA Associates' shareholding in the Company is greater than or equal to 10%, regulate the on-going relationship between the Company and TA Associates following Admission.
- (l) The provisions of the Relationship Agreement imposing obligations on TA Associates will remain in full force and effect for so long as TA Associates, together with its associates, holds Ordinary Shares representing at least 10% of the Ordinary Shares in issuance by the Company from time to time (save that TA Associates may terminate the Relationship Agreement if the Company ceases to be admitted to listing on the Official List).
- (m) Under the Relationship Agreement, TA Associates has agreed with the Company that:
 - (i) it shall (and shall procure that each of its associates shall):
 - (A) conduct all transactions and arrangements with any member of the Group at arm's length and on normal commercial terms;
 - (B) not take any action which would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and
 - (C) not propose or procure the proposal of any shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules; and
 - (ii) it shall (and shall, insofar as it is able, procure that each of its associates shall):
 - (A) not take any action which would have the effect of preventing the Company from complying with:
 - I. its obligations under the Disclosure Guidance and Transparency Rules, the requirements of the London Stock Exchange, the FSMA, the Financial Services Act 2012, UK Market Abuse Regulation or the Articles; or
 - II. the principles of good governance set out in the Governance Code, save to the extent disclosed in this document, or disclosed or to be disclosed in any annual report of the Company from time to time, or as otherwise agreed in writing by a majority of independent Directors or as is in accordance with the nominee director rights afforded to TA Associates under the Relationship Agreement;
 - (B) not take any action which would affect the ability of any member of the Group to carry on its business independently of TA Associates and/or any of its associates;
 - (C) not cause or authorise to be done anything which would prejudice the Company's ongoing eligibility as a premium listed company; and
 - (D) abstain from voting on any resolution required by LR 11.1.7R(3) of the Listing Rules to approve a "related party transaction" where the shareholder (or any of its associates) is the related party for the purposes of LR 11.1.7R(4) of the Listing Rules.
- (n) Under the Relationship Agreement, TA Associates has a right to nominate for appointment one non-executive director (the "**TA Nominee Director**") to the Board while its and its associates' shareholding in the Company is greater than or equal to 10%. If TA Associates' and its associates' shareholding in the Company is reduced to less than 10%, TA Associates will, if requested by the Board, procure that the TA Nominee Director resigns from the Board.
- (o) Under the Relationship Agreement, the TA Nominee Director will be required to: (i) declare any matter giving rise to an actual or potential conflict of interest which is required to be declared to the Board pursuant to the Companies Act 2006 or the Articles between: (A) any member of the Group and (B) the TA Nominee Director, TA Associates, or one of its associates; and (ii) unless a majority of the independent Directors (being for these purposes a non-executive Director of the Company who is determined by the Board to be independent in accordance with the requirements of the Governance Code) determines otherwise, the TA Nominee Director will not be permitted to vote or receive any Board or committee papers in relation to that matter and will be required to remove himself or herself from any Board meeting (or the relevant part thereof) during which any matter to which the conflict of interest relates is discussed.

15.5 Senior Facilities

- (a) The Operating Company, W.A.G. IS, a.s. and W.A.G. Mobility Solutions Iberica, S.L.U. (the “**Borrowers**”) (all of which are direct or indirect wholly owned subsidiaries of the Company) have entered into a senior multicurrency term and revolving facilities agreement originally dated 27 May 2019, as amended and/or restated from time to time and as amended and restated pursuant to an amendment and restatement agreement dated 27 August 2021 between, among others, the Borrowers, Česká spořitelna, a.s. and Komerční banka, a.s. as mandated lead arrangers, BNP Paribas S.A. (acting through its branch BNP Paribas S.A.), pobočka Česká republika, Citibank Europe plc (acting through its branch Citibank Europe plc, organizační složka), Česká spořitelna, a.s., Československá obchodní banka, a.s., HSBC Continental Europe (acting through its branch HSBC Continental Europe), Czech Republic, Komerční banka, a.s., Raiffeisenbank a.s. and UniCredit Bank Czech Republic and Slovakia, a.s. as original lenders, the financial institutions named therein as lead arrangers, arrangers and hedge counterparties and Komerční banka, a.s. as agent (the “**Agent**”) and security agent (the “**Security Agent**”).
- (b) Each loan under the Senior Facilities Agreement bears, or will bear, interest at a floating rate which is a base reference rate (being PRIBOR, EURIBOR or WIBOR) applicable to the currency in which such loan is incurred for a specified interest period plus a margin, subject to a base reference rate floor of 0%.
- (c) Pursuant to the Senior Facilities Agreement, the following facilities have been made available:
- (i) a euro term loan facility in an aggregate amount equal to €47.5 million (“**Facility A**”) with an opening margin of 2.00% per annum and subject to a margin ratchet between 1.80% and 2.20% per annum;
 - (ii) a euro term loan facility in an aggregate amount equal to €47.5 million (“**Facility B**”) with an opening margin of 2.20% per annum and subject to a margin ratchet between 2.00% and 2.40% per annum;
 - (iii) a euro term loan facility in an aggregate amount equal to €95.0 million (“**Facility C (Acquisition/CAPEX)**”) with an opening margin of 2.10% per annum and subject to a margin ratchet between 1.90% and 2.30% per annum,
- in each case to the Operating Company, W.A.G. Mobility Solutions Iberica, S.L.U. and any relevant wholly owned subsidiaries of the Operating Company that become additional borrowers under the Senior Facilities Agreement and the margin ratchet in each case being dependent on the Net Leverage (being the ratio of Total Net Debt to Adjusted EBITDA); and
- (iv) a multicurrency revolving credit facility in an aggregate amount of €120.0 million (the “**Original Revolving Facility**” and together with Facility A, Facility B, Facility C (Acquisition/CAPEX) and any Incremental Facility (as defined below), the “**Senior Facilities**”) with an opening margin of 2.00% per annum and subject to a margin ratchet between 1.80% and 2.20% per annum dependent on the Net Leverage, to the Operating Company, W.A.G. IS, and any relevant wholly owned subsidiaries of the Operating Company that become additional borrowers under the Senior Facilities Agreement.
- (d) The ability of the Group to draw any funds under the Senior Facilities is subject to certain customary conditions, including the continued accuracy of certain representations and warranties contained in the Senior Facilities Agreement and the absence of any event of default thereunder. As at 30 June 2021, €35.5 million was outstanding under Facility A, €47.3 million was outstanding under Facility B, €92.0 million was outstanding under Facility C (Acquisition/CAPEX) and zero was outstanding under the Original Revolving Facility.
- (e) Subject to certain conditions, the Operating Company can request to raise additional debt under the Senior Facilities Agreement up to an amount of €100.0 million (each such facility an “Incremental Facility”), of which up to €50.0 million can be used to finance certain acquisitions which are specifically permitted under the Senior Facilities Agreement and the remaining €50.0 million can be used to finance or refinance working capital of companies, businesses or undertakings acquired as a result of such permitted acquisition or utilised by way of a guarantee, documentary or stand-by letter of credit. The Incremental Facility is not committed. To date, no Incremental Facilities have been requested by the Operating Company to fund acquisitions. In 2020, a €29.0 million Incremental Facility II was provided as an Ancillary Facility to fund bank guarantees (the “**2020 Incremental Facility II**”).

- (f) The following fees are, or will be, applicable with respect to the facilities made available under the Senior Facilities Agreement:
- (i) a commitment fee on the unutilised portion of Facility C (Acquisition/CAPEX) at the rate of 35% of the applicable margin per annum with respect to Facility C (Acquisition/CAPEX), applied on the unutilised portion of the facility limit for each interest period;
 - (ii) a commitment fee on the unutilised portion of the Original Revolving Facility at the rate of 30% of the applicable margin per annum with respect to the Original Revolving Facility applied on the unutilised portion of the facility limit for each interest period;
 - (iii) a commitment fee on the unutilised portion of each Incremental Facility at the rate specified in the incremental facility notice relating to that Incremental Facility applied on the unutilised portion of the facility limit for each interest period. The commitment fees for the 2020 Incremental Facility II are 0.3% to 0.4% of the committed but unutilised portion of the facility varying by lender; and
 - (iv) certain other customary fees and expenses.

Facility A and Facility B are considered fully drawn and no commitment fees apply.

- (g) The Facility A loans are being repaid in instalments of €2.0 million on each quarter date during the term of the facility, with final repayment on 27 May 2025 (the “**Termination Date**”). Each loan made under Facility B will be repaid in full on the Termination Date. The Facility C (Acquisition/CAPEX) loans are being repaid in regular instalments on each quarter date that occurs after the earlier of (i) the end of the availability period of Facility C (Acquisition/CAPEX) or (ii) the date the available commitment under Facility C (Acquisition/CAPEX) is reduced to zero, with any remaining amount to be paid in full on the Termination Date. Each loan made under the Original Revolving Facility is repaid on the last day of such loan’s then current interest period, subject to a borrower’s right to request one or more rollover loans in the customary manner. The interest period of a revolving facility loan made under the Senior Facilities Agreement may be one, three or six months, or any other period agreed between the Operating Company, the Agent and all the lenders in relation to the relevant loan.
- (h) Since 27 May 2021, being the second anniversary of the date of the Senior Facilities Agreement, the Group is permitted to voluntarily prepay the whole or any part of any outstanding amount under the Senior Facilities Agreement, without premium or penalty (but subject to any lenders’ swap break costs).
- (i) In addition to customary provisions relating to illegality of a lender, the Senior Facilities Agreement contains mandatory prepayment provisions which are triggered when there is a change of control of the Operating Company or a sale of all or substantially all of the assets of the Group, and following which the facilities made available under the Senior Facilities Agreement will be automatically cancelled and all outstanding loans and ancillary outstandings together with all accrued interest and other amounts accrued in relation to the Senior Facilities will become immediately due and payable. In addition, the Senior Facilities Agreement contains mandatory prepayment provisions in respect of: (i) net disposal proceeds from certain disposals of assets, undertakings or businesses (unless re-invested in the business within 12 months of receipt) and (ii) net insurance proceeds, in each case to the extent received and within certain agreed parameters and (iii) in an amount equal to 50 per cent. of any excess cashflow (being cashflow less debt service, any voluntary prepayments, new shareholder injections in each case during the relevant period and €1 million) for any financial year of the Operating Company in relation to which the Net Leverage (being the ratio of total net debt to Adjusted EBITDA) exceeds 3.50:1.
- (j) Subject to the principles applicable to guarantees and security scheduled to the Senior Facilities Agreement (the “**Agreed Security Principles**”), the Senior Facilities are, or will be, guaranteed and secured by the Operating Company and certain of its subsidiaries. In addition, the Senior Facilities benefit from certain transaction security granted by the shareholders of the Operating Company over the shares issued by the Operating Company representing at least 51% of the shareholding of the Operating Company.
- (k) The Senior Facilities Agreement requires the Operating Company to ensure that: (i) the Interest Cover (being the ratio of Adjusted EBITDA to finance charges) (where finance charges are the aggregate amount of accrued interest, commission, fees, prepayment fees, premiums or charges and any other finance payments in respect of permitted borrowings and/or permitted factoring paid or payable by any Group company in cash or capitalised within certain agreed parameters)) is not less than 5.00:1 for each 12-month period ending on the last day of each financial quarter; (ii) the Net Leverage (being the ratio of total net debt to Adjusted EBITDA) does not exceed 4.25:1 for each 12-month period ending on the last

day of each financial quarter in 2019, 4.00:1 for each 12-month period ending on the last day of each financial quarter in 2020, 3.75:1 for each 12-month period ending on the last day of each financial quarter in 2021, 3.50:1 for each 12-month period ending on the last day of each financial quarter in 2022, 3.25:1 for each 12-month period ending on the last day of each financial quarter in 2023 and 3.00:1 for each 12-month period ending on the last day of each financial quarter in 2024 and thereafter ; and (iii) Adjusted Net Leverage (being the ratio of the adjusted total net debt to Adjusted EBITDA) for each 12-month period ending on the last day of each financial quarter does not exceed 6.50:1. These financial covenants are tested on a quarterly basis. In addition, the Group is subject to a borrowing base covenant (being the ratio of the sum of outstanding amounts under the Original Revolving Facilities and Incremental Facility II (the “**Revolving Facilities**”), plus outstanding bank guarantees in respect of such Revolving Facilities, less cash and cash equivalents, to trade receivables that are secured in favour of the secured parties under the Senior Facilities Agreement) which must not exceed 1:1 in relation to any 3 month period ending on 31 March, 30 June and 31 September or 31 December.

- (l) The Senior Facilities Agreement contains representations and warranties by the Operating Company and/or other obligors that are customary for agreements relating to facilities in the nature of the Senior Facilities. Certain representations and warranties are repeated on the date any utilisation request is submitted or a utilisation is made, on the first day of each interest period of any loan or the date that a request for an Incremental Facility is submitted, the date an Incremental Facility is established or each date that any transaction security is perfected . The representation in relation to the preparation and representativeness of the most recent financial statements delivered under the Senior Facilities Agreement and no material adverse change in relation to the business or financial condition of the Group occurring is repeated on every day during the term of the loan.
- (m) The Senior Facilities Agreement contains undertakings that are customary for agreements relating to facilities in the nature of the Senior Facilities.
- (n) The Senior Facilities Agreement is governed by the laws of the Czech Republic.

15.6 Acquisition of ADS

- (a) On 24 January 2019, the Operating Company acquired a 75% stake in ADS, specified in the share sale agreement between ARTERANUE, S.L., as seller (“**Arteranue**”), W.A.G. Mobility Solutions Iberia, S.L.U., (“**WAG Iberia**”), as purchaser, several individuals, as original shareholders (“**ADS Original Shareholders**”) and the Operating Company, as guarantor, dated 29 November 2018 (“**ADS Share Sale Agreement**”). The cash consideration paid under the ADS Share Sale Agreement was €74.1 million.
- (b) Upon the execution of the ADS Share Sale Agreement, WAG Iberia gained a call option and Arteranue gained a put option over the remaining stake in ADS. Subsequently, the Group exercised the call option and acquired the remaining 25% stake in ADS on 9 March 2021 for cash consideration of €27.0 million, by entering into a separate shares sale agreement dated 4 March 2021 (“**ADS Option**”). The acquisition of ADS is fully complete.
- (c) The ADS Original Shareholders and Arteranue gave certain representations and warranties in respect of their capacity and authority to enter into and perform the ADS Share Sale Agreement, title to the shares in ADS companies, share capital and corporate resolutions, matters relating to incorporation, regulatory matters, agreements, indebtedness, subsidiaries, assets, intellectual and industrial property, tax matters, environmental matters, matters relating to employees, insurance, data protection, insolvency, litigation, anti-bribery and provision of information.
- (d) The ADS Original Shareholders’ and Arteranue’s liability in respect of representations and warranties was limited to €46.2 million, and their liability in respect of certain warranties relating to Arteranue’s incorporation, existence, capacity and authority, title to shares, share capital and corporate resolutions, perimeter of the transaction contemplated by the ADS Share Sale Agreement, titles to certain assets and intellectual property rights and insolvency, was limited to the aggregate of the purchase price plus the option price. The ADS Original Shareholders’ and Arteranue’s liability in respect of representations, warranties and indemnities was agreed as joint and several for claims until the amount indemnified for them reaches €23.1 million. WAG Iberia had the right to either set-off claims (pursuant to the relevant arbitration award) against the price to be paid under the ADS Option or withhold payment of the relevant amount until any there were any unresolved claims.
- (e) The ADS Original Shareholders and Arteranue gave certain indemnities in favour of the Company and WAG Iberia in respect of any actual or potential cost, damage, liability or tax impact which could arise of

certain tax matters, data protection or privacy breaches and claims, certain financial matters, certain issues identified prior to closing and other instances identified in the ADS Share Sale Agreement.

- (f) Parties to the ADS Share Sale Agreement agreed on certain post-closing relationship matters and commitments, including, among others, specific protective undertakings in favour of WAG Iberia and the Company relating to dedication of the relevant ADS Original Shareholders, call option and protection and preservation of certain relationships important for the business and operation of the ADS.
- (g) The ADS Share Sale Agreement, as well as any non-contractual obligations arising out of or in connection with it, are governed by Spanish law.
- (h) As of 24 January 2021, 24 months after the acquisition of its initial stake, as agreed in the sale and purchase agreement, the Operating Company took operational control of ADS.

15.7 Acquisition of Sygic

- (a) Pursuant to a Share Purchase Agreement dated and completed on 15 April 2019, between the Operating Company and various sellers, including PASANOTE LIMITED, HUX HOLDINGS LIMITED, Slovenský rastový kapitálový fond, a.s. and several individuals (“**Sygic Sellers**”), the Operating Company agreed to the purchase of 70% of the shares in Sygic (“**Sygic Share Purchase Agreement**”). The consideration under the Sygic Share Purchase Agreement was €45.5 million.
- (b) The Sygic Sellers gave certain warranties to W.A.G. payment solutions, a.s., including warranties in respect of Sygic and its group companies, certain prohibited payments, ownership of assets, insolvency, accounts and financial matters, business operation permits, matters relating to employees, intellectual property and information technology, taxation, and matters relating to Sygic Seller’s existence, power and ability to enter into and perform the Sygic Share Purchase Agreement.
- (c) The Sygic Share Purchase Agreement contains certain financial and time limitations of the Sygic Sellers’ liability. Their liability is limited to:
 - (i) two or three years following signing of the Sygic Share Purchase Agreement,
 - (ii) certain minimum claims and maximum liability amounts as follows:
 - (A) the Sygic Sellers shall not be liable for any claims under the Sygic Share Purchase Agreement (i) to the extent that the amount of the claim against all Sygic Sellers arising from any single circumstance does not exceed €0.1 million; (ii) unless the aggregate amount of all claims under (i) for which the Sygic Sellers would otherwise be liable in aggregate exceeds €0.8 million;
 - (B) the aggregate liability of the Sygic Sellers in respect of breach of certain types of the warranties shall not exceed 15%, 50% or 100% of the purchase price, and €1 million in respect of any other breach of the Sygic Share Purchase Agreement,
 - (iii) in each case, depending on the type of warranties that are subject to a claim or breach. Such liability is further capped and allocated to each of the Sygic Sellers based on a certain percentage.
 - (iv) None of the Sygic Sellers shall be liable in respect of any loss of production, loss of profit, loss of revenue, contract, goodwill, loss of claim or any indirect and consequential losses.
- (d) The Sygic Sellers gave a specific indemnity in favour of the Operating Company relating to certain tax matters.
- (e) The Sygic Share Purchase Agreement, as well as any non-contractual obligations arising out of or in connection with it, are governed by Slovak law.
- (f) Following the execution of the Sygic Share Purchase Agreement, the Sygic Sellers entered into a Shareholders’ Agreement to refine certain mutual relationships in respect of Sygic, dated 15 April 2019 (“**Sygic Shareholders’ Agreement**”), pursuant to which:
 - (i) the Operating Company has an option to purchase the remaining 30% stake in Sygic (“**Sygic Call Option**”) for the price calculated on the basis of a specific formula taking into consideration factors such as the enterprise value of Sygic and its subsidiaries on cash free debt free basis, the increase in value between the date of the Sygic acquisition and the date the Sygic Call Option is calculated and the relevant balance sheet date, and certain additional adjustments in respect of changes to Sygic’s net working capital (such factors, when aggregated, result in a price to be paid referred to as the “**Sygic Option Price**”). The Sygic Call Option is exercisable by the Operating Company on either 31 March

2022 or 31 March 2024, in the case of a postponement request where certain Sygic Sellers are permitted to serve notice with a request to postpone the Sygic Call Option, informing the Operating Company of such intention on or before 30 September 2021. If the Operating Company exercises its option, the relevant Sygic Sellers must transfer their shares to the Operating Company and the Operating Company must pay the Sygic Option Price. Once the Sygic Call Option notice is given, it cannot be revoked or withdrawn, unless certain Sygic Sellers acting jointly agree otherwise in writing; and

- (ii) Sygic Sellers (acting jointly) have an option to sell the remaining 30% stake in Sygic they hold (“**Sygic Put Option**”) for the Sygic Option Price. The Sygic Put Option is exercisable by the Sygic Sellers on either 31 March 2022 or 31 March 2024, provided that certain Sygic Sellers serve a notice with request to postpone, informing the Operating Company of such intention to postpone the Sygic Put Option and the Sygic Call Option right to arise only after such postponed Sygic Put Option date. If the Sygic Put Option is exercised, then the Operating Company must comply with the provisions of the Sygic Shareholders’ Agreement and purchase the shares and pay the Sygic Option Price. Once the Sygic Put Option notice is given, it cannot be revoked or withdrawn, unless the Operating Company agrees otherwise in writing.

16. Material litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months preceding the date of this Prospectus which may have, or have had in the recent past significant effects on the Company and/or the Group’s financial position or profitability.

17. Significant change

There has been no significant change in the Group’s financial position or financial performance since 30 June 2021, the date to which the Group’s Historical Financial Information was prepared.

18. Working capital statement

In the opinion of the Company, taking into account the net proceeds receivable by the Company from the issue and sale of Subscription Shares in the Global Offering and the debt facilities available to the Group, the working capital available to the Group is sufficient for its present requirements; that is for at least the next 12 months following the date of this Prospectus.

19. Significant subsidiaries and subsidiary undertakings

Following completion of the Pre-IPO Reorganisation, the Company will be the principal holding company of the Group. The following table sets forth a list of the Group’s significant subsidiaries and subsidiary undertakings:

Name	Country of incorporation and registered office	Proportion of capital held	Proportion of voting power held (if different from capital held)
W.A.G. payment solutions, a.s.	Czech Republic	100%	100%
W.A.G. Issuing Services, a.s.	Czech Republic	100%	100%
W.A.G. payment solutions BE BVBA	Belgium	100%	100%
W.A.G. payment solutions BG EOOD	Bulgaria	100%	100%
W.A.G. payment solutions CZ, s.r.o.	Czech Republic	100%	100%
Reamon Tax, a.s.	Czech Republic	100%	100%
W.A.G. payment solutions DK ApS	Denmark	100%	100%
W.A.G. payment solutions EE OÜ	Estonia	100%	100%
W.A.G. payment solutions FI Oy	Finland	100%	100%
W.A.G. payment solutions FR SARL	France	100%	100%
W.A.G. payment solutions HR d.o.o.	Croatia	100%	100%
W.A.G. payment solutions IE LIMITED	Ireland	100%	100%
Consorzio Eurowag—S.C. A R. L.	Italy	100%	100%
W.A.G. payment solutions IT S.R.L. UNIPERSONALE	Italy	100%	100%

<u>Name</u>	<u>Country of incorporation and registered office</u>	<u>Proportion of capital held</u>	<u>Proportion of voting power held (if different from capital held)</u>
W.A.G. payment solutions LT, UAB	Lithuania	100%	100%
SIA W.A.G. payment solutions LV	Latvia	100%	100%
W.A.G. payment solutions LU S.à r.l.	Luxembourg	100%	100%
W.A.G. payment solutions HU Korlátolt Felelősségű Társaság	Hungary	100%	100%
W.A.G. HU Korlátolt Felelősségű Társaság	Hungary	100%	100%
W.A.G. payment solutions NL B.V.	The Netherlands	100%	100%
W.A.G. payment solutions NO AS	Norway	100%	100%
W.A.G. payment solutions PL, SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland	100%	100%
W.A.G. payment solutions , a.s. SPÓŁKA AKCYJNA ODDZIAŁ W POLSCE	Poland	100%	100%
W.A.G. payment solutions AT GmbH	Austria	100%	100%
W.A.G. payment solutions RO, s.r.l.	Romania	100%	100%
Eurowag d.o.o. Beograd-Stari Grad	Serbia	100%	100%
W.A.G. payment solutions EL SP LTD	Greece	100%	100%
W.A.G. payment solutions DE GmbH	Germany	100%	100%
W.A.G. payment solutions SK, s.r.o.	Slovakia	100%	100%
W.A.G. payment solutions, a.s., organizacná zložka	Slovakia	100%	100%
W.A.G. plačilne rešitve SI, d.o.o.	Slovenia	100%	100%
W.A.G. payment solutions UK LIMITED	United Kingdom	100%	100%
W.A.G. payment solutions Spain, S.L.U.	Spain	100%	100%
W.A.G. payment solutions a.s. Establecimiento Permanente	Spain	100%	100%
W.A.G. payment solutions Sweden AB	Sweden	100%	100%
W.A.G. payment solutions CH AG	Switzerland	100%	100%
WAG Payment Solutions Turkey Ödeme Sistemleri Ticaret Limited Şirketi	Turkey	100%	100%
W.A.G. payment solutions a.s Merkezi Çek Cumhuriyeti İstanbul Merkez Şubesi	Turkey	100%	100%
W.A.G. payment solutions PT, Unnipegsoal LDA	Portugal	100%	100%
Princip a.s.	Czech Republic	100%	100%
HI Software Development s.r.o.	Czech Republic	100%	100%
Klub Investorov T&G SK, s.r.o.	Czech Republic	100%	100%
Aldobec technologies, s.r.o.	Slovakia	100%	100%
W.A.G. Mobility Solutions Iberia, S.L. UNIPERSONAL TAXREFUND CONSULTING SL	Spain	100%	100%
Liserteco LDA	Portugal	100%	100%
LISERTECO 24 HORAS, SL	Spain	100%	100%
REIVALSA GESTION, S.L.	Spain	100%	100%
REIVALSA GESTION, S.L.	Spain	100%	100%
ARRAIA-OIL, S.L.	Spain	100%	100%
Arraia Autopistas, S.L.	Spain	100%	100%
Sygic a.s.	Slovakia	70%	70%
Sygic Czech Republic s.r.o.	Czech Republic	70%	70%
Sygic Ltd.	United Kingdom	70%	70%
W.A.G. AT GmbH	Austria	100%	100%
KomTes Chrudim s.r.o.	Czech Republic	51%	51%
KomTeS CZ s.r.o.	Czech Republic	51%	51%
KomTeS SK s.r.o.	Slovakia	51%	51%

20. Consents

PricewaterhouseCoopers LLP has given and has not withdrawn its written consent to the inclusion in this document of its Accountants' Report on the Historical Financial Information of the Operating Group, Accountants' Report on the Historical Financial Information of Arraia, Accountants' Report on the

Historical Financial Information of Portugalia and Accountants' Report on the Historical Financial Information of Sygic as set out under Section 1 of Part A, Section 1 of Part B, Section 1 of Part C and Section 1 of Part D of *Historical Financial Information*, and its Accountants' Report on the Unaudited Pro Forma Financial Information as set out under Section A of *Unaudited Pro Forma Financial Information*, and has authorised the contents of those parts of the Prospectus which comprise its reports for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules. A written consent under the Prospectus Regulation Rules is different from a consent filed with the SEC under Section 7 of the US Securities Act. As the Shares have not been and will not be registered under the US Securities Act, PricewaterhouseCoopers LLP has not filed and will not be required to file a consent under Section 7 of The US Securities Act.

21. General

The total fees and expenses to be borne by the Company in connection with, and incidental to, the Admission (including the FCA fees, professional fees and expenses and the costs of printing and distribution of documents) are estimated to amount to approximately €19.2 million.

The financial information contained in this document does not amount to statutory accounts within the meaning of Section 434(3) of the Companies Act 2006.

22. Withdrawal Rights

In the event that the Company is required to publish a supplementary prospectus, applicants who have applied to purchase Offer Shares in the Global Offering will have at least two Business Days following the publication of the supplementary prospectus within which to withdraw their offer to acquire Offer Shares in the Global Offering.

If the application is not withdrawn within the stipulated period, any offer to apply for Offer Shares in the Global Offering will remain valid and binding.

23. Mandatory bids and compulsory acquisition rules relating to Ordinary Shares

Other than as provided by the City Code on Takeovers and Mergers (the “**City Code**”) and Chapter 28 of the Companies Act 2006, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Company.

23.1 Rule 9 of the City Code

The City Code applies to the Company from Admission.

Rule 9.1 of the City Code states that, except with the consent of the Takeover Panel (the “**Panel**”), when:

- (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company; or
- (b) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company, but does not hold shares carrying more than 50% of such voting rights, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested,

such person shall extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the City Code, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable and the Panel should be consulted in advance in such cases.

If a person (or group of persons acting in concert) already holds shares of the Company carrying more than 50% of the voting rights in the Company, that person (or any person(s) acting in concert with such person) may acquire further shares without incurring any obligation under Rule 9 to make a mandatory offer, although individual members of a concert party will not be able to increase their percentage interest in shares through or between a Rule 9 threshold without Panel consent.

“Interests in shares” is defined broadly in the City Code. A person who has long economic exposure, whether absolute or conditional, to changes in the price of shares will be treated as interested in those shares. A person who only has a short position in shares will not be treated as interested in those shares.

“Voting rights” for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting.

Persons acting in concert (and concert parties) comprise persons who, pursuant to an agreement or understanding (whether formal or informal), cooperate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Certain categories of people are deemed under the City Code to be acting in concert with each other unless the contrary is established.

Immediately following Admission, Martin Vohánka will hold approximately 47.8% of the issued share capital of the Company (assuming no exercise of the Over-allotment Option, or approximately 47.2% if the Over-allotment Option is exercised in full). Martin Vohánka is deemed to be acting in concert with three of the minority shareholders as at Admission, who are individuals and former members of the Operating Company’s management, due to their longstanding professional and personal relationships (the “**Concert Party Group**”). Martin Vohánka is not deemed to be acting in concert with TA Associates. The Concert Party Group together will hold approximately 52.9% of the issued share capital of the Company (assuming no exercise of the Over-allotment Option, or approximately 52.3% if the Over-allotment Option is exercised in full). The following table sets out the interests of the Concert Party Group in the share capital of the Company immediately prior to Admission and immediately following the Global Offering, assuming no exercise of the Over-allotment Option:

Shareholders	Immediately prior to Admission		Immediately following Admission	
	Number of Ordinary Shares	Percentage (%)	Number of Ordinary Shares	Percentage (%)
Martin Vohánka ⁽¹⁾	331,880,128	57.72	329,195,021	47.78
David Holy	12,550,669	2.18	11,985,889	1.74
Pascal Guyot	12,067,951	2.10	11,826,592	1.72
Tomas Svatoň	12,067,951	2.10	11,621,437	1.69
Total	368,566,699	64.10	364,628,939	52.93

(1) Includes Ordinary Shares held by Couverina Business, s.r.o, a Czech company wholly owned by Martin Vohánka.

Until the Concert Party Group’s interest in the Company is diluted so as to reduce its aggregate holding of shares in the Company to a level that carries 50% or less of the voting rights in the Company, the Concert Party Group will be free to acquire further shares in the Company without incurring any obligation under Rule 9 of the City Code (although individual members of the concert party cannot acquire interests in shares through or between a Rule 9 threshold without Takeover Panel consent).

23.2 *Authority of the Company to redeem or purchase its own shares*

When a company redeems or purchases its own voting shares, under Rule 37.1 of the City Code any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the City Code. Rule 37.1 of the City Code provides that, subject to prior consultation, the Panel will normally waive any resulting obligation to make a general offer if there is a vote of independent shareholders and a procedure along the lines of that set out in Appendix 1 to the City Code is followed. Appendix 1 to the City Code sets out the procedure which should be followed in obtaining that consent of independent shareholders. Under Note 1 on Rule 37.1 of the City Code, a person who comes to exceed the limits in Rule 9.1 in consequence of a company’s purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that the person is, or is presumed to be, concert parties with any of the directors. However, there is no presumption that all the directors (or any two or more directors) are concert parties solely by reason of a proposed purchase by a company of its own shares, or the decision to seek shareholders’ authority for any such purchase. For so long as representative(s) of TA Associates (or their respective concert parties, if any) are director(s) of the Company, Note 1 to Rule 37.1 of the City Code will not exempt TA Associates (or their respective concert parties, if any) from the effects of Rule 37.1 of the City Code.

Under Note 2 on Rule 37.1 of the City Code, the exception in Note 1 on Rule 37.1 described above will not apply, and an obligation to make a mandatory offer may therefore be imposed, if a person (or any

relevant member of a group of persons acting in concert) has acquired an interest in shares at a time when they had reason to believe that such a purchase of their own shares by the company would take place. Note 2 generally will not be relevant unless the relevant person knows that a purchase for which requisite shareholder authority exists is being, or is likely to be, implemented (whether in whole or in part).

The Panel must be consulted in advance in any case where Rule 9 of the City Code might be relevant. This will include any case where a person or group of persons acting in concert is interested in shares carrying 30% or more but do not hold shares carrying more than 50% of the voting rights of a company, or may become interested in 30% or more on full implementation of the proposed purchase by the company of its own shares. In addition, the Panel should always be consulted if the aggregate interests in shares of the directors and any other persons acting in concert, or presumed to be acting in concert, with any of the directors amount to 30% or more, or may be increased to 30% or more on full implementation of the proposed purchase by the company of its own shares.

Subject to certain limits, the Company has authority to purchase Shares under the terms of the shareholder resolutions summarised in paragraph 4 of “*Additional Information*” (the “**Buyback Authority**”). The maximum number of shares that the Company may purchase under this authority will be 10% of the Company’s issued share capital immediately following Admission. The Buyback Authority will expire at the conclusion of the first annual general meeting of the Company (or, if earlier, on the date falling 15 months after the resolution conferring it is passed).

If, prior to such expiry: (a) the Company were to exercise the Buyback Authority in full; (b) the aggregate percentage beneficial shareholding of the Concert Party Group in the Company immediately following Admission is approximately 52.9% of the issued share capital of the Company, assuming no exercise of the Over-allotment Option, or approximately 52.3% if the Over-allotment Option is exercised in full; and (c) none of the Shares which the Concert Party Group hold are purchased by the Company under the Buyback Authority and no Shares had been newly issued by the Company between the date of Admission and the date that the Buyback Authority is fully exercised, then the shareholding of the Concert Party Group in the Company would increase to approximately 58.2%, assuming no exercise of the Over-allotment Option, and approximately 57.6% if the Overallotment Option is exercised in full. This increase would be less to the extent that: (i) any of the Shares of the Concert Party Group are purchased by the Company; and (ii) as noted below, the Stabilising Manager had exercised the Over-allotment Option by acquiring further Shares from the Over-allotment Shareholders. The following table sets out the interests of the Concert Party Group in the share capital of the Company immediately following Admission and immediately following an exercise of the Buyback Authority in full, assuming none of the Shares which the Concert Party Group hold are purchased by the Company under the Buyback Authority and no Shares had been newly issued by the Company between the date of Admission and the date that the Buyback Authority is fully exercised:

Shareholders	Immediately following Admission (assuming no exercise of the Overallotment Option)		Following exercise of Buyback Authority in full (assuming no exercise of the Overallotment Option)		Following exercise of Buyback Authority in full (assuming Overallotment Option exercised in full)	
	Number of Ordinary Shares	Percentage (%)	Number of Ordinary Shares	Percentage (%)	Number of Ordinary Shares	Percentage (%)
Martin Vohánka ⁽¹⁾ . . .	329,195,021	47.78	329,195,021	52.56	325,061,688	51.90
David Holy	11,985,889	1.74	11,985,889	1.91	11,985,889	1.91
Pascal Guyot	11,826,592	1.72	11,826,592	1.89	11,826,592	1.89
Tomas Svatoň	11,621,437	1.69	11,621,437	1.86	11,621,437	1.86
Total	364,628,939	52.93	364,628,939	58.22	360,495,606	57.56

(1) Includes Ordinary Shares held by Couverina Business, s.r.o, a Czech company wholly owned by Martin Vohánka.

In respect of the period from Admission up to the close of business on 7 January 2023 or, if earlier, at the conclusion of the next annual general meeting of the Company, the Panel has confirmed that notwithstanding Rule 37.1 of the City Code, this potential increase in the shareholding of the Concert Party Group in the Company due to the Buyback Authority will not require the Concert Party Group to make a mandatory offer pursuant to Rule 9 of the City Code, and therefore a whitewash resolution of the independent shareholders will not be necessary. This confirmation has been given on the basis that (a) the Buyback Authority was passed on 7 October 2021 and (b) the consequences of such a buyback have been fully disclosed in this document.

The Company currently expects to seek renewal of that authority from shareholders at the first annual general meeting of the Company following Admission and to seek independent shareholder (for the purposes of the City Code) consent to an equivalent waiver in respect of any renewed authority to purchase Ordinary Shares that is sought. The granting of the waiver will then also be subject to renewed approval from the Takeover Panel, without which Rule 9 of the City Code will apply with respect to increases in interests in the Ordinary Shares caused by the purchase by the Company of its own shares.

23.3 *Stabilisation arrangements in connection with the Global Offering*

Under the stabilisation arrangements described in “*Details of the Global Offering*”, the Stabilising Manager may borrow Ordinary Shares (representing in aggregate up to 15% of the total number of Offer Shares (prior to any exercise of the Over-allotment Option)) from the Over-allotment Shareholders under the terms of the Stock Lending Agreement for the purposes of satisfying over-allotments of Ordinary Shares. The Stabilising Manager will, within 30 calendar days of the date of the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange, redeliver to the Over-allotment Shareholders equivalent securities in respect of any borrowing it makes under the terms of the Stock Lending Agreement by transferring the same number of Ordinary Shares to the Over-allotment Shareholders as the Stabilising Manager has borrowed from the Over-allotment Shareholders. The Stabilising Manager may also utilise the Over-allotment Option to acquire Ordinary Shares representing in aggregate up to 15% of the total number of Offer Shares (prior to the utilisation of the Over-allotment Option) from the Over-allotment Shareholders whereupon the Over-allotment Shareholders will be obliged to transfer such Ordinary Shares to the Stabilising Manager.

As a result of the combined effect of lending Ordinary Shares pursuant to the Stock Lending Agreement and granting the Over-allotment Option, each Over-allotment Shareholder’s shareholding in the Company can only remain the same or decrease from what its shareholding would be if it were not party to any stabilisation arrangements. In particular, each Over-allotment Shareholder’s shareholding in the Company will return to its original level when the loan is repaid and then decrease if the Stabilising Manager acquires Ordinary Shares from it pursuant to utilisation of the Over-allotment Option. The Panel has confirmed that, pursuant to Note 4 on the definition of “Interests in securities” and Note 18 on Rule 9.1 in the City Code, none of the Over-allotment Shareholders will be treated as having disposed of an interest in any Ordinary Shares when it lends Ordinary Shares to the Stabilising Manager under the Stock Lending Agreement and will not therefore be treated as having increased its interest in Ordinary Shares upon the redelivery of the lent Ordinary Shares. Accordingly, no Rule 9 mandatory offer obligation will arise under the stock lending arrangements.

An announcement will be made by the Company or by the Stabilising Manager on its behalf following utilisation of the Over-allotment Option, and a further announcement will be made to record the movements that have taken place in the Over-allotment Shareholders’ shareholding in the Company consequent upon the arrangements referred to above.

23.4 *Squeeze-out rules*

Under the Companies Act 2006, if a “takeover offer” (as defined in Section 974 of the Companies Act 2006) is made by an offeror to acquire all of the shares in the Company not already owned by it and the offeror were to acquire, or unconditionally contract to acquire, not less than 90% in value of the shares to which such offer relates, the offeror could then compulsorily acquire the remaining shares. The offeror would do so by sending a notice to the outstanding members informing them that it will compulsorily acquire their shares and, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and pay the consideration for the outstanding shares to the Company which would hold the consideration on trust for the relevant members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

23.5 *Sell-out*

The Companies Act 2006 also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% in value of the shares and not less than 90% of the voting rights carried by the shares in the Company, any holder of shares to which the offer related who had not

accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his or her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his or her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

No takeover offer (within the meaning of Part 28 of the Companies Act 2006) has been made for any Shares to date during the current fiscal year ending 31 December 2021.

24. Documents available for inspection

Copies of the following documents are available for inspection on the Company's website at <https://investors.eurowag.com> and during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months from the date of publication of this Prospectus at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD:

- (a) the Articles;
- (b) the reports from PricewaterhouseCoopers LLP set out in "*Historical Financial Information*" and "Unaudited Pro Forma Information";
- (c) the Historical Financial Information of the Operating Group as at and for the three years ended 31 December 2020 and as at and for the six months ended 30 June 2021;
- (d) the Historical Financial Information of Sygic and Arraia, each for the years ended 31 December 2018 and 31 December 2019, and the Historical Financial Information for Portugalia for the year ended 31 December 2018 and for the three months ended 31 March 2019;
- (e) the consent letters referred to in "*—Consents*" above; and
- (f) this Prospectus.

GLOSSARY

The following definitions apply throughout this document unless the context requires otherwise:

“ABAC”	anti-bribery and corruption
“ACAS”	Automatic Credit Approval System
“ABP”	Annual Bonus Plan
“Admission”	admission of the Ordinary Shares to the Official List and to trading on the main market for listed securities of the London Stock Exchange becoming effective in accordance with LR 3.2.7G of the Listing Rules and paragraph 2.1 of the Admission and Disclosure Standards published by the London Stock Exchange
“Adjusted Net Leverage”	the ratio of the adjusted total net debt to Adjusted EBITDA
“ADS”	a group of companies acquired by the Group during 2019 and 2020, comprising Arraia-Oil, S.L., Area Diesel Service, S.L., Portugalia Global Service, S.L., Reivalsa Gestión, S.L., Trofa Gestion, s. l., Taxrefund, s.l., Arraia Autopistas s.l., Liserteco lda, and Liserteco 24 horas, s.l.
“AML”	anti-money laundering
“Annual Exemption”	the level of the annual allowance of tax-free gains in that UK tax year
“APED”	advanced payment of Excise Duty
“Application Programme Interface”	Technology-acronym referring to a software intermediary that allows two applications to communicate with each other
“Arraia”	Arraia Oil, S.L.
“Area Sales Manager or ASM”	Eurowag employees assigned a specific location (country) with the goal to generate revenue by implementing and executing strategies to achieve sales targets as well as manage and coordinate the team operating in that location
“Articles”	the Company’s Articles of Association to be adopted conditional upon Admission
“ASIC”	Australian Securities and Investments Commission
“ASMs”	area sales managers
“Audit Committee”	the Company’s audit committee
“Banks”	the Joint Global Coordinators and the Joint Bookrunners
“Board”	the board of directors of the Company
“Business Days”	a day (other than a Saturday, Sunday or public holiday) when banks in the UK are open for business
“Bunkering”	Fuel stations where EW supplies its own fuel and obtains an additional margin for fuel sale
“Cashflow Cover”	the ratio of cashflow to debt service
“Central Cluster”	the Group’s geographic cluster comprising the Czech Republic, Estonia, Latvia, Lithuania, Poland, Slovakia, and Ukraine
“CGU”	cash generating unit

“CPO”	charge point operator
“CISA”	Swiss Federal Act on Collective Investment Schemes
“City Code”	City Code on Takeovers and Mergers
“Closing Date”	8:00 a.m. (London time) on 13 October 2021
“CNB”	Czech National Bank
“CNG”	compressed natural gas
“Code”	US Internal Revenue Code of 1986
“Commercial Road Transport or CRT” . . .	Transportation of goods using motor vehicles on the road network.
“Company”	W.A.G payment solutions plc
“Controlling Shareholder”	Martin Vohánka, the founder and Chief Executive Officer of the Company
“customer relationship management”	Customer relationship management is a process in which a business or other organisation administers its interactions with customers, typically using data analysis to study large amounts of information.
“CREST”	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK and Ireland limited is the operator
“CRM”	customer relationship management
“DBSP”	Deferred Bonus Share Plan
“Deeds of Election”	the share sale election deeds entered into by the Individual Selling Shareholders pursuant to which, among other things, the Individual Selling Shareholders have irrevocably instructed the Company to agree the sale of Sale Shares as agent for and on behalf of the Individual Selling Shareholders
“Directors”	the directors of the Company whose names appear on page 37 of this Prospectus
“Disclosure Guidance and “Transparency Rules” . .	the disclosure guidance and transparency rules produced by the FCA and forming part of the handbook of the FCA as, from time to time, amended
“Ecosystem”	The collection of touchpoints & systems in which users engage with an organisation.
“EEA”	European Economic Area
“EETS”	European Electronic Toll Service
“EMD”	Electronic Money Directive (Directive 2009/110/EC)
“e-mobility”	electric vehicles
“eFleet Management”	Fleet management of electric vehicles
“ESP”	eMobility Service Providers
“EU”	European Union
“EU Mobility Package” . . .	the European Union’s regulation on access to the market in the carriage of goods by road and the occupation of road transport operator (Regulation (EU) 2020/1055), regulation on maximum working hours and minimum rest periods for drivers and on positioning by means of tachographs (regulation

(EU) 2020/1054) and Directive revising the enforcement requirements and establishing rules on the posting of drivers (Directive (EU) 2020/1057)

“ESG”	Environmental, Social and Governance
“EV”	Electric Vehicle
“EVA”	Enhanced Vehicle Assistant
“EUWA”	the European Union (Withdrawal) Act 2018
“FCA”	the UK Financial Conduct Authority
“FIEL”	Financial Instruments and Exchange Law, as amended
“FSMA”	the UK Financial Services and Markets Act 2000, as amended
“FTE”	means the full-time equivalents of the Group’s employee
“GDPR”	The General Data Protection Regulation (EU) 2016/679
“Global Offering”	the proposed offer of Ordinary Shares to certain institutional and professional investors
“GRI”	Global Reporting Initiative
“GNSS”	Global Navigation Satellite System
“Governance Code”	UK Corporate Governance Code issued by the Financial Reporting Council
“Group”	Refers to the Operating Group defined in Note 1 of Section 2, Part A of “ <i>Historical Financial Information</i> ”, and the entities and predecessors to such Group (as the context requires), and following the Pre-IPO Reorganisation, refers to the Company and its subsidiaries.
“HGV”	heavy goods vehicle
“Historical Financial Information”	the Group’s audited consolidated financial information as at and for the three years ended 31 December 2018, 2019 and 2020, and audited financial information as at and for the six months ended 30 June 2021
“HMRC”	Her Majesty’s Revenue and Customs, the UK tax department
“IFRS”	UK adopted international accounting standards
“Individual Selling Shareholders”	members of the Group's management and former management who hold shares in the Company on the date of publication of this Prospectus who have elected to make available Sale Shares for sale in the Global Offering
“ISIN”	International Securities Identification Number
“Joint Bookrunners”	The Joint Global Coordinators, Jefferies, Numis and UBS Investment Bank
“Joint Global Coordinators”	Citigroup, Morgan Stanley and Jefferies
“Joint Sponsors”	Citigroup and Morgan Stanley
“LEI”	Legal Entity Identifier
“LNG”	Liquid Natural Gas
“Listing Rules”	the listing rules of the FCA relating to admission to the Official List
“London Stock Exchange”	London Stock Exchange plc

“Main Market”	the London Stock Exchange’s main market for listed securities
“MCV”	Medium Commercial Vehicles
“MSR”	Member States of refund
“MTPL”	Motor Third Party Liability Insurance
“Nil Rate Amount”	the first GBP 2,000 of dividend income received by individual Shareholders in a tax year
“Nomination Committee” .	the Company’s nomination committee
“Non-IFRS Measures” . . .	are the following alternative performance measures: Adjusted EBITDA, Adjusted EBITDA (margin), Adjusted earnings (net profit), contribution, contribution margin, EBITDA, operating free cashflow, operating free cashflow conversion, and net energy and service sales.
“Non- US Holder”	a beneficial owner of Ordinary Shares that is neither a US Holder nor a partnership
“OBU”	On-Board Unit
“OFAC”	the US Office of Foreign Assets Control
“Offer Price”	GBP 1.50 per Ordinary Share
“Offer Shares”	the Subscription Shares together with the Sales Shares
“Offer Size”	124,000,000 Offer Shares
“Official List”	the Official List maintained by the FCA
“Order”	Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
“Ordinary Shares”	ordinary shares of GBP 0.01 each in the capital of the Company
“Over-allotment Option” .	the allotment option to purchase up to a maximum of 10.0% of the total number of Offer Shares (before exercise of the Overallotment Option) during the period commencing on the date of commencement of conditional dealings of the shares on the London Stock Exchange and ending no later than 30 calendar days thereafter at the Offer Price to cover Over-allotments, if any, made in connection with the Global Offering and to cover any short positions resulting from stabilisation transactions
“Over-allotment Shareholders”	each of the Principal Selling Shareholders
“PFIC”	Passive foreign investment company for US federal income tax purposes
“PHEV”	plug-in hybrid vehicles
“PILON”	payment in lieu of notice
“Portugalia”	Portugalia Global Service, S.L.
“PR Regulation”	Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 as it forms part of retained EU law as defined by the European Union (Withdrawal) Act 2018
“Pre-IPO Reorganisation” .	the reorganisation of the Group’s corporate structure prior to Admission and as further described in <i>“Additional Information”</i>

“Principal Selling Shareholders”	means Martin Vohánka, Couverina Business, s.r.o. and Bock Capital EU Luxembourg WAG S.à.r.l.
“Prospectus”	this prospectus
“Prospectus Regulation”	Regulation (EU) 2017/1129
“Prospectus Regulation Rules”	the prospectus regulation rules of the FCA made pursuant to section 73A of the FSMA, as amended
“PSD2”	Payment Services Directive Two
“PSP”	Performance Share Plan
“QIB”	qualified institutional buyer as defined in Rule 144A
“QMS”	Quality Management System
“Registered office of the Company”	Horton House, Exchange Flags, Liverpool, Merseyside L2 3PF, United Kingdom
“Registrar”	Computershare Investor Services plc
“Regulation S”	Regulation S under the Securities Act
“Relevant Member State”	each member of the European Economic Area
“Remuneration Committee”	the Company’s remuneration committee
“Rule 144A”	Rule 144A under the Securities Act
“SaaS”	software as a service
“Sale Shares”	up to 10,666,667 Ordinary Shares being offered by the Selling Shareholders in the Global Offering (including 12,400,000 Ordinary Shares under the Over-allotment Option)
“SDK”	software development kit
“SDRT”	stamp duty reserve tax
“SEC”	US Securities and Exchange Commission
“Securities Act”	US Securities Act of 1933, as amended
“SFA”	Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time
“SID”	senior independent director
“SIX”	SIX Swiss Exchange
“SMB”	small and medium-sized business
“Southern cluster”	the Group’s geographic cluster comprising Bulgaria, Italy, Hungary, Macedonia, Romania, Serbia, and Turkey
“Stabilising Manager”	Morgan Stanley & Co. International plc
“Stabilisation Period”	no later than 30 calendar days after the date of commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange
“Stock Lending Agreement”	the stock lending agreement entered into by the Stabilising Manager and the

Over-allotment Shareholders pursuant to which the Stabilising Manager will be able to borrow from the Overallotment Shareholders a number of Ordinary Shares equal in aggregate to up to 10.0% of the total number of Offer Shares prior to any exercise of the Over-allotment Option.

“Subscription Shares” . . .	up to 113,333,333 Ordinary Shares being offered by the Company in the Global Offering
“Sygic”	Sygic, a.s.
“TCO”	total cost of ownership
“TCFD”	Task Force on Climate-related Financial Disclosures
“Trucker”	used to refer to customer rather than the driver
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UKBA”	United Kingdom Bribery Act 2010
“UK DPA”	the United Kingdom’s Data Protection Act 2018
“UK GDPR”	the UK General Data Protection Regulation as defined by the DPA as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019
“UK Market Abuse Regulation”	Regulation (EU) 596/2014, as it forms part of UK law by virtue of the EUWA, as amended from time to time
“UK Prospectus Regulation”	the Prospectus Regulation (EU) 2017/1129, as amended, which is part of UK law by virtue of the EUWA
“Underwriters”	the Joint Bookrunners together with the Joint Global Co-ordinators
“Underwriting Agreement”	the Underwriting Agreement entered into between the Company, the Directors, the Selling Shareholders and the Banks
“US or United States” . . .	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
“US Holder”	a beneficial owner of Ordinary Shares that is for US federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia; (iii) an estate the income of which is includible in gross income for US federal income tax purposes regardless of its source; or (iv) a trust subject to the control of one or more US persons and under the primary supervision of a US court or that has validly elected to be treated as a domestic trust for US federal income tax purposes
“VAT”	Value Added Tax
“Western cluster”	the Group’s geographic cluster comprising Austria, France, Germany, Portugal and Spain

SCHEDULE OF CHANGES

The registration document published by the Company on 13 September 2021 (the “**Registration Document**”) contained the information required to be included in a registration document for equity securities by Annex 1 to the UK version of Commission Delegated Regulation (EU) 2019/980 (supplementing Regulation (EU) 2017/1129) which is part of UK law by virtue of the EUWA (the “**PR Regulation**”). The Prospectus, which otherwise contains information extracted without material amendment from the Registration Document (except as set out below), also includes information required to be included in a securities note for equity securities as prescribed by Annex 11 to the PR Regulation and summary information for equity securities as prescribed by Article 7 of the UK Prospectus Regulation. The Prospectus updates and replaces in whole the Registration Document. Any equity investor participating in the Global Offering should invest solely on the basis of the Prospectus, together with any supplement thereto.

This schedule of changes to the Registration Document (the “**Schedule of Changes**”) sets out, refers to or highlights material updates to the Registration Document.

Capitalised terms contained in this Schedule of Changes shall have the meanings given to such terms in the Prospectus unless otherwise defined herein.

Purpose

The purpose of this Schedule of Changes is to:

- (a) highlight material changes made in the Prospectus, as compared to the Registration Document;
- (b) highlight the new disclosure made in the Prospectus to reflect information required to be included in a Securities Note; and
- (c) highlight the new disclosure made in the Prospectus to reflect information required to be included in a Summary.

1. REGISTRATION DOCUMENT CHANGES

- 1.1 The information under the section “*Directors, Company Secretary, Registered Office and Advisers*” on page 27 of the Registration Document has been updated in the Prospectus to reflect details of the Company Secretary and the Advisers. Please see pages 37 and 38 of the Prospectus.
- 1.2 The information under the section “*Directors, Senior Management and Corporate Governance*” on pages 65 to 70 of the Registration Document has been updated in the Prospectus to reflect the implementation of changes to the Company’s corporate governance arrangements appropriate for a listed company. Please see pages 77 to 82 of the Prospectus.
- 1.3 The information under the section “*Operating and Financial Review*” on pages 82,89 and 91 of the Registration Document have been updated to reflect the following: (i) the additional costs associated with pre-IPO subscriptions that the Group expects to incur as a result of the Global Offering as disclosed under the subsection “*Pre-IPO Share and Bonus Expenses*” on page 94 of the Prospectus; (ii) the Group’s trade and other receivables amount as at 30 September which was changed from 252 to 255 in the table on page 101 of the Prospectus; (iii) the Group’s capital expenditures for the year ended 31 December 2020 was changed from 24,999 to 21,499 in the table on page 103 of the Prospectus; (iv) and its transformational capital expenditures expectations for the year end 31 December 2021 replaced total capital expenditures expectations for the same period as disclosed on page 103 of the Prospectus.
- 1.4 The information under Note 34 of the “*Historical Financial Information for the Operating Group*” on page 167 of the Registration Document has been updated in the Prospectus to account for the Global Offering. Please see page 180 of the Prospectus.
- 1.5 The information entitled “*Share Capital*” on page 250 of the Registration Document has been updated in the Prospectus to reflect the Company’s expected share capital structure immediately prior to the publication of the Prospectus and immediately following Admission. Please see pages 289 and 290 of the Prospectus.
- 1.6 The new subsection entitled “*Authorisations*” has been added to the Prospectus and describes the shareholder approvals that the Company has obtained to effect the Pre-IPO Reorganisation in advance of Admission, as well shareholder approvals which are customary for listed companies. Please see pages 290 to 292 of the Prospectus.

- 1.7 The information under the subsection “*Reorganisation*” on pages 279 and 280 of the Registration Document has been updated in the Prospectus under the subsection entitled “*Pre-IPO Reorganisation*” to describe the share for share exchange that will occur prior to Admission and to reflect the capital reduction to be undertaken by the Company following Admission. Please see pages 292 to 293 of the Prospectus.
- 1.8 The subsection entitled “*Articles of Association*” on pages 255 of the Registration Document has been updated to reflect the articles of association of the Company that will be in effect at Admission. Please see pages 293 to 300 of the Prospectus.
- 1.9 The subsection entitled “*Directors and Senior Management*” on page 260 of the Registration Document has been updated to include the terms of the Relationship Agreement that require Joseph Morgan Seigler as a nominee director of TA Associates to declare the nature and extent of any conflict to the Board as required by the Companies Act 2006. Please see pages 300 to 303 of the Prospectus.
- 1.10 The subsection entitled “*Directors and Senior Management’s interests in the Company*” on page 260 of the Registration Document has been updated in the Prospectus to reflect the interests of the Directors and Senior Management in the share capital of the Company at the date of this document and immediately following Admission. Please see pages 303 to 305 of the Prospectus.
- 1.11 The new subsection entitled “*Overview of remuneration strategy and policy*” has been added into the Prospectus and describes the Company’s remuneration policy. Please see page 305 to 309 of the Prospectus.
- 1.12 The subsection entitled “*Directors’ and Senior Management’s Remuneration*” on pages 264 to 267 of the Registration Document has been updated in the Prospectus to detail the Directors’ and Senior Management’s remuneration and to describe the fees to be paid to the Non-Executive Directors of the Company. Please see pages 309 to 311 of the Prospectus.
- 1.13 The subsection entitled “*Share Incentives Plans*” on pages 267 to 274 of the Registration Document has been updated in the Prospectus to detail the Company’s share incentive plans in connection with and following Admission. Please see pages 312 to 319 of the Prospectus.
- 1.14 Changes have been made to the subsection entitled “*Material Contracts*” on pages 275 to 279 of the Registration Document, including but not limited to the addition of the following new material contracts: (i) Underwriting Agreement; (ii) Cornerstone Investment Agreements entered into between the Company and Select Equity and Fidelity, and (iii) Relationship Agreements with Martin Vohánka and TA Associates. Please see pages 320 to 329 of the Prospectus.
- 1.15 The subsection entitled “*Significant subsidiary undertakings*” on pages 280 to 281 of the Registration Document has been updated in Prospectus to reflect the significant subsidiaries at Admission. Please see pages 329 to 330 of the Prospectus.

2. SECURITIES NOTE INFORMATION

- 2.1 A new section entitled “*Risks relating to shares*” has been added to the Prospectus to describe the risks relating to the Global Offering and the ordinary shares, including risks relating to changes in the approach by investors to companies with exposure to the fossil fuel industry and any related impact on investor demand for the ordinary shares, risks relating to an active trading market or the trading price of the ordinary shares, risks relating to the Group’s largest Shareholders, dilution and risks relating to overseas Shareholders in the United States. Please see pages 27 to 30 of the Prospectus.
- 2.2 New sections entitled “*Expected Timetable of Principal Events and Offer Statistics*” and “*Details of the Global Offering*” have been added into the Prospectus, describing the means through which the Ordinary Shares will be offered to institutional investors pursuant to the Global Offering. Please see page 39 and pages 267 to 280 of the Prospectus. The “*Details of the Global Offering*” disclosure also includes the arrangements entered into between the Company and the Banks, among other parties, pursuant to which the Underwriters agreed to underwrite the Offer and the lock-up arrangements that have been entered into or will be entered into ahead of Admission.
- 2.3 A new section entitled “*Capitalisation and Indebtedness*” has been added into the Prospectus, describing the consolidated capitalisation and indebtedness of the Group as at 31 July 2021. Please see page 111 of the Prospectus.

- 2.4 A new section entitled “*Unaudited Pro Forma Financial Information*” has been added into the Prospectus. Please see pages 263 to 266 of the Prospectus.
- 2.5 A new section entitled “*Taxation*” has been added into the Prospectus to provide a general guide to certain U.K. and U.S. federal tax considerations relevant to the acquisition, ownership and disposition of Ordinary Shares. Please see pages 281 to 288 of the Prospectus.
- 2.6 A new paragraph entitled “*Working capital statement*” has been added into the Prospectus, confirming the adequacy of the Group’s working capital. Please see page 329 of the Prospectus.
- 2.7 The new subsection entitled “*Mandatory bids and compulsory acquisition rules relating to Ordinary Shares*” has been added to the Prospectus and describes the rules and provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Company, as well as details of the Concert Party Group’s interests in the share capital of the Company at the date of this document, immediately following Admission and immediately following the exercise of the Buyback Authority. Please see pages 331 to 335 of the Prospectus.

3. SUMMARY INFORMATION

- 3.1 A new section entitled “*Summary Information*” has been added into the Prospectus, to reflect the addition of a Summary as required by Article 7 of the UK Prospectus Regulation. Please see pages 1 to 7 of the Prospectus.

