

**ANNUAL REPORT 2016**  
**W.A.G. PAYMENT SOLUTIONS, A.S.**





# Key Indicators

(ths. EUR)	2013	2014	2015	2016
<b>Sales revenues, including toll transactions</b>	507,590	647,805	755,878	862,959
Tolls	154,924	208,297	261,700	329,147
Revenues from sale of goods	346,483	430,709	483,614	521,068
Revenues from sale of services	6,183	8,798	10,564	12,743
<b>Value added</b>	13,525	19,275	25,935	30,597
<b>Adjusted EBT</b>	5,600	7,446	10,544	12,943
<b>Adjusted EBITDA</b>	7,057	10,761	15,134	16,519

*Adjusted EBT and EBITDA are net of transactions that do not occur in the normal course of business.*

*All figures are net of Tank and Go – further T&G transactions (non-core activity).*

*An exchange rate of 27.425 CZK per EUR was applied to the translation of figures for 2013.*

*An exchange rate of 27.725 CZK per EUR was applied to the translation of figures for 2014.*

*An exchange rate of 27.025 CZK per EUR was applied to the translation of figures for 2015.*

*An exchange rate of 27.02 CZK per EUR was applied to the translation of figures for 2016.*

Our mission is to be the key partner for our customers for on-road mobility solutions integrating a comprehensive set of products and services based on innovative and simple to use digital technologies. A continuous search for improvement and passion for superb customer experience underpin our success, making W.A.G. an attractive employer, a reliable business partner and a very interesting prospect for investment.

# Contents

<b>Key Indicators</b>	<b>1</b>
<b>1. Corporate Profile</b>	<b>4</b>
1.1. Company Snapshot	4
1.2. Corporate Governance	4
1.3. Business Objects	4
1.4. Company Values	4
<b>2. Foreword</b>	<b>7</b>
<b>3. History</b>	<b>8</b>
<b>4. Report on Company Activities</b>	<b>11</b>
4.1. New Shareholder Structure and Option Share Schemes	11
4.2. Business Activities in 2016	11
4.3. Charity and Support of Civil Society	16
<b>Financial Section</b>	<b>18</b>

# 1. Corporate Profile

## 1.1. Company Snapshot

Name	W.A.G. payment solutions, a.s.
Registered office	Na Vítězné pláni 1719/4 140 00 Praha 4, Czech Republic
Registration number	26415623
Share capital	CZK 109,796,000
Shareholders	Martin Vohánka (24.59%) Couverina Business, s.r.o. (35.52%) Bock Capital EU Luxembourg WAG S.a.r.l. (33.24%) David Holý (2.27%) Tomáš Svatoň (2.19%) Pascal Guyot (2.19%)

## 1.2. Corporate Governance

### Board of Directors

Martin Vohánka – Chairman  
David Holý – Vice-Chairman  
Tomáš Svatoň – Member  
Pascal Guyot – Member

### Supervisory Board

Ketil Thorsen – Chairman (joined the Supervisory Board on 10 June 2016)  
Martin Burda – Member  
Ajit Nedungadi – Member (since 13 January 2016)  
J. M. Seigler – Member (since 13 January 2016)  
Petr Bartoň – Member (since 15 December 2016)  
A. J. H. Trautmann – Member (since 15 December 2016)

## 1.3. Business Objects

W.A.G. payment solutions, a.s. (“W.A.G.”) is the company behind Eurowag (EW) road mobility solutions. On their journeys across Europe, our customers use a simple and completely safe solution to pay for fuel and tolls, benefit from prompt refunds of taxes charged in the invoices they have paid abroad and, not least, enjoy our telematics services.

W.A.G. is the industry leader in technology and innovation, and is the fastest growing company in its sector in Europe. W.A.G.’s business operations span countries throughout Europe. The Company is a member of numerous respected industry associations.

## 1.4. Company Values

**Innovation** – Creativity and a determination to change are the foundations of our competitiveness.

**Trust** – Our honesty and reliability inspire confidence and engender customer loyalty.

**Integrity** – Ethical values underpin our everyday decision-making.

**Teamwork** – We support each other, because only a well-functioning team can be successful.

**Excellence** – We strive relentlessly to be the best we can be.

**Independence** – We value our freedom, which also implies a commitment to act whenever needed.

**Joy** – A good vibe in the workplace is essential for delivering outstanding performance.

**Social responsibility** – Our actions aim to create a balanced portfolio of positive values for the benefit of the whole of human society.





Martin Vohánka  
Chairman  
of the Board of Directors



David Holý  
Vice-Chairman  
of the Board of Directors



Tomáš Svatoň  
Member  
of the Board of Directors



Pascal Guyot  
Member  
of the Board of Directors



Ketil Thorsen  
Chairman  
of the Supervisory Board





## 2. Foreword

Ladies and Gentlemen, Dear Friends of W.A.G.,

It is my great pleasure to address you again through this document, in which we proudly report the results of our work and share with you other essential information connected with our business from the past year.

Last year we made a whole raft of major changes that will have a significant and, above all, very positive impact on what we do for our customers and how we do it. The fast pace and depth of these changes reflects previously unthinkable dynamics in the development of new technologies, advancing digitisation and opportunities for broad-based exchanges of data to benefit consumers.

At W.A.G., we are well aware of these trends and their long-term impacts, and we are looking forward to capitalising on these challenges as a chance to shake up the established order in our industry, so that we are faster, more effective and more engaging than our competitors.

As you read this report, then, you will learn about the entry of a major global investor among W.A.G.'s shareholders, the substantial expansion and overhaul of the senior management's structure, accelerated investment, work on new technology platforms, and significant acquisitions. This was a very fruitful year spurred on by robust growth and great economic performance.

I would like to close by wholeheartedly wishing you much success in what you do, balance, a healthy dose of spiritual inspiration, a great deal of happiness and the best of health for you, your co-workers and your loved ones.



**Martin Vohánka**  
Founder and Chief Executive Officer

## 3. History

W.A.G. group, spol. s r.o. was formed in 1995 as a petroleum product wholesaler. Initially, it supplied fuel from Czech refineries primarily to agricultural holdings, industrial enterprises and roadside petrol stations. In 1999, W.A.G. became the first privately owned entity in the industry to be ISO 9001 certified. In 2000, the Company moved up to a higher form of legal status, with the newly formed public limited company W.A.G. minerální paliva, a.s. assuming all of the original private limited company's assets and liabilities on 1 January 2001.

In 2005, there was a change in the ownership structure as the UK-based ENDORSED INVESTMENT invested in the Company, providing the share capital injection needed for further development and remaining on-board for the next seven years. By 2005, the W.A.G. portfolio was dominated by Eurowag, a product which had also met with great success in Slovakia and Hungary. It was at this time that W.A.G. was also launching massive investment in the construction of a network of Eurowag branded truck parks in the Czech Republic.

At the end of 2006, W.A.G. successfully prepared for the introduction of electronic tolls in the Czech Republic, and in 2007 started expanding the acceptance network to encompass other EU Member States. In late 2008, W.A.G. opened an office in Poland, followed in 2011 by another in Romania, its fifth market for Eurowag card sales. From 2009 to 2012, the company focused on continuing to expand the network of petrol stations accepting its products. This was accompanied by the development of toll system services and ongoing improvements in ancillary services and internal processes. In 2013, another two unmanned establishments in Poland joined the Eurowag network of branded truck parks.

In 2014, W.A.G. entered the Turkish market, its expansion in Bulgaria remained on track, and it unfurled two new impressive Eurowag truck parks in Hungary and Slovakia. In the same year, two companies were acquired. The first was Austria's StarPetrol, essentially operating a service station for trucks at one of the border crossings between Germany and Austria. The second acquisition was a 100% shareholding in ČESKÁ LOGISTICKÁ a.s. (subsequently renamed Reamon Tax, a.s.), until then the exclusive supplier of services brokering tax refunds from EU Member States. In late 2014, the Company divested itself of non-operating assets – the Jánská underground fuel storage tanks – which had long ceased contributing to profits.

In 2015, the individual regions of Europe were divided into "clusters" and each was appointed a director. This move, giving rise to the Middle East, Baltic, Central Europe, Balkan, Alpine and Atlantic Clusters, was aimed at increasing capacity in geographical expansion.



# CUSTOMER EXPERIENCE

We provide our customers with user-friendly tools and the opportunity to enjoy state-of-the-art digital technology.





# KEY PARTNER

It is our goal to become  
our customers' key road  
mobility partner.

# 4. Report on Company Activities

## 4.1. New Shareholder Structure and Option Share Schemes

On 13 January 2016, a new shareholder joined the Company. The Company's founder, together with minority shareholders, decided to team up with one of the world's largest private investment firms, TA Associates ([www.ta.com](http://www.ta.com)), and enabled it to acquire a third of the Company. W.A.G. shareholders have high hopes that the newly formed partnership can make significant progress towards meeting ambitious goals, harnessing strong organic growth on the one hand and accelerated acquisitions on the other.

To fuel support for the Company's successful development, at the end of the year shareholders decided to provide senior management with option share schemes and shares. By taking this step, the Company sent a strong message that it is aware of the importance of the contribution made by the gifted people working for it and shouldering the greatest responsibility for achieving the ambitious targets that have been set.

## 4.2. Business Activities in 2016

### Introduction

The year 2016 was brimming with fundamental changes in the Company's organisational structure, both at shareholder and senior management level. The Company also grew successfully, best illustrated by the year-on-year growth in EBT by 23% and in EBITDA by 9%. The Company expanded on to new markets and worked earnestly on product development and on a change in the way this is carried out.

### New Markets

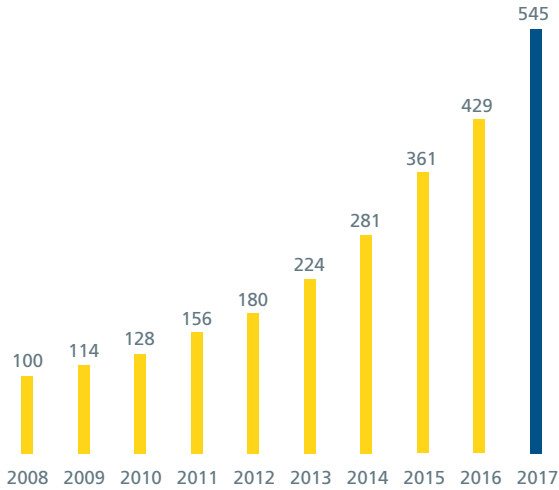
In 2016, the Company entered six new markets (Estonia, Serbia, Lithuania, Latvia, Portugal, and Spain) in order to capitalise on its recently formed business cluster structure.

### New Products and Services / Research and Development

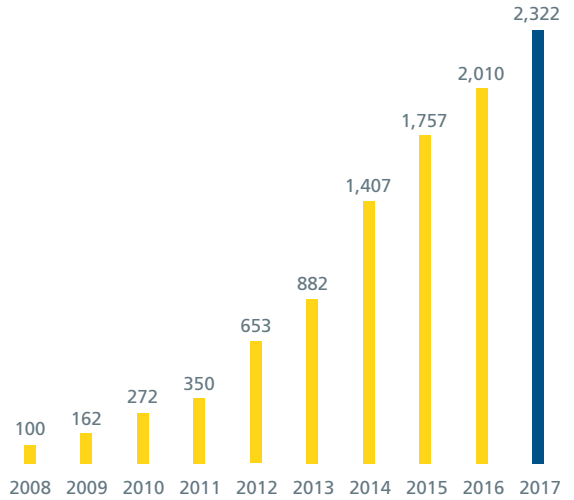
While the Company has long extensively pursued research and development in road mobility services and products, in 2016 we fundamentally reorganised how these pivotal activities are carried out, giving rise to the new Business Transformation Department, which encompasses the Functional Design and Architecture, IT Central Delivery and Business Implementation teams. The purpose of these changes is to step up the capacity of product development and shorten the time needed to develop individual products and innovations.



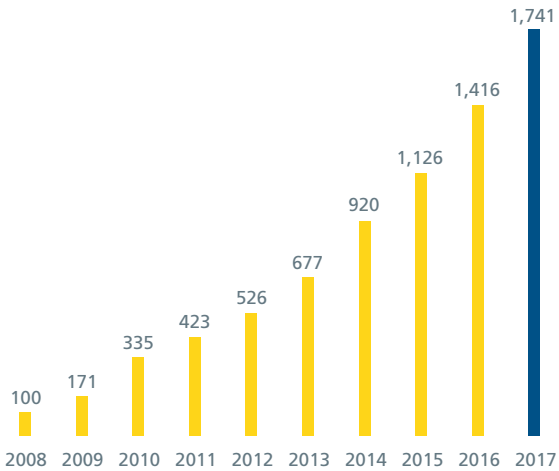
**Fuel: growth (%) in litres  
(compared to the 2008 baseline)**



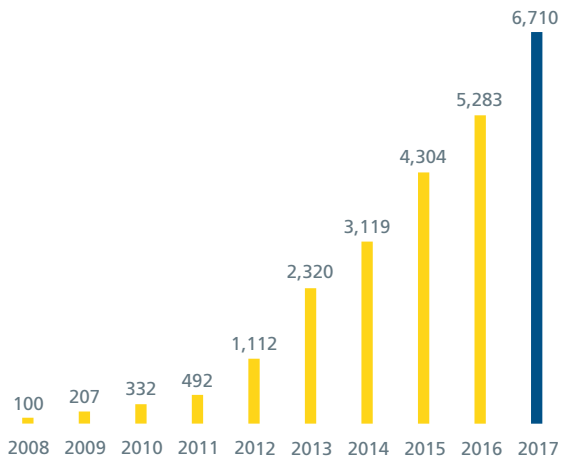
**Tax refunds: growth (%) in volume of refunds  
processed in CZK (compared to the 2008 baseline)**



**Toll: growth (%) in gross volume of transactions  
(based on CZK figures)  
(compared to the 2008 baseline)**



**EBT: growth (%)  
(based on CZK figures)  
(compared to the 2008 baseline)**



*EBT is adjusted for one-off impacts.*



# INNOVATIVE PRODUCTS

We offer innovative products tailored to our customers' individual needs and requirements.







# IMPROVEMENTS

Innovations and continuous improvements are built into W.A.G.'s genetic code.

### Acquisitions

As early as the first quarter of the year, we began mapping out telematics solutions for passenger and goods vehicles. We surveyed the European market and, at further stages throughout the year, we held negotiations with Princip, the Czech Republic's leader in telematics and fleet management and one of the sector's ten largest companies in Europe. This efforts culminated on 15 February 2017 with the signing of purchase contracts for 100% stakes in Princip a.s. and its exclusive supplier of front-end solutions, HI Software Development s.r.o. These acquisitions aimed to extend Princip's products to foreign markets and to integrate telematics solutions into Eurowag products.

### Human Resources

Good, well-motivated and well-organised human resources form the mainstay of success. In 2016, W.A.G. welcomed almost 100 new employees to its ranks. At the same time, there were fundamental changes in the senior management structure and in the management of the individual sections. Non-executive Vice-Presidents (the original minority shareholders), six Chief Officers reporting to the Chief Executive Officer, Executive Directors working within the Shared Services Centre and Managing Directors responsible for the units delivering components to the resultant Eurowag product portfolio were all created. These changes in the Company's senior management, including the Cluster Directory, were completed in the first quarter of 2017. The W.A.G. management is a balanced team in terms of nationality, expertise, gender, professional experience and personality.

### Quality / Risk Management

W.A.G. views ISO certification not as some formality, but as a natural way of managing and developing the Company. In this respect, it draws on the services of a prestigious audit team, Lloyd's Register Quality Assurance, and is regularly certified in accordance with 9001.

### 4.3. Charity and Support of Civil Society

In keeping with the Company's values, W.A.G. shareholders find it natural to share a reasonable proportion of the resources they have generated with the community at large and, following this tact, to cultivate the idea of solidarity and fair play. In its sponsorship, W.A.G. picks out low-budget projects and tries to work with them on a regular and long-term basis. Examples of projects sponsored in 2016 are listed below:

**Lata** – programy pro mládež a rodinu, z.ú. – an association which uses trained volunteers to provide young people, in particular, with peer support, helping them to manage troublesome or threatening situations in life while strengthening their independence.

**Cesta domů** – this association provides professional care to dying people and their loved ones, runs a home hospice and counselling centre for the incurably sick and their families, and contributes to social changes with a view to improving end-of-life care.

**TruckHelp Foundation** – a foundation supporting families who have lost a father during his work as a professional driver.

**yourchance o.p.s.** – “Starting Out Right” – a project to help young people as they leave children's homes, giving them individual help to adapt to everyday life and providing them with mentoring.

**Spolek Otec vlasti Karel IV., z.s.** – “Taking Living History into Schools” – this project aims to foster an interest among children and young people in the historical period of Charles VI's reign and give them a deeper insight into the legacy left behind by this monarch of European standing.

**Innoversity** – a student society that arranges competitions promoting student-led business start-ups.

**Učená společnost České republiky** – a civic association of leading scientists intended to stimulate the free cultivation of science, to foster a thirst for knowledge and the joy of knowledge, to disseminate scientific knowledge among the public, and to promote an increase in the educational level and a creative, rational and humanly responsible climate in the Czech Republic.

**Kverulant** – an organisation that seeks to improve public administration and helps to address cases in which citizens have become victims of injustice.





# HIGHEST SECURITY STANDARDS

We invest the greatest possible attention in card security and misuse prevention.

# Financial Section

# Independent Auditor's Report

## To the Shareholders of W.A.G. payment solutions, a.s.:

### Opinion

We have audited the accompanying consolidated financial statements of W.A.G. payment solutions, a.s. and its subsidiaries ("the Group") prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the consolidated balance sheet as at 31 December 2016, and the consolidated income statement, consolidated statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Group, see Note 1 to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Consolidated Annual Report other than the consolidated financial statements and auditor's report thereon. The Board of Directors of W.A.G. payment solutions, a.s., is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Group obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material

### **Responsibilities of the Board of Directors and Supervisory Board of W.A.G. payment solutions, a.s., for the Consolidated Financial Statements**

The Board of Directors of W.A.G. payment solutions, a.s., is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Board of Directors of W.A.G. payment solutions, a.s., determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors of W.A.G. payment solutions, a.s., is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of W.A.G. payment solutions, a.s., either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board of W.A.G. payment solutions, a.s., is responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of W.A.G. payment solutions, a.s.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Supervisory Board of W.A.G. payment solutions, a.s., regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Ernst & Young Audit, s.r.o.**

License No. 401



**Magdalena Soucek, Auditor**

License No. 1291

12 May 2017

Prague, Czech Republic



## Consolidated Balance Sheet for the Year Ended 31 December 2016

(CZK thousands)

	2016		2015	
	Gross	Adjustment	Net	Net
<b>TOTAL ASSETS</b>	<b>4,738,865</b>	<b>453,794</b>	<b>4,285,071</b>	<b>2,928,942</b>
<b>A. STOCK SUBSCRIPTION RECEIVABLE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B. FIXED ASSETS</b>	<b>851,733</b>	<b>328,459</b>	<b>523,274</b>	<b>555,159</b>
<b>B.I. Intangible fixed assets</b>	<b>147,283</b>	<b>101,836</b>	<b>45,447</b>	<b>18,749</b>
B.I.1. Research and development	0	0	0	0
B.I.2. Valuable rights	111,793	101,573	10,220	15,375
B.I.2.1. Software	109,514	100,718	8,796	13,833
B.I.2.2. Other valuable rights	2,279	855	1,424	1,542
B.I.3. Goodwill	0	0	0	0
B.I.4. Other intangible fixed assets	456	263	193	257
B.I.5. Advances granted for intangible fixed assets and intangible fixed assets in progress	35,034	0	35,034	3,117
B.I.5.1. Advances granted for intangible fixed assets	0	0	0	0
B.I.5.2. Intangible fixed assets in progress	35,034	0	35,034	3,117
<b>B.II. Tangible fixed assets</b>	<b>658,951</b>	<b>220,363</b>	<b>438,588</b>	<b>496,290</b>
B.II.1. Land and structures	319,805	65,404	254,401	318,810
B.II.1.1. Land	57,586	0	57,586	107,958
B.II.1.2. Structures	262,219	65,404	196,815	210,852
B.II.2. Movable assets and sets of movable assets	234,428	115,932	118,496	116,291
B.II.3. Gain or loss on revaluation of asset acquisitions	81,125	38,293	42,832	48,186
B.II.4. Other tangible fixed assets	778	734	44	59
B.II.4.1. Perennial crops	0	0	0	0
B.II.4.2. Livestock	0	0	0	0
B.II.4.3. Miscellaneous tangible fixed assets	778	734	44	59
B.II.5. Advances granted for tangible fixed assets and tangible fixed assets in progress	22,815	0	22,815	12,944
B.II.5.1. Advances granted for tangible fixed assets	1,896	0	1,896	612
B.II.5.2. Tangible fixed assets in progress	20,919	0	20,919	12,332
<b>B.III. Long-term investments</b>	<b>1,347</b>	<b>0</b>	<b>1,347</b>	<b>20</b>
B.III.1. Interests – controlled or controlling entity	0	0	0	0
B.III.2. Loans and borrowings – controlled or controlling entity	0	0	0	0
B.III.3. Interests – significant influence	0	0	0	0
B.III.4. Loans and borrowings - significant influence	0	0	0	0
B.III.5. Other long-term securities and interests	0	0	0	20
B.III.6. Loans and borrowings - other	0	0	0	0
B.III.7. Other long-term investments	1,347	0	1,347	0
B.III.7.1. Miscellaneous long-term investments	0	0	0	0
B.III.7.2. Advances granted for long-term investments	1,347	0	1,347	0
<b>B.IV. Positive goodwill</b>	<b>44,152</b>	<b>6,260</b>	<b>37,892</b>	<b>40,100</b>

		2016			2015
		Gross	Adjustment	Net	Net
<b>C.</b>	<b>CURRENT ASSETS</b>	<b>3,859,085</b>	<b>125,335</b>	<b>3,733,750</b>	<b>2,349,181</b>
<b>C.I.</b>	<b>Inventories</b>	<b>55,723</b>	<b>0</b>	<b>55,723</b>	<b>46,333</b>
C.I.1.	Materials	1,753	0	1,753	1,247
C.I.2.	Work in progress and semi-finished production	0	0	0	0
C.I.3.	Finished products and goods	53,970	0	53,970	45,086
C.I.3.1.	Finished products	0	0	0	0
C.I.3.2.	Goods	53,970	0	53,970	45,086
C.I.4.	Livestock	0	0	0	0
C.I.5.	Advances granted for inventories	0	0	0	0
<b>C.II.</b>	<b>Receivables</b>	<b>2,443,699</b>	<b>125,335</b>	<b>2,318,364</b>	<b>1,383,461</b>
C.II.1.	Long-term receivables	11,623	0	11,623	6,813
C.II.1.1.	Trade receivables	0	0	0	0
C.II.1.2.	Receivables – controlled or controlling entity	0	0	0	0
C.II.1.3.	Receivables – significant influence	0	0	0	0
C.II.1.4.	Deferred tax asset	11,623	0	11,623	6,813
C.II.1.5.	Other receivables	0	0	0	0
C.II.1.5.1.	Receivables from partners	0	0	0	0
C.II.1.5.2.	Long-term advances granted	0	0	0	0
C.II.1.5.3.	Unbilled revenue	0	0	0	0
C.II.1.5.4.	Miscellaneous receivables	0	0	0	0
C.II.2.	Short-term receivables	2,432,076	125,335	2,306,741	1,376,648
C.II.2.1.	Trade receivables	2,097,528	120,224	1,977,304	1,228,906
C.II.2.2.	Receivables – controlled or controlling entity	0	0	0	0
C.II.2.3.	Receivables – significant influence	0	0	0	0
C.II.2.4.	Other receivables	334,548	5,111	329,437	147,742
C.II.2.4.1.	Receivables from partners	0	0	0	0
C.II.2.4.2.	Social security and health insurance	0	0	0	0
C.II.2.4.3.	Due from government – tax receivables	29,742	0	29,742	20,438
C.II.2.4.4.	Short-term advances granted	101,798	0	101,798	32,538
C.II.2.4.5.	Unbilled revenue	27,024	0	27,024	23,273
C.II.2.4.6.	Miscellaneous receivables	175,984	5,111	170,873	71,493
<b>C.III.</b>	<b>Short-term financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
C.III.1.	Interests – controlled or controlling entity	0	0	0	0
C.III.2.	Other short-term financial assets	0	0	0	0
<b>C.IV.</b>	<b>Cash</b>	<b>1,359,663</b>	<b>0</b>	<b>1,359,663</b>	<b>919,387</b>
C.IV.1.	Cash in hand	2,363	0	2,363	4,437
C.IV.2.	Cash at bank	1,357,300	0	1,357,300	914,950
<b>D.</b>	<b>Prepaid expenses and accrued income</b>	<b>28,047</b>	<b>0</b>	<b>28,047</b>	<b>24,602</b>
D.1.	Prepaid expenses	27,966	0	27,966	24,521
D.2.	Prepaid expenses (specific-purpose expenses)	0	0	0	0
D.3.	Accrued income	81	0	81	81

	2016	2015
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>4,285,071</b>	<b>2,928,942</b>
<b>A. EQUITY</b>	<b>854,773</b>	<b>553,886</b>
<b>A.I. Registered capital</b>	<b>109,796</b>	<b>109,796</b>
A.I.1. Registered capital	109,796	109,796
A.I.2. Own ownership interests (-)	0	0
A.I.3. Changes in registered capital	0	0
<b>A.II. Share premium and revaluation reserve</b>	<b>7,989</b>	<b>9,144</b>
A.II.1. Share premium	9,500	9,500
A.II.2. Capital funds	(1,512)	(356)
A.II.2.1. Other capital funds	(1,512)	(356)
A.II.2.2. Gain or loss on revaluation of assets and liabilities (+/-)	0	0
A.II.2.3. Gain or loss on revaluation upon corporate transformation (+/-)	0	0
A.II.2.4. Differences arising on corporate transformation (+/-)	0	0
A.II.2.5. Differences arising between balance sheet date and transformation date (+/-)	0	0
<b>A.III. Reserves from profit</b>	<b>10,440</b>	<b>10,440</b>
A.III.1. Other reserves	10,440	10,440
A.III.2. Statutory and other reserves	0	0
<b>A.IV. Profit (loss) brought forward (+/-)</b>	<b>416,244</b>	<b>217,262</b>
A.IV.1. Retained earnings	443,269	239,457
A.IV.2. Accumulated loss (-)	(18,763)	(21,326)
A.IV.3. Other profit (loss) brought forward (+/-)	(8,262)	(869)
<b>A.V. Profit (loss) for the year (+/-)</b>	<b>310,304</b>	<b>207,244</b>
<b>A.VI. Approved decision on advances for profit distribution (-)</b>	<b>0</b>	<b>0</b>
<b>B+C PROVISIONS AND LIABILITIES</b>	<b>3,399,426</b>	<b>2,353,177</b>
<b>B. Provisions</b>	<b>65,950</b>	<b>37,504</b>
B.1. Provision for pensions and similar obligations	0	0
B.2. Provision for corporate income tax	26,344	19,299
B.3. Provisions recognised under special legislation	0	0
B.4. Other provisions	39,606	18,205
<b>C. Liabilities</b>	<b>3,333,476</b>	<b>2,315,673</b>
<b>C.I. Long-term liabilities</b>	<b>67,499</b>	<b>96,007</b>
C.I.1. Bonds payable	0	0
C.I.1.1. Convertible bonds	0	0
C.I.1.2. Other bonds	0	0
C.I.2. Amounts owed to credit institutions	67,190	94,565
C.I.3. Long-term advances received	0	0
C.I.4. Trade payables	0	0
C.I.5. Long-term notes payable	0	0
C.I.6. Liabilities – controlled or controlling entity	0	0
C.I.7. Liabilities – significant influence	0	0
C.I.8. Deferred tax liability	120	1,317
C.I.9. Other liabilities	189	125
C.I.9.1. Liabilities to partners	0	0
C.I.9.2. Unbilled deliveries	0	0
C.I.9.3. Miscellaneous liabilities	189	125

		2016	2015
<b>C.II.</b>	<b>Current liabilities</b>	<b>3,265,977</b>	<b>2,219,666</b>
C.II.1.	Bonds payable	0	0
C.II.1.1.	Convertible bonds	0	0
C.II.1.2.	Other bonds	0	0
C.II.2.	Amounts owed to credit institutions	442,897	49,013
C.II.3.	Short-term advances received	188,259	155,125
C.II.4.	Trade payables	2,370,402	1,848,698
C.II.5.	Short-term notes payable	0	0
C.II.6.	Liabilities – controlled or controlling entity	0	0
C.II.7.	Liabilities – significant influence	0	0
C.II.8.	Other liabilities	264,419	166,830
C.II.8.1.	Liabilities to partners	434	0
C.II.8.2.	Short-term borrowings	0	0
C.II.8.3.	Liabilities to employees	16,891	10,231
C.II.8.4.	Liabilities arising from social security and health insurance	7,524	5,416
C.II.8.5.	Due to government – taxes and subsidies	47,417	28,342
C.II.8.6.	Unbilled deliveries	144,512	84,103
C.II.8.7.	Miscellaneous liabilities	47,641	38,738
<b>D.</b>	<b>Accruals and deferred income</b>	<b>30,872</b>	<b>21,879</b>
D.1.	Accruals	13,675	8,053
D.2.	Deferred income	17,197	13,826

## Consolidated Profit and Loss Account for the Year Ended 31 December 2016

(CZK thousands)

		Accounting period	
		2016	2015
<b>I.</b>	<b>Revenue from own products and services</b>	<b>344,425</b>	<b>285,575</b>
<b>II.</b>	<b>Revenue from sale of goods</b>	<b>14,353,048</b>	<b>13,399,142</b>
<b>A.</b>	<b>Production-related consumption</b>	<b>13,857,589</b>	<b>12,966,207</b>
A.1.	Cost of goods sold	13,587,132	12,732,534
A.2.	Consumption of material and energy	23,313	19,426
A.3.	Services	247,144	214,250
<b>B.</b>	<b>Change in inventory produced internally (+/-)</b>	<b>0</b>	<b>0</b>
<b>C.</b>	<b>Own work capitalized (-)</b>	<b>0</b>	<b>(3)</b>
<b>D.</b>	<b>Personnel expenses</b>	<b>367,334</b>	<b>264,774</b>
D.1.	Wages and salaries	280,899	205,195
D.2.	Social security and health insurance costs and other costs	86,435	59,579
D.2.1.	Social security and health insurance costs	72,992	50,884
D.2.2.	Other costs	13,443	8,695
<b>E.</b>	<b>Value adjustments in respect of operating activities</b>	<b>78,901</b>	<b>51,366</b>
E.1.	Value adjustments in respect of intangible and tangible fixed assets	64,795	60,811
E.1.1.	Value adjustments in respect of intangible and tangible fixed assets – permanent	74,795	60,811
E.1.2.	Value adjustments in respect of intangible and tangible fixed assets – temporary	(10,000)	0
E.1.3.	Goodwill	2,208	2,208
E.2.	Value adjustments in respect of inventory	0	0
E.3.	Value adjustments in respect of receivables	11,898	(11,653)
<b>III.</b>	<b>Other operating income</b>	<b>1,340,709</b>	<b>903,914</b>
III.1.	Income from sale of fixed assets	119,340	1,181
III.2.	Income from sale of materials	9	113
III.3.	Miscellaneous operating income	1,221,360	902,620
<b>F.</b>	<b>Other operating expenses</b>	<b>1,319,215</b>	<b>972,622</b>
F.1.	Net book value of fixed assets sold	89,968	509
F.2.	Net book value of materials sold	0	0
F.3.	Taxes and charges relating to operations	4,390	3,254
F.4.	Provisions relating to operations and prepaid expenses (specific-purpose expenses)	21,405	14,086
F.5.	Miscellaneous operating expenses	1,203,452	954,773



		Accounting period	
		2016	2015
<b>*</b>	<b>Profit or loss on operating activities (+/-)</b>	<b>415,143</b>	<b>333,662</b>
<b>IV.</b>	<b>Income from long-term investments – interests</b>	<b>0</b>	<b>0</b>
IV.1.	Income from interests in subsidiaries or parents	0	0
IV.2.	Other income from interests	0	0
<b>G.</b>	<b>Cost of interests sold</b>	<b>0</b>	<b>0</b>
<b>V.</b>	<b>Income from other long-term investments</b>	<b>0</b>	<b>0</b>
V.1.	Income from other long-term investments – subsidiaries or parents	0	0
V.2.	Other income from other long-term investments	0	0
<b>H.</b>	<b>Expenses relating to other long-term investments</b>	<b>0</b>	<b>0</b>
<b>VI.</b>	<b>Interest receivable and similar income</b>	<b>313</b>	<b>135</b>
VI.1.	Interest receivable and similar income – subsidiaries or parents	0	0
VI.2.	Other interest receivable and similar income	313	135
<b>I.</b>	<b>Value adjustments and provisions relating to financial activities</b>	<b>0</b>	<b>0</b>
<b>J.</b>	<b>Interest payable and similar expenses</b>	<b>6,155</b>	<b>8,209</b>
J.1.	Interest payable and similar expenses – subsidiaries or parents	0	0
J.2.	Other interest payable and similar expenses	6,155	8,209
<b>VII.</b>	<b>Other finance income</b>	<b>100,461</b>	<b>125,591</b>
<b>K.</b>	<b>Other finance cost</b>	<b>112,311</b>	<b>180,569</b>
<b>*</b>	<b>Profit or loss on financial activities (+/-)</b>	<b>(17,692)</b>	<b>(63,052)</b>
<b>**</b>	<b>Profit or loss before taxation (+/-)</b>	<b>397,451</b>	<b>270,610</b>
<b>L.</b>	<b>Income tax</b>	<b>87,147</b>	<b>63,366</b>
L.1.	Income tax due	92,833	71,242
L.2.	Income tax deferred (+/-)	(5,686)	(7,876)
<b>**</b>	<b>Profit or loss after taxation (+/-)</b>	<b>310,304</b>	<b>207,244</b>
<b>M.</b>	<b>Transfer of share of profit or loss to partners (+/-)</b>	<b>0</b>	<b>0</b>
<b>***</b>	<b>Profit or loss for the year (+/-)</b>	<b>310,304</b>	<b>207,244</b>
<b>*</b>	<b>Net turnover = I. + II. + III. + IV. + V. + VI. + VII.</b>	<b>16,138,956</b>	<b>14,714,357</b>

## Cash Flow Statement as of 31. 12. 2016

(CZK thousands)

		2016	2015
<b>P.</b>	<b>Cash and cash equivalents, beginning of year</b>	<b>919,387</b>	<b>160,928</b>
	<b>Cash flows from operating activities</b>		
<b>Z.</b>	<b>Profit or loss on ordinary activities before taxation (+/-)</b>	<b>415,145</b>	<b>333,662</b>
A. 1.	Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	70,612	61,206
A. 1. 1.	Depreciation and amortization of fixed assets except net book value of sold fixed assets	74,795	57,610
A. 1. 2.	Change in consolidation difference and adjustment to acquired assets	2,208	5,409
A. 1. 3.	Change in provisions	21,405	14,086
A. 1. 4.	Change in allowances	1,898	(11,653)
A. 1. 5.	(Gain)/Loss on disposal of fixed assets	(29,372)	(672)
A. 1. 6.	Other non-cash movements	(322)	(3,574)
<b>A *</b>	<b>Net cash from operating activities before taxation, changes in working capital and extraordinary items</b>	<b>485,756</b>	<b>394,868</b>
A. 2.	Change in non-cash components of working capital	(248,144)	667,736
A. 2. 1.	Change in receivables and in prepaid expenses and unbilled revenue	(888,828)	176,952
A. 2. 2.	Change in payables, and in accruals and deferred income	650,074	487,465
A. 2. 3.	Change in inventory	(9,391)	3,319
<b>A **</b>	<b>Net cash from operating activities before taxation, interest paid and extraordinary items</b>	<b>237,612</b>	<b>1,062,605</b>
A. 3. 1.	Interest paid	(6,155)	(8,209)
A. 4. 1.	Interest received	313	135
A. 5. 1.	Income Tax paid	(83,861)	(76,631)
A. 6. 1.	Other financial income and expense	(11,852)	(53,015)
<b>A ***</b>	<b>Net cash provided by (used in) operating activities</b>	<b>136,057</b>	<b>924,885</b>
	<b>Cash flows from investing activities</b>		
B. 1.	Purchase of fixed assets	(125,087)	(90,868)
B. 1. 1.	Purchase of tangible fixed assets	(73,401)	(72,293)
B. 1. 2.	Purchase of intangible fixed assets	(50,359)	(18,575)
B. 1. 3.	Purchase of financial investments	(1,327)	0
B. 2.	Proceeds from sale of fixed assets	62,733	1,181
B. 2. 1.	Proceeds from sale of tangible and intangible fixed assets	62,733	1,181
B. 2. 2.	Proceeds from sale of financial investments	0	0
<b>B ***</b>	<b>Net cash provided by (used in) investing activities</b>	<b>(62,354)</b>	<b>(89,687)</b>
	<b>Cash flows from financing activities</b>		
C. 1.	Change in long-term liabilities and bank loans	366,573	(76,739)
C. 2.	Influence of changes in equity to the cash and cash equivalents	0	0
C. 2. 1.	Increase in cash caused by increase in equity, share premium, etc.	0	0
C. 2. 2.	Equity paid to shareholders	0	0
C. 2. 3.	Cash gifts, subsidies to equity and other shareholders contribution	0	0
C. 2. 4.	Loss reimbursement from shareholders	0	0
C. 2. 5.	Payments from funds created from net profit	0	0
C. 2. 6.	Paid dividends and profit shares including paid withholding tax	0	0
<b>C ***</b>	<b>Net cash provided by (used in) financing activities</b>	<b>366,572</b>	<b>(76,739)</b>
<b>F</b>	<b>Net increase (decrease) in cash</b>	<b>440,276</b>	<b>758,459</b>
<b>R</b>	<b>Cash and cash equivalents, end of period</b>	<b>1,359,663</b>	<b>919,387</b>

# Notest to the Consolidated Financial Statements for the year ended 31 December 2016

## 1. Company description and Group definition

### 1.1. Company description

W.A.G. payment solutions, a.s. (the "Parent Company" or the "Company") is a public limited company incorporated on 4 December 2000, having its registered office at Na Vítězné pláni 1719/4, Praha 4, 140 00, Czech Republic, with registration number 26415623.

Its principal object of business is the provision of payment solutions for fleets of professional transport and freight forwarding companies.

Entities holding an interest of 10% or more in the Company's share capital:

60.11% – Martin Vohánka

33.24 % – TA Associates, represented by Joseph Morgan Seigler

On 13 January 2016, Ajit Nedungadi and Joseph Morgan Seigler were appointed as new members of the Supervisory Board. This change was entered in the Commercial Register on 25 August 2016.

On 10 June 2016, Jana Martínková ceased to be a member of the Supervisory Board. As at the same date, Ketil Thorsen was appointed as a new member of the Supervisory Board. These changes were entered in the Commercial Register on 13 September 2016. Ketil Thorsen was subsequently named the Supervisory Board's chairman on 15 December 2016.

On 15 December 2016, Hana Hradská and Petr Husák ceased to be members of the Supervisory Board. As at the same date, Petr Bartoň and Alexander Joachim Heinrich Trautmann were appointed as new members of the Supervisory Board. These changes were entered in the Commercial Register on 4 January 2017.

Corporate governance as at 31 December 2016:

Board of Directors	
Chairman	Martin Vohánka
Vice-Chairman	David Holý
Member	Tomáš Svatoň
Member	Pascal Guyot
Supervisory Board	
Chairman	Ketil Thorsen
Member	Ajit Nedungadi
Member	Joseph Morgan Seigler
Member	Martin Burda
Member	Petr Bartoň
Member	Alexander Joachim Heinrich Trautmann

## 1.2. Group

The Group comprises the Parent Company and Group Companies included in the Group on account of the significance attached to their share in the overall balance sheet and turnover within the Group.

Company name	W.A.G. payment solutions, a.s.
Level of dependence	Parent company
Registered office	Na Vítězné pláni 1719/4, 140 00 Praha 4, Czech Republic
Registration number	26415623
Incorporated/acquired	2000
Share (%)	–
Method of consolidation	–

	2016	2015
Registered capital (CZK thousands)	109,796	109,796
Equity (CZK thousands)	835,185	535,377
Current-year profit/loss (CZK thousands)	288,824	197,483
Retained earnings (CZK thousands)	406,261	216,503
Total assets (CZK thousands)	4,293,747	2,775,030

Company name	Consorzio Eurowag - S.C. A R.L.
Level of dependence	Decisive influence
Registered office	Via Giovanni Giolitti n. 55, 10123 Torino, Italy
Registration number	TO-1193652
Incorporated/acquired	2014
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (EUR)	23,037	22,205
Equity (EUR)	14,941	9,648
Current-year profit/loss (EUR)	4,461	(12,238)
Retained earnings (EUR)	(12,557)	(319)
Total assets (EUR)	2,344,018	965,301

Company name	Reamon Tax, a.s.
Level of dependence	Decisive influence
Registered office	Góthova 149, Dačice I., Czech Republic
Registration number	25538730
Incorporated/acquired	2014
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (CZK thousands)	2,000	2,000
Equity (CZK thousands)	11,402	8,959
Current-year profit/loss (CZK thousands)	2,123	1,892
Retained earnings (CZK thousands)	7,078	4,866
Total assets (CZK thousands)	22,486	13,572



Company name	W.A.G. Issuing Services, a.s.
Level of dependence	Decisive influence
Registered office	Na Vítězné pláni 1719/4, 140 00 Praha 4, Czech Republic
Registration number	05021910
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (CZK thousands)	10,000	–
Equity (CZK thousands)	10,014	–
Current-year profit/loss (CZK thousands)	14	–
Retained earnings (CZK thousands)	0	–
Total assets (CZK thousands)	33,342	–

Company name	W.A.G. payment solutions AT GmbH
Level of dependence	Decisive influence
Registered office	Kammer 33/2, A-4974 Ort im Innkreis, Austria
Registration number	FN 352781 x
Incorporated/acquired	2014
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (EUR)	35,000	35,000
Equity (EUR)	(619,434)	(670,765)
Current-year profit/loss (EUR)	51,331	(220,774)
Retained earnings (EUR)	(705,765)	(484,992)
Total assets (EUR)	1,058,553	889,351

Company name	W.A.G. payment solutions BE BVBA
Level of dependence	Decisive influence
Registered office	South Center Titanium, Marcel Broodthaersplein 8, 1060 Sint-Gillis, Brussels, Belgium
Registration number	0648.861.506
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (EUR)	18,550	–
Equity (EUR)	10,238	–
Current-year profit/loss (EUR)	(8,312)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	16,492	–

Company name	W.A.G. payment solutions BG EOOD
Level of dependence	Decisive influence
Registered office	53-55 General Totleben Blvd., 1606 Sofia, Bulgaria
Registration number	204306270
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (BGN)	2	–
Equity (BGN)	(4,553)	–
Current-year profit/loss (BGN)	(4,555)	–
Retained earnings (BGN)	0	–
Total assets (BGN)	2,019	–

Company name	W.A.G. payment solutions CZ, s.r.o.
Level of dependence	Decisive influence
Registered office	Na Vítězné pláni 1719/4, 140 00 Praha 4, Czech Republic
Registration number	04726910
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (CZK thousands)	0	–
Equity (CZK thousands)	(2)	–
Current-year profit/loss (CZK thousands)	(2)	–
Retained earnings (CZK thousands)	0	–
Total assets (CZK thousands)	50	–

Company name	W.A.G. payment solutions DE GmbH
Level of dependence	Decisive influence
Registered office	Torgauer Strasse 231-233, 04347 Leipzig, Germany
Registration number	HRB 32310
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (EUR)	25,000	–
Equity (EUR)	22,284	–
Current-year profit/loss (EUR)	(2,716)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	25,934	–

<b>Company name</b>	<b>W.A.G. payment solutions DK ApS</b>
Level of dependence	Decisive influence
Registered office	Frederiksholms Kanal 20, 1220 Kobenhavn K, Denmark
Registration number	37975907
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (DKK)	50,000	–
Equity (DKK)	49,942	–
Current-year profit/loss (DKK)	(58)	–
Retained earnings (DKK)	0	–
Total assets (DKK)	87,166	–

<b>Company name</b>	<b>W.A.G. payment solutions EE OÜ</b>
Level of dependence	Decisive influence
Registered office	Tornimäe 5-2, Harju County, 10145 Tallinn City, Estonia
Registration number	14029929
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (EUR)	2,500	–
Equity (EUR)	(6,781)	–
Current-year profit/loss (EUR)	(9,281)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	72,468	–

<b>Company name</b>	<b>W.A.G. payment solutions Spain SLU.</b>
Level of dependence	Decisive influence
Registered office	PL Catalunya, NUM 1, Planta 04, 08002 Barcelona, Spain
Registration number	B66789785
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (EUR)	3,000	–
Equity (EUR)	(2,992)	–
Current-year profit/loss (EUR)	(5,992)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	16,087	–

Company name	W.A.G. payment solutions FI Oy
Level of dependence	Decisive influence
Registered office	Metallimiehenkuja 10, 02150 Espoo, Finland
Registration number	2785238-5
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (EUR)	2,500	–
Equity (EUR)	2,498	–
Current-year profit/loss (EUR)	(2)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	2,498	–

Company name	W.A.G. payment solutions FR SARL
Level of dependence	Decisive influence
Registered office	Montpellier Optimum, 450 Rue Baden Powell, 34000 Montpellier, France
Registration number	824454128
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (EUR)	1,000	–
Equity (EUR)	(3,212)	–
Current-year profit/loss (EUR)	(4,212)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	1,062	–

Company name	W.A.G. payment solutions HR d.o.o.
Level of dependence	Decisive influence
Registered office	Hektorovičeva Ulica 2, 10000 Zagreb, Croatia
Registration number	081061814
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (HRK)	20,000	–
Equity (HRK)	(1,122)	–
Current-year profit/loss (HRK)	(21,122)	–
Retained earnings (HRK)	0	–
Total assets (HRK)	20,000	–

Company name	W.A.G. payment solutions HU Kft.
Level of dependence	Decisive influence
Registered office	Váci út 22–24, 1132 Budapest, Hungary
Registration number	01-09-175103
Incorporated/acquired	2013
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (HUF thousands)	3,000	3,000
Equity (HUF thousands)	111,899	23,828
Current-year profit/loss (HUF thousands)	88,045	99,080
Retained earnings (HUF thousands)	20,854	(78,252)
Total assets (HUF thousands)	2,212,576	1,105,043

Company name	W.A.G. HU Kft.
Level of dependence	Decisive influence
Registered office	Hermína út 17.8.em, 1146 Budapest, Hungary
Registration number	01-09-952695
Incorporated/acquired	2010
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (HUF thousands)	3,000	500
Equity (HUF thousands)	8,987	(27,208)
Current-year profit/loss (HUF thousands)	(3,307)	(3,220)
Retained earnings (HUF thousands)	(27,706)	(24,487)
Total assets (HUF thousands)	40,985	1,830

Company name	W.A.G. payment solutions CH AG
Level of dependence	Decisive influence
Registered office	Zürcherstrasse 42, 8103 Unterengstringen, Switzerland
Registration number	CHE-241.346.193
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (CHF)	100,000	–
Equity (CHF)	97,174	–
Current-year profit/loss (CHF)	(2,826)	–
Retained earnings (CHF)	0	–
Total assets (CHF)	103,656	–



<b>Company name</b>	<b>W.A.G. payment solutions IE LIMITED</b>
Level of dependence	Decisive influence
Registered office	6th Floor, 2 Grand Canal Square, D02 A342 Dublin 2, Ireland
Registration number	591516
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (EUR)	1	–
Equity (EUR)	(1,499)	–
Current-year profit/loss (EUR)	(1,500)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	1	–

<b>Company name</b>	<b>W.A.G. payment solutions IT S.R.L. UNIPERSONALE</b>
Level of dependence	Decisive influence
Registered office	Via Savonarola 217, 35137 Padua, Italy
Registration number	05018100288
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (EUR)	10,000	–
Equity (EUR)	5,748	–
Current-year profit/loss (EUR)	(4,252)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	10,000	–

<b>Company name</b>	<b>W.A.G. payment solutions LT, UAB</b>
Level of dependence	Decisive influence
Registered office	J. Savickio Str. 4, 01108 Vilnius, Lithuania
Registration number	304226291
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (EUR)	2,500	–
Equity (EUR)	(513)	–
Current-year profit/loss (EUR)	(3,013)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	3,664	–

<b>Company name</b>	<b>W.A.G. payment solutions LU S.à r.l.</b>
Level of dependence	Decisive influence
Registered office	26, Boulevard Royal, L-2449, Luxembourg
Registration number	B210189
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (EUR)	12,500	–
Equity (EUR)	5,640	–
Current-year profit/loss (EUR)	(6,860)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	13,393	–

<b>Company name</b>	<b>SIA W.A.G. payment solutions LV</b>
Level of dependence	Decisive influence
Registered office	Aspazijas bulvaris 20, 1050 Riga, Latvia
Registration number	40103989054
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (EUR)	2,800	–
Equity (EUR)	(1,953)	–
Current-year profit/loss (EUR)	(4,753)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	5,479	–

<b>Company name</b>	<b>W.A.G. payment solutions NL B.V.</b>
Level of dependence	Decisive influence
Registered office	Cuserstraat 93, 1081 Amsterdam, Netherlands
Registration number	65636066
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (EUR)	1	–
Equity (EUR)	(4,497)	–
Current-year profit/loss (EUR)	(4,498)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	4,501	–

<b>Company name</b>	<b>W.A.G. payment solutions PL, Sp. zoo</b>
Level of dependence	Decisive influence
Registered office	Ul. Prosta 69, 00-838 Warszawa, Poland
Registration number	0000406955
Incorporated/acquired	2011
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (PLN)	50,000	50,000
Equity (PLN)	(79,570)	(64,453)
Current-year profit/loss (PLN)	(15,116)	(5,472)
Retained earnings (PLN)	(114,453)	(108,982)
Total assets (PLN)	359,531	30,707

<b>Company name</b>	<b>W.A.G. payment solutions PT Unnipessoal, LDA</b>
Level of dependence	Decisive influence
Registered office	Torre de Monsanto, Rua Afonso Praça, Algés, 1495-061 Lisbon, Portugal
Registration number	513917560
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (EUR)	1	–
Equity (EUR)	(7,023)	–
Current-year profit/loss (EUR)	(7,024)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	12,335	–

<b>Company name</b>	<b>W.A.G. payment solutions RO, s.r.l.</b>
Level of dependence	Decisive influence
Registered office	1st Floor, Office No. 1, Leaota Street No. 13, 6th District, 061476, Bucharest, Romania
Registration number	J40/9928/2010
Incorporated/acquired	2010
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (RON)	510,132	510,132
Equity (RON)	92,535	(62,395)
Current-year profit/loss (RON)	170,716	464,481
Retained earnings (RON)	(588,312)	(1,037,008)
Total assets (RON)	2,885,977	1,613,150

<b>Company name</b>	<b>W.A.G. payment solutions Sweden AB</b>
Level of dependence	Decisive influence
Registered office	Tegeluddsvagen 76, 11528 Stockholm, Sweden
Registration number	559070-1826
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (SEK)	50,000	–
Equity (SEK)	49,981	–
Current-year profit/loss (SEK)	(19)	–
Retained earnings (SEK)	0	–
Total assets (SEK)	69,499	–

<b>Company name</b>	<b>W.A.G., plačilne rešitve SI, d.o.o.</b>
Level of dependence	Decisive influence
Registered office	Trg. Republike 3, 1000 Ljubljana, Slovenia
Registration number	7050470000
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (EUR)	7,500	–
Equity (EUR)	4,545	–
Current-year profit/loss (EUR)	(2,955)	–
Retained earnings (EUR)	0	–
Total assets (EUR)	6,918	–

<b>Company name</b>	<b>W.A.G. payment solutions SK, s.r.o.</b>
Level of dependence	Decisive influence
Registered office	Kukučínova 38/A, 831 03 Bratislava, Slovak Republic
Registration number	36783277
Incorporated/acquired	2007
Share (%)	100%
Method of consolidation	Full method

	<b>2016</b>	<b>2015</b>
Registered capital (EUR)	126,639	126,639
Equity (EUR)	1,695,047	1,195,903
Current-year profit/loss (EUR)	499,144	201,096
Retained earnings (EUR)	1,062,522	861,426
Total assets (EUR)	5,267,846	5,430,839

Company name	W.A.G. payment solutions UK LIMITED
Level of dependence	Decisive influence
Registered office	Horton House, Exchange Flags, L2 3PF Liverpool, United Kingdom
Registration number	10288511
Incorporated/acquired	2016
Share (%)	100%
Method of consolidation	Full method

	2016	2015
Registered capital (GBP)	1	–
Equity (GBP)	(1,286)	–
Current-year profit/loss (GBP)	(1,287)	–
Retained earnings (GBP)	0	–
Total assets (GBP)	1	–

Besides the establishment of 22 subsidiaries throughout Europe, the following changes occurred in 2016:

Originally	Post-change
W.A.G. HU Kft.	W.A.G. HU Kft.
Váci út 22-24, 1132 Budapest, Hungary	Hermina út 17.8.em, 1146 Budapest, Hungary

In 2016, the Company sold its 12.5% share in the cooperative Klub investorü T&G, which had been entirely inactive.

The share in Consorzio Eurowag - S.C. A R.L. is split evenly between the Parent Company, W.A.G. payment solutions, a.s., and the subsidiary W.A.G. payment solutions SK, s.r.o.

The Company has also set up the following organisational units (the Spanish one was established as at 1 November 2016):

Bulgaria: W.A.G. payment solutions – Branch Bulgaria Branch of Foreign Trader, Bulgaria, 46-48' Opalchenska Street, fl. 7, City of Sofia, 1303, Vazrazhdane District, Company number / ЕИК 202869380;

Poland: W.A.G. payment solutions, a.s. SPÓŁKA AKCYJNA ODDZIAŁ W POLSCE, Ul. Prosta 69, 00-838 Warszawa, company number 417267;

Spain: W.A.G. payment solutions a.s. Establecimiento Permanente, Calle Marqués de Riscal 11 5a, 28010 Madrid, company number W0611116E;

Turkey: W.A.G. payment solutions a.s Merkezi Çek Cumhuriyeti İstanbul Merkez Şubesi, Propa Plaza, Kore Şehitleri Cad. No: 4, Kat 6, 34394 Zircirlikuyu-Şişli, İstanbul, Beyoğlu Tax Office: 788 047 8816.

The balance-sheet date of all Group entities is 31 December 2016.

The Group entity exercising decisive influence is W.A.G. payment solutions, a.s., which is also the Group's Parent Company.

## 2. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with the Accounting Act and the attendant implementing decrees, as applicable for 2016 and 2015.

The system of direct consolidation has been applied, i.e. all Group undertakings were consolidated at once, without the use of consolidated financial statements prepared for sub-groups. The individual balance sheet and profit and loss account components of the Group Companies, following reclassification and the exclusion of mutual receivables, payables, costs and revenues, were incorporated into the Parent Company's balance sheet and profit and loss account. The equity of subsidiaries tied to excluded shares and similar securities was excluded.

The selected method of consolidation is applied rigorously and steadfastly to all Group entities.



The financial statements of Group Companies established abroad were translated at the exchange rate prevailing as at the date on which the Parent Company's books were closed.

Further to requirements deriving from an amendment to the Accounting Act and its implementing decree in force from 1 January 2016, there was a change in the reporting of balance-sheet and profit-and-loss-account items. To ensure that these items could be compared with the prior period, items reported in the consolidated balance sheet and the consolidated profit and loss account for 2015 were reclassified accordingly. The Group proceeded in accordance with Czech Accounting Standard for Enterprises No 024 "Comparable period for the accounting period commencing in 2016".

### 3. General accounting policies

The accounting policies applied by the Group in the preparation of the financial statements for 2016 and 2015 are as follows:

#### 3.1. Intangible fixed assets

Intangible fixed assets are measured at cost, which includes the purchase price and related costs.

Intangible fixed assets over CZK 10,000 in 2016 and 2015 are amortised over their estimated useful lives.

##### Amortisation

Amortisation is calculated on the basis of cost and the estimated useful life of the asset. The estimated useful life is determined as follows:

Class	Amortisation period
Low-value intangible fixed assets	2 years
Intangible assets, except Navision and ZAP software	3 years
Navision, ZAP software	10 years

#### 3.2. Tangible fixed assets

Tangible fixed assets are measured at cost, which includes the purchase price, shipping, customs duty and other related costs.

Tangible fixed assets over CZK 10,000 in 2016 and 2015 are depreciated over their economic life.

The costs of technical improvements to tangible fixed assets are capitalised. Repairs and maintenance are expensed as incurred.

Adjustments to asset acquisitions are the difference between a valuation of an undertaking (or part thereof) acquired in particular in the form of a purchase or contribution, or a valuation of assets and liabilities within the scope of company transformations (other than changes of legal form), and the sum of valuations of individual components of assets in the accounts of the selling company, contributing company, company being acquired or company being divided by spin-off, net of liabilities assumed.

##### Depreciation

The Company applies annual depreciation rates, which differ from the rates deductible for tax purposes. Depreciation is calculated on the basis of cost and the estimated useful life of the asset. The estimated useful life is determined as follows:

Class	Depreciation period
Buildings and structures	10–30 years
Machinery, apparatus and equipment	3–20 years
Vehicles	3–4 years
Fixtures and fittings	5 years
Low-value tangible fixed assets	2 years
Gains or losses from revaluation of asset acquisitions	15 years

If the carrying value of an asset exceeds its estimated recoverable amount, the carrying value is reduced to that amount by means of an adjustment. The recoverable amount is determined on the basis of expected future cash flows generated by the asset.

### 3.3. Long-term financial investments

Long-term financial investments consist primarily of advances paid for the acquisition of shares.

### 3.4. Cash and cash equivalents

Cash comprises cash equivalents, cash in hand and cash in bank.

The WAG Group has introduced a cash-pooling system for the use of individual Group Companies' free cash flow. As at the balance sheet date, this system's incoming and outgoing funds are reported in the balance sheet under "Current receivables – controlling entity" and "Current liabilities – controlling entity".

### 3.5. Goodwill

Goodwill is the difference between the cost of Group Companies' securities and contributions and their valuation based on the Parent Company's stake in their equity, expressed as fair value determined as the difference between the fair values of assets and the fair values of liabilities as at the acquisition date or date of the subsequent increase in participation. The acquisition date is taken to be the date as of which a Group Company effectively begins to exercise influence. For an associated company or joint venture, this date is determined by analogy. Goodwill is amortised over 20 years on a straight-line basis. Goodwill is charged to expenses from ordinary activities under "depreciation of goodwill".

### 3.6. Inventories

Inventories are stated at cost determined 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). The acquisition cost of inventories includes the purchase price and other costs attributable to the acquisition (shipping, customs duty, commission, etc.).

No inventories were developed internally in 2016.

No adjustments were made to inventories in 2016.

### 3.7. Receivables

Receivables are recognised at their nominal value. Adjustments are established to reduce the value of doubtful receivables to their realisable value. The Company has not created adjustments to receivables from related parties.

Receivables from Group Companies are mutually exclusive.

#### Method for determining adjustments to receivables

Past-due	Adjustment (%) *
90 days	50
180 days	70
360 days	100

\* minimum percentage of the adjustment for the category in question

### 3.8. Derivatives

Derivatives are initially measured at cost. In the accompanying balance sheet, derivatives are reflected in other current receivables and payables.

Derivatives are classified as derivatives held for trading or hedging derivatives. Hedging derivatives are negotiated for purposes of fair value hedging or cash flow hedging. In order to qualify as a hedging derivative, changes in fair value or cash flows arising from hedging derivatives must offset in whole or in part changes in the fair value of the hedged item or changes in cash flows derived from the hedged item, and the Company must document and demonstrate the existence of hedging and the high efficiency of hedging. In other cases, derivatives are classified as held for trading.

Derivatives are re-measured at fair value as at the balance sheet date. Changes in the fair value of derivatives held for trading are reported under financial expenses or revenues. Changes in the fair value of derivatives which are classified as fair value hedges are also recognised in financial expenses or revenues together with the corresponding change in the fair value of the hedged asset or liability associated with the hedged risk. Changes in the fair value of derivatives that are designated as cash flow hedges are recognised in equity and reflected in the balance sheet through a gain or loss on the revaluation of assets and liabilities. The ineffective part of hedging is recognised directly in financial expenses or revenues.

### **3.9. Equity**

The Company's share capital is stated at the amount recorded in the Commercial Register maintained by the Municipal Court in Prague. Any increase or decrease in the share capital further to a decision of the General Meeting which has not been registered at the balance sheet date is reported as a change in share capital. Any capital surplus is recorded as additional paid-in capital. Other capital funds are created by cash or in-kind contributions in excess of the share capital.

### **3.10. Liabilities (borrowed capital)**

The Group creates provisions for losses and risks if the related purpose, amount and timing can be reliably estimated and the accrual and matching principles are observed.

Both long-term and current liabilities are carried at their nominal values. Other liabilities also recognise the result of the fair-valuing of financial derivatives.

Payables to Group Companies are mutually exclusive.

Short- and long-term loans are recorded at their nominal values. Any portion of long-term debt which is payable within one year from the balance sheet date is treated as short-term debt.

### **3.11. Foreign-currency transactions**

#### **W.A.G. payment solutions, a.s., Reamon Tax, a.s. and W.A.G. payment solutions CZ, s.r.o.**

Assets and liabilities denominated in foreign currencies are measured in Czech crowns at the rate prevailing as at the last day of the previous month. At the balance sheet date, items of a monetary nature were measured at the Czech National Bank's exchange rate prevailing as at 31 December.

#### **W.A.G. Issuing Services, a.s.**

Assets and liabilities denominated in foreign currency are measured in Czech crowns at the daily rate. At the balance sheet date, items of a monetary nature were measured at the Czech National Bank's exchange rate prevailing as at 31 December.

Realised and unrealised foreign exchange gains and loss are recognised in current-year financial expenses or revenues.

#### **Foreign subsidiaries**

Assets and liabilities denominated in foreign currencies are measured in local currency at the daily exchange rate; at the balance sheet date, monetary items were measured at the exchange rate of the local national bank or European Central Bank prevailing as at 31 December.

Balance sheet and profit and loss account items were translated from local currencies into Czech crowns at the Czech National Bank exchange rate prevailing as at 31 December.

### **3.12. Use of estimates**

The preparation of the financial statements requires the management of each Company to apply estimates and assumptions influencing the reported values of assets and liabilities as at the balance sheet date and the reported amounts of revenues and costs in the reporting period. The management of each Company made these estimates and assumptions on the basis of all relevant information available. Nevertheless, given the nature of estimates, the actual results in the future may differ from these estimates.

### **3.13. Cost and revenue recognition**

Revenues and costs are recognised on an accrual basis; that is, they are recognised in the period to which they relate substantively and temporally.

### 3.14. Income tax

The income tax expense is calculated separately for each Group Company based on the statutory tax rate on accounting profit increased or decreased by permanently and temporarily non-tax-deductible costs and untaxed revenues (e.g. the creation and charging of other provisions and adjustments, entertainment expenses, differences between book and tax depreciation, etc.). Furthermore, items reducing the tax base (donations), deductibles and discounts on income tax are taken into account. Income tax expense in the consolidated profit and loss account is the sum of income tax expense of the Parent Company and other Group Companies using the full consolidation method.

Deferred tax liability is calculated for each Group Company and reflects the tax effects of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the income tax base with respect to the time of realisation. The consolidated deferred tax liability is the sum of the deferred tax liabilities of the Parent Company and other Group Companies using the full consolidation method; this sum is adjusted for the effects of temporary differences arising from transactions between Group Companies.

### 3.15. Subsequent events

The impact of events occurring between the balance sheet date and the date on which the financial statements are prepared is reflected in the financial statements where these events provide additional information about conditions existing at the balance sheet date.

If significant events reflecting circumstances occurring after the balance sheet date take place between the balance sheet date and the date of preparation of the financial statements, the consequences of these events are described in the notes but are not reflected in the financial statements.

## 4. Fixed assets

### 4.1. Intangible fixed assets (CZK thousands)

#### Cost

	Closing balance of the previous period	Exchange rate difference	Recalculated opening balance	Additions	Disposals	Transfers	Closing balance
Software	97,786	2	97,788	0	(1,528)	13,254	109,514
Other patents, copyrights, trademarks and tradenames	2,279	0	2,279	0	0	0	2,279
Other intangible fixed assets	456	0	456	0	0	0	456
Intangible fixed assets under construction	3,117	0	3,117	45,171	0	(13,254)	35,034
Advance for intangible fixed assets under construction	0	0	0	0	0	0	0
<b>Total 2016</b>	<b>103,638</b>	<b>2</b>	<b>103,640</b>	<b>45,171</b>	<b>(1,528)</b>	<b>0</b>	<b>147,283</b>
<b>Total 2015</b>	<b>84,704</b>	<b>(28)</b>	<b>84,676</b>	<b>18,993</b>	<b>(31)</b>	<b>0</b>	<b>103,638</b>

Changes in the acquisition cost of intangible fixed assets controlled by the Company abroad as a result of changes in the exchange rate as at 31 December 2016 and as at 31 December 2015:

	Exchange rate difference as at 31 December 2015	Exchange rate difference as at 31 December 2016
W.A.G. payment solutions AT GmbH	(10)	0
W.A.G. payment solutions HU Kft.	0	2
W.A.G. payment solutions SK, s.r.o.	(18)	0
<b>Total</b>	<b>(28)</b>	<b>2</b>

## Accumulated amortisation

	Closing balance of the previous period	Exchange rate difference	Recalculated opening balance	Amortisation	Sales, liquidation	Transfers	Closing balance
Software	(83,956)	0	(83,956)	(18,289)	1,527	0	(100,718)
Other patents, copyrights, trademarks and tradenames	(738)	0	(738)	(117)	0	0	(855)
Other intangible fixed assets	(199)	0	(199)	(64)	0	0	(263)
<b>Total 2016</b>	<b>(84,893)</b>	<b>0</b>	<b>(84,893)</b>	<b>(18,470)</b>	<b>1,527</b>	<b>0</b>	<b>(101,836)</b>
<b>Total 2015</b>	<b>(67,812)</b>	<b>25</b>	<b>(67,787)</b>	<b>(17,106)</b>	<b>0</b>	<b>0</b>	<b>(84,893)</b>

Changes in the accumulated amortisation of intangible fixed assets controlled by the Company abroad as a result of changes in the exchange rate as at 31 December 2016 and as at 31 December 2015:

	Exchange rate difference as at 31 December 2015	Exchange rate difference as at 31 December 2016
W.A.G. payment solutions AT GmbH	8	0
W.A.G. payment solutions HU Kft.	0	0
W.A.G. payment solutions SK, s.r.o.	17	0
<b>Total</b>	<b>25</b>	<b>0</b>

The aggregate amount of low-value intangible assets not disclosed in the balance sheet as at 31 December 2016 and 31 December 2015 was CZK 258,000 and CZK 252,000, respectively.

## 4.2. Tangible fixed assets (CZK thousands)

### Cost

	Exchange rate difference of previous period	Exchange rate difference	Recalculated opening balance	Additions	Disposals	Transfers	Closing balance
Land	117,958	248	118,206	0	(62,023)	1,403	57,586
Buildings	270,252	398	270,650	0	(24,158)	15,727	262,219
Plant and equipment	180,753	360	181,113	0	(33,301)	22,828	170,640
Vehicles	30,433	0	30,433	0	(1,764)	19,702	48,371
Fixtures and fittings	11,228	0	11,228	0	(5)	4,194	15,417
Other tangible fixed assets	1,103	0	1,103	0	(1,690)	1,365	778
Tangible fixed assets under construction	12,332	84	12,416	76,316	(3,102)	(64,711)	20,919
Advance for tangible fixed assets under construction	612	0	612	1,896	(104)	(508)	1,896
Adjustments to asset acquisitions	81,125	0	81,125	0	0	0	81,125
<b>Total 2016</b>	<b>705,796</b>	<b>1,090</b>	<b>706,886</b>	<b>78,212</b>	<b>(126,147)</b>	<b>0</b>	<b>658,951</b>
<b>Total 2015</b>	<b>638,763</b>	<b>(2,968)</b>	<b>635,795</b>	<b>76,135</b>	<b>(6,134)</b>	<b>0</b>	<b>705,796</b>

Changes in the acquisition cost of tangible fixed assets controlled by the Company abroad as a result of changes in the exchange rate as at 31 December 2016 and as at 31 December 2015:

	Exchange rate difference as at 31 December 2015	Exchange rate difference as at 31 December 2016
Consorzio Eurowag - S.C. A R.L.	0	0
W.A.G. payment solutions AT GmbH	(197)	(2)
W.A.G. payment solutions HU Kft.	(1,220)	1,115
W.A.G. payment solutions RO, s.r.l.	(53)	(12)
W.A.G. payment solutions SK, s.r.o.	(1,498)	(11)
<b>Total</b>	<b>(2,968)</b>	<b>1,090</b>



## Accumulated depreciation

	Closing balance of the previous period	Exchange rate difference	Recalculated opening balance	Depreciation	Disposals	Closing balance
Land	0	0	0	0	0	0
Buildings	(59,400)	(17)	(59,417)	(13,256)	7,269	(65,404)
Plant and equipment	(97,626)	(63)	(97,689)	(18,862)	22,235	(94,316)
Vehicles	(5,804)	0	(5,804)	(11,819)	1,234	(16,389)
Fixtures and fittings	(2,693)	0	(2,693)	(2,534)	0	(5,227)
Other tangible fixed assets	(1,044)	0	(1,044)	(4,500)	4,810	(734)
Adjustments to asset acquisitions	(32,939)	0	(32,939)	(5,354)	0	(38,293)
<b>Total 2016</b>	<b>(199,506)</b>	<b>(80)</b>	<b>(199,586)</b>	<b>(56,325)</b>	<b>35,548</b>	<b>(220,363)</b>
<b>Total 2015</b>	<b>(157,958)</b>	<b>364</b>	<b>(157,594)</b>	<b>(43,705)</b>	<b>1,793</b>	<b>(199,506)</b>

Changes in the accumulated amortisation of intangible fixed assets controlled by the Company abroad as a result of changes in the exchange rate as at 31 December 2016 and as at 31 December 2015:

	Exchange rate difference as at 31 December 2015	Exchange rate difference as at 31 December 2016
W.A.G. payment solutions AT GmbH	29	0
W.A.G. payment solutions HU Kft.	32	(85)
W.A.G. payment solutions RO, s.r.l.	6	2
W.A.G. payment solutions SK, s.r.o.	296	3
<b>Total</b>	<b>364</b>	<b>(80)</b>

In 2016, an adjustment to land of CZK 10,000,000 was dissolved due to the sale of the asset in question.

As at 31 December 2016 and 31 December 2015, low-value tangible fixed assets not disclosed in the balance sheet aggregated CZK 11,256,000 and CZK 10,175,000, respectively, at acquisition cost.

An adjustment to asset acquisitions of CZK 81,125,000 was prompted by the acquisition of NETTO spol. s r.o. in 2009. In 2016 and 2015, CZK 5,354,000 and CZK 5,408,000, respectively, of the adjustment to asset acquisitions was written off as an expense.

As at 31 December 2016, the Company had no assets under finance leases.

## Tangible fixed assets encumbered by liens or easements

### W.A.G. payment solutions, a.s.

Tangible fixed asset	Lien, easement	Amount pledged 2016	Amount pledged 2015
Svatá Kateřina u Rozvadova	Lien, municipality of Rozvadov	CZK 5,000,000	CZK 5,000,000
Real estate, Cheb	Lien, Erste Leasing	CZK 0	CZK 13,000,000
Real estate, Cheb	Lien, Erste Leasing	CZK 0	CZK 40,000,000
Real estate, Cheb	Lien, ČSOB, a.s.	CZK 30,000,000	CZK 0
Real estate, Cheb	Lien, ČSOB, a.s.	EUR 500,000	EUR 0
Real estate, Ústí nad Labem	Lien, ČS, a.s.	CZK 17,000,000	CZK 17,000,000
Service station, T&G, Průhonice	Lien, ČSOB, a.s.	CZK 0	CZK 30,000,000
Service station, T&G, Průhonice	Lien, ČSOB, a.s.	EUR 0	EUR 500,000
Land, Jazlovce	Lien, ČS, a.s.	CZK 45,000,000	CZK 45,000,000
Service station, Slubice	Lien, Raiffeisenbank, a.s.	EUR 1,000,000	EUR 1,000,000
Service station, Gromadka	Lien, Raiffeisenbank, a.s.	EUR 1,000,000	EUR 1,000,000
Service station, Lébény	Lien, Raiffeisenbank, a.s.	EUR 1,000,000	EUR 0

## W.A.G. payment solutions SK, s.r.o.

Tangible fixed asset	Lien, easement	Amount pledged 2016	Amount pledged 2015
Service station, Lamač	Lien, S Slovakia	EUR 0	EUR 450,000
Service station, MALACKY	Lien, ČSOB, a.s.	EUR 870,000	EUR 870,000

## 4.3. Long-term investments (CZK thousands)

## Movements in long-term financial investments

	Balance at 31 December 2014	Additions	Disposals	Revaluation	Balance at 31 December 2015
Investments in group undertakings	0	0	0	0	0
Other securities and investments	20	0	0	0	20
Other long-term investments	0	0	0	0	0
Advances provided for long-term investments	0	0	0	0	0
<b>Total</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>

	Balance at 31 December 2014	Additions	Disposals	Revaluation	Balance at 31 December 2015
Investments in group undertakings	0	0	0	0	0
Other securities and investments	20	0	(20)	0	0
Other long-term investments	0	0	0	0	0
Advances provided for long-term investments	0	1,347	0	0	1,347
<b>Total</b>	<b>20</b>	<b>1,347</b>	<b>(20)</b>	<b>0</b>	<b>1,347</b>

## 5. Receivables

## Receivables more than 180 days past due

(CZK thousands)	2016	2015
W.A.G. payment solutions, a.s.	122,299	84,185
W.A.G. payment solutions SK, s.r.o.	4,023	6,433
Reamon Tax, a.s.	1,139	21
<b>Total</b>	<b>127,461</b>	<b>90,639</b>

Adjustments for outstanding receivables that are considered doubtful were established in 2016 and 2015 (see Note 6).

As at 31 December 2016 and 31 December 2015, the Group had no long-term receivables with a maturity of more than 5 years.

In 2016 and 2015, the Group wrote off receivables in the amount of CZK 11,150,000 and CZK 35,670,000, respectively, as an expense on account of the fact that they were uncollectable, bankruptcy or composition had been refused, they were not satisfied in bankruptcy proceedings, etc. Receivables are retained in off-balance sheet accounts.

W.A.G. payment solutions, a.s. pledges trade receivables, further to which it draws on short-term bank loans.

## Balance of receivables pledged and loans drawn (CZK thousands)

Financing bank	Volume of receivables pledged	
	2016	2015
Citibank EUROPE	471,022	61,126
ČSOB, a.s.	157,767	129,629
Komerční banka, a.s.	141,474	0
Česká spořitelna, a.s.	123,235	109,450
UniCredit Bank Czech Republic and Slovakia, a.s.	102,282	79,846
Raiffeisenbank a.s.	83,086	69,591
Tatra banka, a.s.	0	119,031
<b>Total</b>	<b>1,078,866</b>	<b>568,673</b>

Other receivables mainly consist of receivables from tax offices abroad (2016: CZK 70,263,000; 2015: CZK 30,069,000) and financing provided to clients until the settlement of their applications for VAT refunds from other EU Member States (2016: CZK 92,767,000; 2015: CZK 14,204,000).

Estimated receivables mainly comprise commissions from VAT refund applications of the Parent Company's clients pending at tax offices.

Short-term advances mainly comprise deposits paid for OBUs used by Group clients for toll transactions in Belgium (2016: CZK 62,449,000; 2015: CZK 0), advances for deposits paid to cover potential future liabilities (2016: CZK 13,690,000; 2015: CZK 13,338,000) and an advance provided to WEX Europe Solutions, Ltd. for EW MasterCard transactions by Group clients (2016: CZK 10,003,000; 2015: CZK 11,503,000).

## 6. Adjustments

### Changes in adjustments to receivables (CZK thousands):

Adjustments to:	Closing balance at 31 December 2014	Exchange rate difference	Recalculated balance at 1 January 2015	Creation of adjustments	Charging of adjustments	Balance at 31 December 2015
fixed assets	10,000	0	10,000	0	0	10,000
receivables – statutory	43,338	0	43,338	13,917	(27,430)	29,825
receivables – other	81,843	(182)	81,661	53,182	(51,230)	83,613
<b>Total</b>	<b>135,181</b>	<b>(182)</b>	<b>134,999</b>	<b>67,099</b>	<b>(78,660)</b>	<b>123,438</b>

Adjustments to:	Closing balance at 31 December 2015	Exchange rate difference	Recalculated balance at 1 January 2016	Creation of adjustments	Charging of adjustments	Balance at 31 December 2016
fixed assets	10,000	0	10,000	0	(10,000)	0
receivables – statutory	29,825	0	29,825	15,243	(6,088)	38,980
receivables – other	83,613	(1)	83,612	39,571	(36,828)	86,355
<b>Total</b>	<b>123,438</b>	<b>(1)</b>	<b>123,437</b>	<b>54,814</b>	<b>(52,916)</b>	<b>125,335</b>

Statutory adjustments are established in accordance with the Act on Provisions and are tax deductible.

Changes in the adjustments of controlled companies abroad as a result of changes in the exchange rate as at 31 December 2016 and as at 31 December 2015

	Exchange rate difference as at 31 December 2015	Exchange rate difference as at 31 December 2016
W.A.G. payment solutions SK, s.r.o.	(182)	(1)
<b>Total</b>	<b>(182)</b>	<b>(1)</b>

## 7. Cash and cash equivalents

The value of cash and cash equivalents consists of the following amounts (CZK thousands):

	2016	2015
Cash in hand	2,363	4,437
Cash in bank	1,356,468	913,742
Cash in transit	832	1,208
<b>Total</b>	<b>1,359,663</b>	<b>919,387</b>

## 8. Other assets

Prepaid expenses mainly comprise project-related bonuses, accrued costs for the implementation of the acceptance system, software licences and warranties, and are charged to the cost of the period to which the asset relates.

## 9. Group and Parent Company equity

The Parent Company's registered capital comprises fully subscribed and paid-up shares:

Number of shares	Type	Nominal value (CZK thousands)	Total value (CZK thousands)
108	certificated ordinary registered shares	1,000	108,000
30	certificated ordinary registered shares	50	1,500
1	certificated ordinary registered shares	296	296

### Statement of changes in Group equity (CZK thousands)

	Balance at 31 December 2014	Increase	Decrease	Other (rounded)	Balance at 31 December 2015
Registered capital	109,796	0	0	0	109,796
Share premium	9,500	0	0	0	9,500
Other capital funds	558	0	914	0	(356)
Reserve fund	10,239	201	0	0	10,440
Retained earnings/accumulated loss	49,992	168,139	0	0	218,131
Other retained earnings	(329)	329	869	0	(869)
Profit (loss) for the current period	168,468	207,244	168,468	0	207,244
<b>Total</b>	<b>348,224</b>	<b>375,913</b>	<b>170,251</b>	<b>0</b>	<b>553,886</b>

	Balance at 31 December 2015	Increase	Decrease	Other (rounded)	Balance at 31 December 2016
Registered capital	109,796	0	0	0	109,796
Share premium	9,500	0	0	0	9,500
Other capital funds	(356)	0	1,156	1	(1,511)
Reserve fund	10,440	0	0	0	10,440
Retained earnings/accumulated loss	218,131	206,375	0	0	424,506
Other retained earnings	(869)	869	8,262	0	(8,262)
Profit (loss) for the current period	207,244	310,304	207,244	0	310,304
<b>Total</b>	<b>553,886</b>	<b>517,548</b>	<b>216,662</b>	<b>1</b>	<b>854,773</b>

Only the portion of retained earnings as at 31 December 2016 and the profit for the year 2016 exceeding allocations to the reserve fund, plus the possible resources of the other funds and less the accumulated loss, may be paid out in dividends for 2016. This amount is CZK 725,037,000 as at 31 December 2016.

The consolidating company's general meeting decided not to pay out dividends in respect of the profit from 2015 and 2014.

## 10. Provisions

### Changes in provision accounts (CZK thousands)

	Balance at 31 December 2014	Exchange rate difference	Recalculated balance at 1 January 2015	Creation	Release/ utilisation	Balance at 31 December 2015
<b>Other provisions</b>						
W.A.G. payment solutions, a.s.	2,766	0	2,766	16,552	(2,766)	16,552
W.A.G. payment solutions RO, s.r.l.	649	(22)	627	1,121	(627)	1,121
Consorzio Eurowag - S.C. A R.L.	0	0	0	11	0	11
W.A.G. payment solutions SK, s.r.o.	344	(9)	335	387	(335)	387
W.A.G. payment solutions AT, GmbH	225	(6)	219	0	(219)	0
Reamon Tax, a.s.	172	0	172	134	(172)	134
<b>Total other provisions</b>	<b>4,156</b>	<b>(37)</b>	<b>4,119</b>	<b>18,205</b>	<b>(4,119)</b>	<b>18,205</b>

	Balance at 31 December 2015	Exchange rate difference	Recalculated balance at 1 January 2016	Creation	Release/ utilisation	Balance at 31 December 2016
<b>Other provisions</b>						
W.A.G. payment solutions, a.s.	16,552	0	16,552	32,900	(13,177)	36,275
W.A.G. payment solutions RO, s.r.l.	1,121	(4)	1,117	1,796	(1,117)	1,796
Consorzio Eurowag - S.C. A R.L.	11	0	11	0	0	11
W.A.G. payment solutions SK, s.r.o.	387	0	387	410	(387)	410
W.A.G. payment solutions AT GmbH	0	0	0	588	0	588
Reamon Tax, a.s.	134	0	134	526	(134)	526
<b>Total other provisions</b>	<b>18,205</b>	<b>(4)</b>	<b>18,201</b>	<b>36,220</b>	<b>(14,815)</b>	<b>39,606</b>

Other provisions are created to cover future expenses due to untaken leave and compensation for damage related to the denial of applications for VAT and excise duty refunds in other EU Member States. In 2016, the 2015 severance provision was dissolved.

## 11. Payable

As at 31 December 2016 and as at 31 December 2015, the Company had no long-term liabilities other than payables to credit institutions (see Note 12).

### Short-term payables more than 180 days past due (CZK thousands)

(CZK thousands)	2016	2015
W.A.G. payment solutions, a.s.	42	3,039
W.A.G. payment solutions SK, s.r.o.	9	46
W.A.G. payment solutions RO, s.r.l.	0	53
W.A.G. payment solutions HU Kft.	0	5
W.A.G. payment solutions AT GmbH	3	22
<b>Total</b>	<b>54</b>	<b>3,165</b>

Other short-term payables include, in particular, negative fair values of open derivatives (see paragraph 14), settled VAT refund applications of clients in other EU Member States paid after the balance sheet date, and payables to factoring companies due to the payment of assigned receivables to the bank accounts of W.A.G. payment solutions, a.s.

As at 31 December 2016 and 31 December 2015, the Company records CZK 7,524,000 and CZK 5,416,000 of due payables of social security and health insurance contributions. These liabilities were paid on time and in full in 2017 and 2016.

Estimated payables mainly comprise unbilled deliveries of fuel and estimated wage bonus items.



## 12. Bank loans and borrowings

Financing bank	Financing	Currency	Interest rate	Final maturity (year)	Original loan amount (CZK thousands)	Loan balance as at 31 December 2015 (CZK thousands)	Loan balance as at 31 December 2016 (CZK thousands)	Annual repayments 2017 (CZK thousands)
<b>W.A.G. payment solutions, a.s.</b>								
Česká spořitelna, a.s.	Truck Park	CZK	1M PRIBOR + bank's margin	2018	14,580	4,954	2,701	2,458
ČSOB Leasing	Passenger car	CZK	FIXED RATE	2018	10,886	9,762	6,170	3,651
ČSOB Leasing	Passenger car	CZK	FIXED RATE	2019	18,736	0	15,316	6,206
ČSOB, a.s.	Truck Park	CZK	1M PRIBOR + bank's margin	2019	30,000	8,318	12,500	6,000
ČSOB, a.s.	Truck Park	EUR	1M EURIBOR + bank's margin	2019	500	18,500	5,616	2,702
Komerční banka, a.s.	Overdraft facility	EUR	O/N EUR Libor + margin	30 days from notice	10,000	0	269,877	269,877
Raiffeisenbank a.s.	Truck Park	EUR	3M EURIBOR + bank's margin	2021	2,400	45,678	37,727	7,942
s Autoleasing	Passenger car	CZK	FIXED RATE	2017	16,430	8,671	3,130	3,130
s Autoleasing	Passenger car	CZK	FIXED RATE	2018	6,471	5,756	3,632	2,167
UniCredit bank Czech Republic, a.s.	Overdraft facility	EUR	1M EURIBOR + bank's margin	3M from service of bank's demand	5,000	0	135,100	135,100
Loans from previous years paid in 2016						14,086		
<b>W.A.G. payment solutions SK, s.r.o.</b>								
ČSOB, a.s.	Truck Park	EUR	IRS 0.33% + margin	2021	870	27,853	18,318	3,664
<b>Total</b>						<b>143,578</b>	<b>510,087</b>	<b>442,897</b>

As at 31 December 2016 and 31 December 2015, the following pledges were made to cover the aforementioned loans:

- pledge of receivables;
- pledge of current accounts;
- blank bills issued;
- pledge of immovable property.

Under some loan agreements, the Parent Company undertook to meet certain financial ratios; as at 31 December 2016, it had complied with these ratios.

The costs of interest applicable to bank loans and borrowings for 2016 and 2015 amounted to CZK 6,155,000 and CZK 8,209,000, respectively.

## 13. Other liabilities

Accrued expenses consist primarily of advisory and legal services, insurance premiums, sales representation and toll transactions, and are charged to expenses in the year in which they were incurred.

Prepaid expenses mainly comprise part of remuneration for services relating to the submission of outstanding VAT refund applications for the Parent Company's clients and are recognised in income for the period to which they relate.

## 14. Derivatives

The Company has contracts for derivative that have been remeasured at fair value as at 31 December 2016 and 31 December 2015. Positive and negative fair values of derivatives are recognised in other receivables or other payables.

The following table presents an overview of the nominal amounts and positive and negative fair values of open derivatives held for trading as at 31 December 2016 and 31 December 2015.

### The cumulative nominal values of derivative operations and their adjustment to fair values as at 31 December 2016 and 31 December 2015

Derivative	Nominal value as at 31 December 2016	Fair value as at 1 December 2016 (CZK thousands)	Nominal value as at 31 December 2015	Fair value as at 31 December 2015 (CZK thousands)
<b>Interest rate contracts:</b>				
SWAP	EUR 21,057,627	(9,322)	EUR 20,934,465	(7,928)
SWAP	CZK 22,500,000	(52)	CZK 18,500,000	(51)
<b>Currency contracts:</b>				
FORWARD (EUR/CZK)	EUR 15,370,000	1,525	EUR 3,110,000	891
FORWARD (EUR/PLN)	EUR 438,000	80	EUR 0	0
OPTIONS (EUR/CZK)	EUR 9,050,000	536	EUR 7,250,000	1231
<b>Total</b>		<b>(7,233)</b>		<b>(5,857)</b>

## 15. Tax assets, liabilities and subsidies

### 15.1. Income tax

The Company has quantified tax as follows on the strength of a provisional calculation (CZK thousands)

2015	W.A.G. payment solutions, a.s.	Reamon Tax, a.s.	W.A.G. payment solutions SK, s.r.o.	W.A.G. payment solutions RO, s.r.l.	W.A.G. payment solutions HU Kft.	Other	Total
<b>Profit before tax</b>	<b>254,712</b>	<b>2,420</b>	<b>6,877</b>	<b>909</b>	<b>10,276</b>	<b>(4,584)</b>	<b>270,610</b>
Non-taxable revenues	(678)	0	(533)	0	0		(1,211)
Differences between book and tax depreciation	3,463	266	(272)	0	463		3,920
Difference between book and tax residual value of assets sold	297	0	0	0	11		308
Non-deductible costs:							
Creation of adjustments	2,540	0	0	0	0		2,540
Creation	13,786	(39)	0	(141)	0		13,606
Other	47,662	110	4,795	632	12,654		65,853
<b>Taxable income</b>	<b>321,782</b>	<b>2,757</b>	<b>10,866</b>	<b>1,400</b>	<b>23,405</b>	<b>(4,584)</b>	<b>355,626</b>
Income tax rate	19 %	19 %	22 %	16 %	10 %		
<b>Tax</b>	<b>61,139</b>	<b>524</b>	<b>2,391</b>	<b>224</b>	<b>2,340</b>		<b>66,618</b>
<b>Local taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,630</b>		<b>1,630</b>
Adjustment to tax for previous years	2,903	4	115	0	0	(28)	2,994
<b>Tax due</b>	<b>64,042</b>	<b>528</b>	<b>2,505</b>	<b>224</b>	<b>3,970</b>	<b>(27)</b>	<b>71,242</b>

2016	W.A.G. payment solutions, a.s.	Reamon Tax, a.s.	W.A.G. payment solutions SK, s.r.o.	W.A.G. payment solutions RO, s.r.l.	W.A.G. payment solutions HU Kft.	Other	Total
<b>Profit before tax</b>	<b>364,464</b>	<b>2,720</b>	<b>18,659</b>	<b>1,217</b>	<b>9,848</b>	<b>543</b>	<b>397,451</b>
Non-taxable revenues	(717)	0	(1,510)	0	0		(2,227)
Differences between book and tax depreciation	4,254	281	675	364	822		6,396
Difference between book and tax residual value of assets sold	7,738	0	5,499	0	0		13,237
Non-deductible costs:							
Creation of adjustments	(4,713)	(54)	0	0	0		(4,767)
Creation	19,724	392	0	1,652	0		21,768
Other	36,475	397	2,856	2,161	10,431		52,320
<b>Taxable income</b>	<b>427,225</b>	<b>3,736</b>	<b>26,179</b>	<b>5,394</b>	<b>21,101</b>	<b>543</b>	<b>484,178</b>
Income tax rate	19 %	19 %	22 %	16 %	10 %		
<b>Tax</b>	<b>81,173</b>	<b>710</b>	<b>5,759</b>	<b>863</b>	<b>2,110</b>	<b>51</b>	<b>90,666</b>
<b>Local taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,980</b>		<b>2,980</b>
Adjustment to tax for previous years	(1,183)	28	342	0	0		(813)
<b>Tax due</b>	<b>79,990</b>	<b>738</b>	<b>6,101</b>	<b>863</b>	<b>5,090</b>	<b>51</b>	<b>92,833</b>

All tax liabilities were due at 31 December 2016 and were paid in a due and timely manner in 2017.

The Group received no subsidies.

## 15.2. Deferred tax

The Group calculated deferred tax on the basis of the temporary differences between the book value of the assets and liabilities and the determination of the income tax base, taking into account the period of realisation.

Individual Group Companies have calculated deferred tax as follows (CZK thousands):

2015	W.A.G. payment solutions, a.s.		Reamon Tax, a.s.		W.A.G. payment solutions SK, s.r.o.	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between the net book and tax value of fixed assets	0	(2,357)	47	0	0	(1,798)
Adjustment to receivables	5,873	0	227	0	0	0
Provisions	1,804	0	25	0	0	0
Estimated items	1,678	0	22	0	481	0
Outstanding penalties	0	(185)	0	0	0	0
<b>Total</b>		<b>6,813</b>		<b>321</b>		<b>(1,317)</b>

For reasons of prudence, Reamon Tax, a.s. recognised no deferred tax asset in 2015.

2016	W.A.G. payment solutions, a.s.		Reamon Tax, a.s.		W.A.G. payment solutions SK, s.r.o.	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between the net book and tax value of fixed assets	0	(396)	100	0		(441)
Adjustment to receivables	7,928		216	0		
Provisions	1,367	0	100	0		
Estimated items	2,571		45	0	321	
Outstanding penalties	10	(318)	0	0		
<b>Total</b>		<b>11,162</b>		<b>461</b>		<b>(120)</b>

## 16. Operating leases

Leased assets of the Company as at 31 December 2016 and 31 December 2015:

Description	Contract No	Leased (month/year)		Lease instalments paid (CZK thousands)		Lease instalments outstanding as at 31 December 2016 (CZK thousands)
		From	To	2016	2015	
Škoda Octavia	324434	2/13	1/17	135	114	11
Škoda Superb	328640	6/13	6/16	112	215	0
Škoda Superb	328643	6/13	6/16	157	227	0
Škoda Superb	328646	6/13	6/16	80	167	0
Škoda Superb	331193	6/13	6/16	49	222	0
Škoda Octavia	332234	10/13	10/16	129	152	0
Škoda Octavia	332237	10/13	10/16	121	143	0
Škoda Octavia	333209	11/13	11/16	136	141	0
Škoda Octavia	C661855	8/14	8/17	190	208	124
Škoda Octavia	C661857	8/14	8/17	190	208	124
Škoda Octavia	C661854	8/14	8/17	190	208	124
Škoda Octavia	C661856	8/14	8/17	204	208	124
Škoda Octavia	376205	8/15	8/18	154	60	247
Škoda Octavia	376208	8/15	8/18	154	60	247
Mercedes	237938/A8	9/16	8/19	41	0	604

The Group had no assets leased under finance leases as at 31 December 2016 and as at 31 December 2015.

## 17. Contingencies and commitments

The Group has concluded long-term office contracts.

## 18. Revenues

Company revenues from ordinary activities (CZK thousands)

	2016		2015	
	Czech Republic (CZK thousands)	Foreign (CZK thousands)	Czech Republic (CZK thousands)	Foreign (CZK thousands)
Revenues from finished products	303	0	429	0
Revenues from services	58,303	285,819	57,194	227,952
Sales of goods	4,454,505	9,898,543	4,623,186	8,775,956
<b>Total</b>	<b>4,513,111</b>	<b>10,184,362</b>	<b>4,680,809</b>	<b>9,003,908</b>

## 19. Personnel costs

### Average number of employees (FTE)

	2016	2015
Average number of employees	326	259
Of which the average number of employees in companies under common influence	84	63
Average number of managers	47	26

### Breakdown of personnel costs (CZK thousands) into employees and members of management bodies

	2016	2015
Personnel costs of employees	263,727	163,886
Of which managers	74,980	60,963
Remuneration of governing bodies	17,172	41,309
Social security and health insurance	72,992	50,884
Other social costs	13,443	8,695

The Company has no records of pension liabilities of former members of governing and supervisory bodies.

## 20. Related-party transactions

The Company 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 company cars.

## 21. Significant events after the balance sheet date

### Investments in companies

As at 15 February 2017, the Parent Company purchased shares in the following companies:

	Princip a.s.	HI Software Development s.r.o.
registration number	41690311	26829819
registered office	Radlická 204/503, 158 00 Praha, Czech Republic	Ladova 389/10, 779 00 Olomouc, Czech Republic
share in registered capital (%)	100%	100%

### Change in share structure

On 21 March 2017, the Parent Company's registered capital was increased by an issue of 45 certificated registered preference shares with a nominal value of CZK 50.

## 22. Significant profit and loss items

In 2016, there was an extraordinary increase in "Revenues from fixed assets sold" and the "Net book value of fixed assets sold" as a result of the sale of two Tank&Go service stations and their associated land in the Czech Republic and Slovakia.

Other operating revenues in 2016 and 2015 consist mainly of receipts from assigned receivables due to the factoring of pre-funded VAT refund applications for Company clients, and receipts from receivables from carriers assigned to forwarders.

Other operating costs in 2016 and 2015 consist mainly of write-offs of receivables assigned due to the factoring of pre-funded VAT refund applications for Company clients, write-offs of receivables from carriers assigned to forwarders, the insurance of receivables, and the write-off of irrecoverable receivables.

Other financial revenues and costs in 2016 and 2015 mainly comprise exchange rate gains and losses.

## 23. Cash flow statement

### Items included in cash and cash equivalents

The entity includes the amount of cash in hand and cash in banks in its cash and cash equivalents.

### Method for reporting cash flows from operating activities

The cash flow statement is prepared using the indirect method.

### Changes in the model, structure and content of indicators compared to the previous accounting period, including probable effects

There were no changes in the preparation of the cash flow statement compared to the previous accounting period.

The cash flow statement is a separate statement (see Annex 1).

Prague, 12 May 2017



David Holý

Vice-Chairman of the Board of Directors





# Contact Details

**W.A.G. payment solutions, a.s.**  
Na Vítězné pláni 1719/4  
140 00 Praha 4, Czech Republic

Incorporated in the Commercial Register  
maintained by the Municipal Court in Prague,  
Czech Republic, Section B, file 6882.

Reg. No: 26415623  
VAT No: CZ 26415623

E-mail: [wag@eurowag.com](mailto:wag@eurowag.com)  
Internet: [www.eurowag.com](http://www.eurowag.com)

