

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

Annual Report 2013

Sophisticated solutions for fuel
and toll payments. A far-reaching
acceptance network across Europe.
Tools to optimise transport-related
business operations. Welcome
to the world of Eurowag.



Key Indicators

in EUR	2009	2010	2011	2012	2013
Sales revenues, including toll transactions	203,644,455	284,677,437	367,168,055	459,596,766	521,873,902
– Tolls	42,770,154	83,829,233	102,847,784	131,380,384	154,880,347
– Sales revenues	158,483,160	197,893,057	260,308,023	322,848,437	360,809,271
– Production	2,391,141	2,955,148	4,012,248	5,367,945	6,184,284
Value added	6,199,681	7,815,642	8,847,558	10,830,019	14,081,604
EBITDA*	–	–	–	6,037,586	8,956,544
EBIT*	–	–	–	4,761,343	7,062,611
EBT	546,808	878,053	1,262,519	2,800,212	6,059,224
EAT	308,061	577,773	877,209	2,064,983	4,618,061

* New methodology of EBITDA and EBIT calculation was introduced in 2013. Previous year was recalculated to provide to comparable figure.

An exchange rate of 25.06 CZK per EUR was applied to the translation of figures for 2010.

An exchange rate of 25.80 CZK per EUR was applied to the translation of figures for 2011.

An exchange rate of 25.14 CZK per EUR was applied to the translation of figures for 2012.

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





We are growing. In 2013, the refuelling acceptance network expanded immensely from 447 petrol stations to more than 8,000.



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Eurowag One – a professional solution tailored to medium-sized and large transport companies.

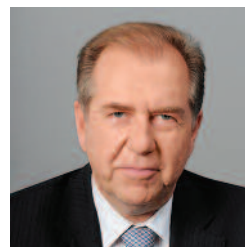
1 Corporate Profile

1.1. General Information

Name	W.A.G. payment solutions, a.s.
Registered office	Na Vítězné pláni 1719/4 140 00 Prague 4 Czech Republic
Registration number	26415623
Share capital	CZK 109,796,000
Shareholders	Martin Vohánka (85.2%) Company Board of Directors (14.8%)



Martin Vohánka – Chairman



Petr Husák – Vice-Chairman

1.2. Corporate Governance

Board of Directors

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



Tomáš Svatoň – Member

Supervisory Board

Hana Hradská – Member
Tomáš Michek – Member
Radim Jauker – Member



Pascal Guyot – Member



David Holý – Member

1.3. Business Objects

W.A.G. payment solutions, a.s. ("W.A.G.") is the company behind Eurowag – sophisticated payment solutions for purchases of fuel, tolls and other services on roads across Europe. It also operates networks of specialised refuelling facilities for freight vehicles – Eurowag truck parks – and Tank&Go unmanned petrol stations for cars. W.A.G. is the industry leader in technology and innovation, and is the largest independent and fastest growing company on the market in Central and Eastern Europe. The company's business operations span 24 countries throughout Europe.

1.4. Mission and Values

Our efforts are focused on becoming the leading, most profitable issuer of fleet cards in Central and Eastern Europe. Our methodical improvements, passion for innovation, and deep insight into the needs of our customers underpin our success, making W.A.G. an attractive employer, a reliable business partner and a very interesting prospect for investment.

Company Values:

- **Innovation** – our creativity and willingness to learn enables us to find new paths of development, increasing the value of our work and sharpening our competitiveness.
- **Trust** – honesty and reliability are the foundations on which we build confidence and loyalty.
- **Integrity** – ethical values are a natural guide in our everyday decision-making, helping us to stand out as a major constructive factor in the world around us.
- **Teamwork** – we support each other, because only a well-functioning team can be successful.
- **Excellence** – we strive relentlessly for results that reflect the best in us.
- **Independence** – for us, the freedom of choice means the obligation to make use of our skills and the information available to us whenever an opportunity for improvement emerges.
- **Flexibility** – flexible responses to market developments and the rapid implementation of innovations are one of our company's particular strengths. We transform risks into opportunities and ideas into products.
- **Joy** – a good vibe and solid relations among colleagues are essential for outstanding performance.



One of the most significant achievements of 2013 was the 27% increase in the volume of fuel and toll transactions.



2 Foreword

Ladies and Gentlemen,

It is my great pleasure to present to you an Annual Report which, once again, is packed with exceptionally upbeat information about the work and activities of our joint-stock company, W.A.G. payment solutions. For the first time ever, we managed to meet or exceed every single goal we set ourselves for 2013 in last year's annual report.

In retrospect, we can see how competitive pressure is increasing from each year to the next. Against this backdrop, though, by building a team of people with the desire to create, to be useful, and to continuously improve themselves, and integrated by values such as respect, humility and good will, we are in a position to earn the lasting trust of customers and business partners while racking up sound economic results. Therefore, I would like to thank everyone who has embraced the idea of teaming up with W.A.G. and taken to the road with us.

My heartfelt wish is for you to enjoy much success and gain valuable experience in life.



Martin Vohánka
Founder and Chief Executive Officer



We managed to meet and exceed all the targets we had set ourselves for the first time ever.

3 History

W.A.G. group, spol. s r. o. was formed in 1995 as a petroleum product wholesaler. The company spent its first few years gaining experience and searching for a corporate identity while enjoying great success and dynamic growth. In 1999, W.A.G. group, spol. s r.o., became the first privately owned entity in the industry to be ISO 9002 certified as part of its quality-enhancement policy. In 2000, the decision was taken to move up to a higher form of legal status and so, on 1 January 2001, the newly formed joint-stock company W.A.G. minerální paliva, a.s. assumed all of the original company's assets and liabilities.

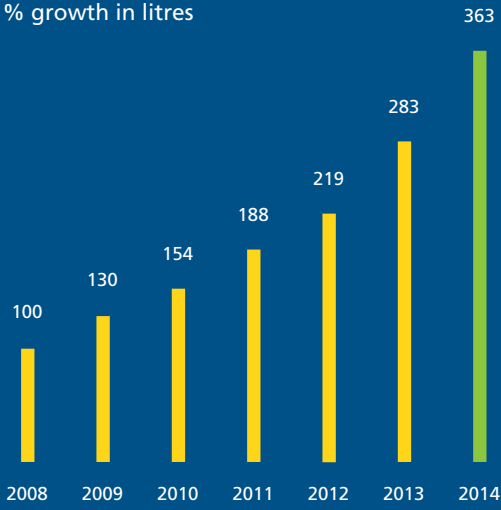
In 2005, there was a change in the ownership structure as the UK-based ENDORSED INVESTMENT invested in the company, providing the share capital injection needed for further development and remaining on-board for the next seven years. By 2005, the W.A.G. portfolio was dominated by Eurowag, a product which had also met with great success in Slovakia and Hungary. It was at this time that W.A.G. was also launching a 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. was preparing for the introduction of tolls on selected roads 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.

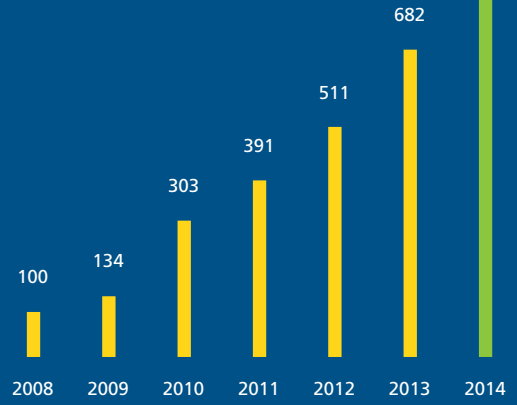


Eurowag Easy – prepaid cards for smaller carriers and companies with fleets of delivery and company vehicles.

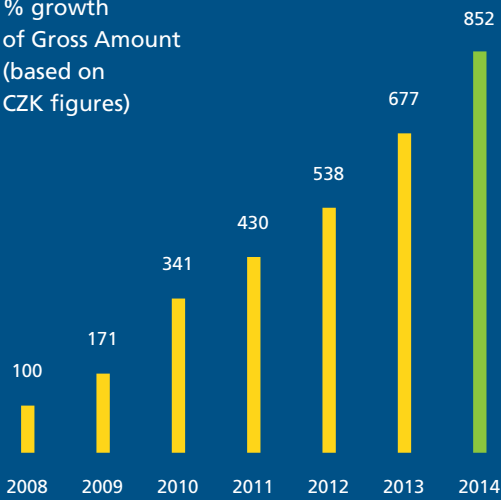
Fuel
% growth in litres



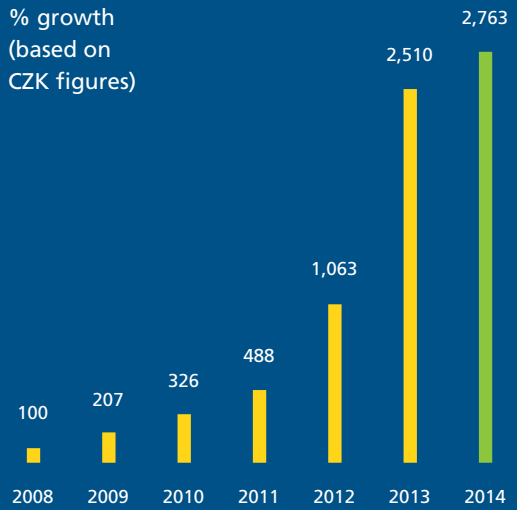
Tax Refunds
% growth in volume of refunds processes in CZK



Toll
% growth of Gross Amount (based on CZK figures)



EBT
% growth (based on CZK figures)



4 Report on Company Activities

4.1. Business Activities in 2013

Introduction

2013 was a breakthrough year in which W.A.G. payment solutions, a.s. has reached a leading position among the top international fuel card issuers across Europe.

Driven by a continuous focus on clients, W.A.G. payment solutions, a.s. delivered numerous innovations and success.

In terms of company operations, the highlight was a **27%** rise in both fuel and toll transactions (based on CZK figures) thanks to the expansion of the acceptance network and of the portfolio of toll systems and also on account of the increased capacity and efficiency of sales teams in the different countries.

These gains were reflected equally positively in financial indicators, with record CZK-based increases in EBT (**+136%**) and EBITDA (**+62%**). This remarkable performance was made possible thanks to outstanding performance in the field of receivables collection, debt and contract management.

In line with our vision to sustain profitable and continuous double-digit growth, the acceptance network for refuelling has been considerably extended from 447 petrol stations in 16 countries to 8,182 petrol stations in 22 countries. Doubtless this massive expansion will lead to further growth in the future.

To meet the market demand for a safe and secure universal means of payment, a unique solution was introduced: the prepaid Eurowag MasterCard offer. It is used as a convenient solution by clients to pay for unexpected events: police fines, breakdowns, emergency need for cash in the hands of the drivers.

Driven by a search for continuous improvements in the service delivery quality, action were conducted to in-source 100% of the activity relating to tax recovery. It will pave the way for a seamless and high quality client experience across all product range offered by the company.

Finally, from our Romanian offices we started to distribute the Eurowag offer into Bulgaria thus extending our commercial presence across 6 countries in the European Union.

Eurowag® – payment solutions on the road

The Eurowag fuel card is a sophisticated means of payment designed for non-cash payment of fuel, tolls and ancillary services on preferential terms. The Eurowag card product range comprises One, Vector and Easy. Eurowag One remains the company's core product and is designed for medium-sized and large transport companies. The Eurowag Vector card targets the SME segment through umbrella cooperation with freight forwarding companies. The Eurowag Easy prepaid card, designed for smaller carriers, offers an entirely flexible re-loadable payment instrument. Eurowag is the largest independent issuer of fleet cards in the CEE region and is second overall by market share.

ČESKÁ LOGISTICKÁ a.s.

In early 2014, W.A.G. completed the acquisition of ČESKÁ LOGISTICKÁ a.s., our long-standing partner in tax and duty refund operations – an essential accessory service for those carriers who refuel and pay tolls and other service charges outside their home country. Carriers are entitled to claim back VAT and some of the excise duty they pay abroad, but to do so they need to take part in a special scheme typically requiring an agent. Over the years, this service has become a cornerstone of the Eurowag portfolio, generating a decent stream of income and acting as a conduit for clients to retrieve their claims. The tax and duty refund process uses up a lot of administrative capacity and is highly intensive organisationally. What is more, we need to navigate a constantly changing map of complex European legislation. We believe that the Česká logistická acquisition is a unique opportunity for us to keep honing this service, enabling us to sharpen the competitiveness of Eurowag products even more and ensure that they remain a long-term unique prospect on the market.

Human Resources

The intensive development and care of human resources, as the company's most valuable asset, have traditionally been the focus of special attention. The company's long-term growth has been accompanied by action to strengthen the sales teams in the various countries and at the head office. This was reflected in 2013 in a rise in employee numbers by 41 to a total of 192.

Research and Development

Product and service development is a key driver of the double-digit growth reported by W.A.G. every year. Development activities tend to focus on new payment solution concepts and marketing approaches. One practical example is the aforementioned unique Eurowag MasterCard pre-paid solution.

The scope of W.A.G.'s know-how and its European-wide prominence also determine the company's interest in core subject matter of the fuel card industry. In this respect, specific areas of W.A.G.'s interest lie in research into the efficient collection of excise duty taxes on motor fuels in EU Member States, and an agenda to suppress fuel-related VAT fraud in the EU.

Subsidiaries and Branches

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

("W.A.G. SK")

Kukučínova 38/A, 831 03 Bratislava, Slovakia

Registration number: 36783277

VAT number: SK2022392944

Established: 29 May 2007

W.A.G. SK currently operates Tank&Go facilities and sells tolls for the road networks in France, Spain, Slovenia, Slovakia, Poland and Italy, as well as Eurovignettes, to W.A.G. customers. Development and marketing activities are carried out by the parent company for a fee.

W.A.G. payment solutions HU, Kft.

Váci út. 22–24. 2. em., 1132 Budapest, Hungary

Registration number: 01-09-952695

VAT number: 23095722-2-41

Established: 3 January 2011

This company was established to set up and run a network of Eurowag truck parks.

W.A.G. payment solutions RO, s.r.l.

24 Paleologu Street, 030552 Bucharest, Romania

Registration number: J40/9928/2010

VAT number: RO27541393

Established: 15 October 2010

This subsidiary, formed in October 2010, manages and engages in company business on the Romanian market. This market is another important region where W.A.G. put down roots in early 2011 and continued to develop its market position very successfully in 2013.

W.A.G. mineral fuels PL, sp.zo.o.

Ul. Prosta 69, 00-838 Warsaw, Poland

Registration number: 0000406955

VAT number: 522-29-92-743

Established: 30 December 2011

A subsidiary originally formed to manage and engage in business operations in Poland. This work is subsequently taken over by a company branch in Poland.

Poland branch

W.A.G. payment solutions, a.s., SA Oddział w Polsce

Ul. Prosta 69, 00-838 Warsaw, Poland

Registration number: 26415623

VAT number: PL5262985241

Established: 6 April 2012

The branch in Poland was set up mainly for legislative reasons and oversees the smooth invoicing of Eurowag products to Polish customers.

REVI-LUX Kereskedelmi Korlátolt

Felelősségű Társaság

Váci út. 22–24. 2. em., 1132 Budapest, Hungary

Registration number: 01-09-009042

VAT number: 12515745-2-08

Acquisition: 13 June 2013

W.A.G. payment solutions, a.s. purchased this Hungarian subsidiary as an up-and-running company. A truck centre was built on company-owned land at the Lébény site in Hungary.



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Eurowag Vector – a unique product designed specifically for freight forwarding companies and their contracted carriers.



Bulgaria branch

W.A.G. payment solutions – Branch Bulgaria,
Branch of Foreign Trader
46–48' Opalchenska Street, fl. 7, Vazrazhdane District,
1303 Sofia, Bulgaria
Registration number: 202869380
VAT number: BG202869380
Established: 21 December 2013

The branch in Bulgaria was set up mainly for legislative reasons and oversees the smooth invoicing of Eurowag products to customers established in the EU.

4.2. Outlook for 2014 and Beyond

For the coming year, company shareholders have set the following priorities beyond the company's normal agenda:

- The development and launch of the Eurowag fleet card, primarily targeting the customers of companies with smaller fleets of cars and vans;
- Fully-fledged entry into the Turkish market and the start of sales by the end of the second quarter of 2014;
- The construction and opening of four Eurowag truck parks at key transit points in Hungary, Slovakia and Austria;
- A year-on-year increase in fuel and toll sales by 29%, with EBT to exceed EUR 6.5 million.

4.3. Charity, Culture, Sport

W.A.G.'s charity policy is to establish long-term cooperation with and concentrate resources in a few selected projects. Beneficiaries are:

- **TruckHelp Foundation** – supporting families who have lost a father during his work as a professional driver;
- **Růžový panter** – an anti-corruption NGO;
- **Acta Non Verba** – an organisation that seeks to improve public administration and helps to address cases in which citizens have become victims of injustice;
- **Lata** – a civic association providing services for vulnerable children and young people in Prague and the surrounding area;
- **Ekologický právní servis** – a non-profit organisation of lawyers promoting solutions to serious social issues;
- **Cesta domů** – this association provides professional care to the dying and their loved ones who are looking after them;
- **Výbor dobré vůle** – dedicated to the development of education, the protection of human rights and universally recognised humanistic values;
- **Nový kurz** – an association dealing with the health and social sector, contributing to cultural events and actively helping to protect the environment, watercourses and resources.





Financial Section



Independent Auditor's Report

to the shareholders of W.A.G. payment solutions, a.s.

Annual Report Audit Report

We have audited the consolidated annual report of W.A.G. payment solutions, a.s. for consistency with the financial statements and with the consolidated financial statements, which are both included in that annual report.

We audited the financial statements of W.A.G. payment solutions, a.s. and we issued our Independent Auditor's Report on the 2013 financial statements on 26 June 2014 in the following wording:

"We have audited the accompanying financial statements of W.A.G. payment solutions, a.s., which comprise the balance sheet as at 31 December 2013, and the profit and loss account, the statement of changes in equity and the cash flow statement, for the year then ended, together with a summary of significant accounting policies and other explanatory notes. Information about W.A.G. payment solutions, a.s. is presented in Note I. General information to these financial statements.

Governing Body's Responsibility for the Financial Statements

The governing body of W.A.G. payment solutions, a.s. is responsible for the preparation of financial statements that give a true and fair view in accordance with Czech accounting regulations and for such internal control as the governing body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those laws and regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of W.A.G. payment solutions, a.s. as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with Czech accounting regulations.”

We also audited the consolidated financial statements of W.A.G. payment solutions, a.s. and we issued our Independent Auditor’s Report on the 2013 consolidated financial statements on 26 July 2014 in the following wording:

“We have audited the accompanying consolidated financial statements of W.A.G. payment solutions, a.s., which comprise the balance sheet as at 31 December 2013, the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes. Information about W.A.G. payment solutions, a.s. is presented in Note I to these consolidated financial statements.

Governing Body’s Responsibility for the Consolidated Financial Statements

The governing body of W.A.G. payment solutions, a.s. is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Czech accounting regulations and for such internal control as the governing body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those laws and regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the consolidated financial statements that give a true and fair view 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of W.A.G. payment solutions, a.s. as at 31 December 2013, and of its financial performance for the year then ended in accordance with Czech accounting regulations.”

The correctness of the consolidated annual report is the responsibility of the W.A.G. payment solutions, a.s. governing body. Our responsibility is to express an opinion on the consistency of the consolidated annual report and the financial statements and the consolidated financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the information included in the annual report describing matters that are also presented in the financial statement is, in all material respects, consistent with the relevant financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the information included in the consolidated annual report of W.A.G. payment solutions, a.s. for the year ended 31 December 2013 is consistent, in all material respects, with both sets of financial statements referred to above.

Report on a Review of the Related Party Transactions Report

We have reviewed the financial accuracy of the information included in the related party transactions report of W.A.G. payment solutions, a.s. for the year ended 31 December 2013. This related party transactions report and the decision to use the Commercial Code or the Commercial Corporation Act is the responsibility of the W.A.G. payment solutions, a.s. governing body. Our responsibility is to express a conclusion on the related party transactions report based on our review.

We conducted our review in accordance with Auditing Standard No 56 of the Chamber of Auditors of the Czech Republic. That standard requires that we plan and perform the review to obtain limited assurance as to whether the related party transactions report is free from material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures and an examination, on a test basis, of the factual accuracy of information, and thus provides less assurance than an audit. We have not performed an audit of the related party transactions report and, accordingly, we do not express an audit opinion. The Company has used the Commercial Code to prepare the related party transactions report, therefore we have performed the review according to this law.

Based on our review, nothing has come to our attention that causes us to believe that the information contained in the related party transactions report of W.A.G. payment solutions, a.s. for the year ended 31 December 2013 contains material factual misstatements.

Prague, 26 June 2014

BVM Audit s.r.o.

Member of MSI Global Alliance, Legal & Accounting Firms
Všebořická 82/2, 400 01 Ústí nad Labem
Chamber of Auditors Licence No 277

Miroslava Nebuželská

Chamber of Auditors Licence No 2092



Consolidated Balance Sheet as at 31 December 2013

(in CZK thousands)

		Gross	2013 Adjustment	Net	2012 Net
	TOTAL ASSETS	2,559,338	346,257	2,213,081	1,826,680
A.	Subscribed registered capital unpaid	0	0	0	0
B.	Fixed assets	808,812	230,210	578,602	553,337
B. I.	Intangible fixed assets	72,225	49,193	23,032	35,113
B. I. 1.	Formation expenses	0	0	0	0
	2. Research and development	0	0	0	0
	3. Software	69,001	48,600	20,401	32,392
	4. Royalties	2,206	487	1,719	1,829
	5. Goodwill	260	13	247	0
	6. Other intangible fixed assets	135	93	42	83
	7. Intangible fixed assets under construction	623	0	623	809
	8. Advance payments provided for intangible fixed assets	0	0	0	0
B. II.	Tangible fixed assets	736,163	181,017	555,146	517,858
B. II. 1.	Land	96,663	0	96,663	91,308
	2. Buildings	410,851	96,223	314,628	298,126
	3. Plant and equipment	124,617	61,846	62,771	56,234
	4. Perennial crops	0	0	0	0
	5. Livestock	0	0	0	0
	6. Other tangible fixed assets	1,034	826	208	214
	7. Tangible fixed assets under construction	21,458	0	21,458	7,565
	8. Advance payments provided for tangible fixed assets	415	0	415	0
	9. Adjustments to asset acquisitions	81,125	22,122	59,003	64,411
B. III.	Long-term financial investments	424	0	424	366
B. III. 1.	Investments in controlled entities	0	0	0	88
	2. Investments in associated companies	0	0	0	0
	3. Other securities and investments	20	0	20	20
	4. Loans – controlling entity, associated companies	0	0	0	0
	5. Other long-term investments	0	0	0	0
	6. Long-term investments (provisional value)	404	0	404	0
	7. Advances provided for long-term investments	0	0	0	258

		Gross	2013 Adjustment	Net	2012 Net
C.	Current assets	1,728,388	116,047	1,612,341	1,253,531
C. I.	Inventories	45,960	0	45,960	33,060
C. I. 1.	Raw materials	809	0	809	583
	2. Work-in-progress and semi-finished products	0	0	0	0
	3. Finished products	0	0	0	0
	4. Livestock	0	0	0	0
	5. Goods	45,151	0	45,151	32,477
	6. Advances provided for inventories	0	0	0	0
C. II.	Non-current receivables	0	0	0	29
C. II. 1.	Trade receivables	0	0	0	0
	2. Receivables – controlling entity	0	0	0	0
	3. Receivables – associated companies	0	0	0	0
	4. Receivables from shareholders/owners and alliance partners	0	0	0	0
	5. Long-term advances paid	0	0	0	29
	6. Estimated receivables	0	0	0	0
	7. Other receivables	0	0	0	0
	8. Deferred tax asset	0	0	0	0
C. III.	Current receivables	1,356,439	116,047	1,240,392	1,035,363
C. III. 1.	Trade receivables	1,147,174	116,047	1,031,127	853,340
	2. Receivables – controlling entity	0	0	0	1,137
	3. Receivables – associated companies	0	0	0	0
	4. Receivables from shareholders/owners and alliance partners	3,448	0	3,448	14,005
	5. Social security and health insurance	0	0	0	0
	6. State – tax receivables	2,546	0	2,546	11,167
	7. Short-term advances provided	20,235	0	20,235	7,319
	8. Estimated receivables	1,590	0	1,590	997
	9. Other receivables	181,446	0	181,446	147,398
C. IV.	Short-term financial assets	325,989	0	325,989	185,079
C. IV. 1.	Cash in hand	4,751	0	4,751	5,015
	2. Cash at bank	321,238	0	321,238	180,064
	3. Short-term securities and ownership interests	0	0	0	0
	4. Short-term investments (provisional value)	0	0	0	0
D. I.	Deferrals	22,138	0	22,138	19,812
D. I. 1.	Prepaid expenses	22,003	0	22,003	17,753
	2. Complex prepaid expenses	0	0	0	2,059
	3. Accrued revenues	135	0	135	0

		2013	2012
	TOTAL LIABILITIES AND EQUITY	2,213,081	1,826,680
A.	Shareholders' equity	371,669	272,332
A. I.	Share capital	109,796	109,796
A. I. 1.	Share capital	109,796	109,796
	2. Own shares and ownership interests (-)	0	0
	3. Changes in share capital	0	0
A. II.	Capital contributions	58,971	58,700
A. II. 1.	Share premium	9,500	9,500
	2. Other capital funds	49,471	49,442
	3. Gain or loss on revaluation of assets and liabilities	0	(242)
	4. Revaluation reserve on transformations	0	0
A. III.	Reserve funds, indivisible fund and other funds created from profit	10,440	7,822
A. III. 1.	Statutory reserve fund/Indivisible fund	10,440	7,822
	2. Statutory and other funds	0	0
A. IV.	Retained earnings/accumulated losses	65,812	44,100
A. IV. 1.	Retained earnings	83,435	57,461
	2. Accumulated losses	(17,456)	(13,361)
	3. Other profit (loss)	(167)	0
A. V.	Profit (loss) for the current period (+/-)	126,650	51,914
B.	Liabilities (debt)	1,839,435	1,553,035
B. I.	Provisions	25,038	9,119
B. I. 1.	Tax-deductible provisions	211	0
	2. Provision for pensions and other similar payables	433	391
	3. Income tax provision	19,927	8,728
	4. Other provisions	4,467	0
B. II.	Non-current payables	2,384	8,671
B. II. 1.	Trade payables	0	0
	2. Liabilities – controlling entity	0	0
	3. Liabilities – associated companies	0	0
	4. Payables to members	0	0
	5. Long-term advances received	0	0
	6. Debentures and bonds issued	0	0
	7. Long-term bills of exchange payable	0	0
	8. Estimated payables	0	0
	9. Other payables	850	7,778
	10. Deferred tax liability	1,534	893

		2013	2012
B. III.	Short-term payables	1,496,157	1,204,048
B. III. 1.	Trade payables	1,325,584	1,085,890
	2. Payables to subsidiaries	0	0
	3. Payables to associates	0	0
	4. Payables to members	0	0
	5. Payables to employees	9,262	9,435
	6. Payables to social security and health insurance	3,833	2,320
	7. State – tax liabilities and subsidies	8,949	1,856
	8. Short-term advances received	79,689	56,346
	9. Debentures and bonds issued	0	0
	10. Estimated payables	31,214	15,935
	11. Other payables	37,626	32,266
B. IV.	Bank loans and overdrafts	315,856	331,197
B. IV. 1.	Long-term bank loans	111,115	45,646
	2. Short-term bank loans	204,741	285,551
	3. Short-term borrowings	0	0
C. I.	Deferrals	1,977	1,313
C. I. 1.	Accrued expenses	1,823	1,223
	2. Deferred income	154	90

Consolidated Profit and Loss Account as at 31 December 2013

(in CZK thousands)

		Accounting period	
		2013	2012
I.	Revenue from sales of goods	9,895,194	8,116,410
A.	Cost of goods sold	9,534,067	7,862,102
+	Gross profit	361,127	254,308
II.	Production	169,639	134,950
II.	1. Revenue from own products and services	169,604	134,950
	2. Change in internal inventory of own production	0	0
	3. Capitalization	35	0
B.	Cost of sales	144,578	116,991
B.	1. Raw materials and consumables	15,888	14,101
B.	2. Services	128,690	102,890
+	Value added	386,188	272,267
C.	Staff costs	145,719	113,434
C.	1. Wages and salaries	111,522	91,527
C.	2. Remuneration of board members	798	733
C.	3. Social security and health insurance expenses	30,068	18,907
C.	4. Social expenses	3,331	2,267
D.	Taxes and charges	362	434
E.	Depreciation of intangible and tangible fixed assets	48,618	28,729
III.	Disposals of fixed assets and raw materials	214	1,059
III.	1. Proceeds from disposals of fixed assets	35	716
	2. Proceeds from disposals of raw material	179	343
F.	Net book value of fixed assets and raw materials sold	17	639
F.	1. Net book value of fixed assets sold	13	639
F.	2. Raw materials sold	4	0
G.	Change in provisions and adjustments relating to operating activity and change in complex prepaid expenses	17,453	22,939
IV.	Other operating income	266,512	125,057
H.	Other operating expenses	281,460	130,975
V.	Transfer of operating revenue	0	0
I.	Transfer of operating expenses	0	0
*	Operating profit (loss)	159,285	101,233
VI.	Proceeds from sale of securities and ownership interests	0	0

		Accounting period	
		2013	2012
J.	Securities and ownership interests sold	0	0
VII.	Revenue from long-term investments	0	0
VII. 1.	Revenue from investments in controlled entities and associated companies	0	0
2.	Revenue from other long-term securities and ownership interests	0	0
3.	Revenue from other long-term investments	0	0
VIII.	Revenue from current financial assets	0	0
K.	Financial asset expenses	0	0
IX.	Gain on revaluation of securities and derivatives	2,745	189
L.	Loss on revaluation of equity securities and derivatives	1,917	5,281
M.	Change in provisions and adjustments relating to financial activity	0	0
X.	Interest income	506	1,627
N.	Interest expense	10,720	18,875
XI.	Other financial revenue	127,672	87,071
O.	Other finance expenses	111,397	95,567
XII.	Transfer of financial income	0	0
P.	Transfer of financial expenses	0	0
*	Financial profit (loss)	6,889	(30,836)
Q.	Income tax on ordinary activities	39,524	18,483
Q. 1.	– due	38,964	17,533
Q. 2.	– deferred	560	950
**	Profit (loss) on ordinary activities	126,650	51,914
XIII.	Extraordinary revenue	0	0
R.	Extraordinary costs	0	0
S.	Tax on extraordinary profit (loss)	0	0
S. 1.	– due	0	0
S. 2.	– deferred	0	0
*	Extraordinary profit (loss)	0	0
T.	Transfer of profit or loss to partners (+/-)	0	0
***	Profit (loss) for the accounting period	126,650	51,914
	Profit (loss) before tax	166,174	70,397
****	Check number	0	0

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2013

I. Definition of the Group

I.1. Group

Name	Registered office	Level of dependence	Share in registered capital	Consolidation method
W.A.G. payment solutions, a.s.	Na Vítězné pláni 1719/4, 140 00 Prague 4, Czech Republic	parent company	–	–
W.A.G. payment solutions SK, s.r.o.	Kukučínova 38/A, 831 03 Bratislava, Slovakia	dominant influence	100%	full method
W.A.G. payment solutions RO, s.r.l.	Sector 3, Str. Paleologu, Nr. 24, Bucarest, Romania	dominant influence	100%	full method
W.A.G. mineral fuels PL, sp.zo.o.	ul. Prosta 69, 00-838 Warszawa, Poland	dominant influence	100%	full method
W.A.G. payment solutions HU, Kft.	Váci út. 22–24, 1132 Budapest, Hungary	dominant influence	100%	full method
REVI-LUX Kft.	Váci út. 22–24, 1132 Budapest, Hungary	dominant influence	100%	full method

W.A.G. payment solutions, a.s. also holds a 12.5% share in the cooperative Klub investorů T&G (T&G Investors Club). However, Klub investorů T&G is an entirely inactive entity.

W.A.G. payment solutions, a.s., has also set up the following organisational units:

Poland: W.A.G. payment solutions, a.s., SA Oddział w Polsce, ul. Prosta 69, 00-838 Warsaw

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, Reg. No 202869380

The following organisational unit was set up after the balance-sheet date:

Turkey: W.A.G. PAYMENT SOLUTIONS A.S. MERKEZİ ÇEK CUMHURİYETİ İSTANBUL MERKEZ ŞUBESİ, İnönü Caddesi Dilaram Apt. No: 19/9 Gümüşsuyu, Taksim, 34437 Beyoğlu – İstanbul, Beyoglu Tax Office: 788 047 8816

The following companies were renamed after the balance-sheet date:

W.A.G. payment solutions HU, Kft. → W.A.G. HU, Kft.

REVI-LUX Kft. → W.A.G. payment solutions HU, Kft.

The following companies were acquired after the balance-sheet date:

ČESKÁ LOGISTICKÁ a.s., Hnojník 27, 739 53 Hnojník, Czech Republic

TS STARPETROL, GmbH, Kammer 33/2, 4974 Ort im Innkreis, Austria

I.2. Balance-sheet date of Group entities

Entity	Balance sheet date
W.A.G. payment solutions, a.s.	31 December 2013
W.A.G. mineral fuels SK, s.r.o.	31 December 2013
W.A.G. payment solutions RO, s.r.l.	31 December 2013
W.A.G. mineral fuels PL, sp.zo.o.	31 December 2013
W.A.G. payment solutions HU, Kft.	31 December 2013
REVI-LUX Kft.	31 December 2013

I.3. Undertakings not included in the Group

The share in the cooperative Klub investorů T&G is not included in the Group.

I.4. Consolidation system

The system of direct consolidation was applied, i.e. all Group undertakings were consolidated at once, without the use of consolidated financial statements prepared for sub-groups.

II. General information contained in the Notes

II.1. Number of employees (FTE) and personnel expenses

Entity	Average number of employees	Of which executives	Staff costs (CZK thousands)	Of which executives (CZK thousands)
W.A.G. payment solutions, a.s.	125	22	125,592	50,681
W.A.G. payment solutions SK, s.r.o.	16	0	13,745	0
W.A.G. payment solutions RO, s.r.l.	6	0	6,382	0
W.A.G. mineral fuels PL, sp.zo.o.	0	0	0	0
W.A.G. payment solutions HU, Kft.	0	0	0	0
REVI-LUX Kft.	0	0	0	0
Total	147	22	145,719	50,681

II.2. Fees paid in the reporting period in cash or in kind to persons constituting the governing body, members of governing bodies or other management and supervisory bodies, pension liabilities of former members of these bodies incurred or agreed

Company	Type of fee	Amount (CZK thousands)
W.A.G. payment solutions, a.s.		797

II.3. Advances, loans and other assets provided to persons constituting the governing body, members of governing bodies or other management and supervisory bodies

Company	Type of receivable	Amount (CZK thousands)
W.A.G. payment solutions, a.s.	loan	3,448

II.4. Summary of the method for transforming information from Group undertakings' individual financial statements into disclosures in the consolidated financial statements

Consolidation using the full method

The individual balance sheet and profit and loss account components of the subsidiaries W.A.G. payment solutions SK, s.r.o., W.A.G. payment solutions RO, s.r.l., W.A.G. mineral fuels PL, sp.zo.o., W.A.G. payment solutions HU, Kft., and REVI-LUX Kft., 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 the subsidiary tied to eliminated securities was excluded.

II.5. Changes in valuation, accounting procedures, the layout of the consolidated financial statements and definition of items compared with the previous reporting period, the reasons for such changes and financial quantification of those changes affecting the amount of assets, liabilities and profit of the Group

Change	Reason	Financial quantification of changes affecting Group assets, liabilities and profit
None	–	–

III. Additional information on the balance sheet and profit and loss account

III.1. Securities and participations – owned by the subsidiary

Subsidiaries have no securities or equity interests.

III.2. Comments on and justification for a change in Group equity between two sets of consolidation, particularly when there is a change in the scale of the Group and settlement of securities and contributions with feedback

In 2013, all companies apart from the share in Klub investorů T&G were included in the Group.

III.3. Comments on information concerning

a) Past-due receivables and payables

Entity	Receivables more than 180 days past due (CZK thousands)
W.A.G. payment solutions, a.s.	100,997
W.A.G. payment solutions SK, s.r.o.	4,305
W.A.G. payment solutions RO, s.r.l.	0
W.A.G. mineral fuels PL, sp.zo.o.	0
W.A.G. payment solutions HU, Kft.	0
REVI-LUX Kft.	0
Total	105,302

Entity	Payables more than 180 days past due (CZK thousands)
W.A.G. payment solutions, a.s.	833
W.A.G. payment solutions SK, s.r.o.	0
W.A.G. payment solutions RO, s.r.l.	0
W.A.G. mineral fuels PL, sp.zo.o.	0
W.A.G. payment solutions HU, Kft.	0
REVI-LUX Kft.	0
Total	833

b) Intra-group receivables and payables becoming due after more than five years

Entity	Receivables becoming due after more than five years (CZK thousands)
W.A.G. payment solutions, a.s.	0
W.A.G. payment solutions SK, s.r.o.	0
W.A.G. payment solutions RO, s.r.l.	0
W.A.G. mineral fuels PL, sp.zo.o.	0
W.A.G. payment solutions HU, Kft.	0
REVI-LUX Kft.	0
Total	0

Entity	Payables becoming due after more than five years (CZK thousands)
W.A.G. payment solutions, a.s.	0
W.A.G. payment solutions SK, s.r.o.	0
W.A.G. payment solutions RO, s.r.l.	0
Total	0

c) Receivables and payables secured by a lien, indication of the nature and form of such security in case of default

Receivables

W.A.G. payment solutions, a.s. pledges trade receivables, further to which it draws on short-term bank loans. The level of receivables pledged and loans drawn at 31 December 2013 was as follows:

Financing bank	Volume of receivables pledged (CZK thousands)	Volume of loans drawn (CZK thousands)
ČSOB	121,974	98,308
UniCredit Bank	86,560	53,910
Česká spořitelna	133,120	0
Raiffeisenbank	93,497	0
Tatrabanka	94,066	0

W.A.G. payment solutions SK, s.r.o. pledges trade receivables, further to which it draws on short-term bank loans. The level of receivables pledged and loans drawn at 31 December 2013 was as follows:

Financing bank	Volume of receivables pledged (CZK thousands)	Volume of loans drawn (CZK thousands)
Tatrabanka	126,629	0

Payables

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

Tangible fixed assets	Lien, easement	Amount pledged (CZK)
Svatá Kateřina u Rozvadova	lien, municipality of Rozvadov	5,000,000
Truck park and truck wash, Modletice	lien, KB, a.s.	10,204,750
Truck park and truck wash, Modletice	lien, KB, a.s.	44,062,000
Real estate, Ústí nad Labem	lien, ČS, a.s.	17,000,000
Service station, T&G, Průhonice	lien, ČS, a.s.	55,000,000
Service station, T&G, Průhonice	lien, ČS, a.s.	21,000,000
Land, Jažlovice	lien, ČS, a.s.	45,000,000
Real estate, Cheb	lien, Erste leasing	13,000,000
Real estate, Cheb	lien, Erste leasing	40,000,000

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

Tangible fixed assets	Lien, easement	Loan balance (CZK thousands)
Service station, Lamač	lien, S Slovensko, spol. s r.o.	8,439

Other entities have no liabilities secured by a lien.

III.4. Summary of any other liabilities (non-monetary and monetary) not reported in the ordinary accounting of individual Group undertakings and not included in the consolidated balance sheet

Entity	Type of liability	Amount of liability (CZK thousands)
W.A.G. payment solutions, a.s.	–	0
W.A.G. payment solutions SK, s.r.o.	–	0
W.A.G. payment solutions RO, s.r.l.	–	0
W.A.G. mineral fuels PL, sp.zo.o.	–	0
W.A.G. payment solutions HU, Kft.	–	0
REVI-LUX Kft.	–	0
Total	–	0

III.5. Revenues from ordinary activities by principal activity of the Group, broken down into domestic and foreign

Revenues	Czech Republic (CZK thousands)	Foreign (CZK thousands)
Revenues from finished products	470	0
Revenues from services	56,520	112,614
Sales of goods	3,983,049	5,912,145
Total	4,040,039	6,024,759

Prague, 9 June 2014



Petr Husák

Vice-Chairman of the Board of Directors



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

Na Vítězné pláni 1719/4

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Czech Republic

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