

GROUP NON-FINANCIAL
REPORT OF WIRECARD AG 2017



wirecard

1. BASIS FOR REPORTING

1.1 Regulatory requirements and auditing

With this Group non-financial declaration prepared in accordance with Section 315b of the German Commercial Code (HGB), we comply with our reporting obligation according to the CSR Transparency Directive Implementation Act (CSR-RUG). The basis for reporting are the following aspects stated in Section 315c (2) and Section 289b (2) of the HGB: environmental issues, employee issues, social issues, respect for human rights and combating corruption and bribery. The company has dispensed with the option of using a framework in order to provide targeted information for readers of the report.

Unless otherwise indicated, the information and figures in this declaration refer to the Wirecard Group and the 2017 fiscal year (1 January to 31 December).

Ernst & Young GmbH was commissioned to complete an audit with limited assurance of the Group non-financial declaration, which is included in the Group Non-Financial Report of Wirecard AG 2017, for the period from 1 January 2017 to 31 December 2017. Only the information for the 2017 reporting year was audited, information for previous years was not part of the audit.

1.2 Process for selecting material topics and conducting a risk assessment

The material topics for the Group non-financial declaration were identified based on a cross-departmental workshop carried out at Wirecard in the 2017 fiscal year. The participants in this workshop were a team of experts consisting of representatives from all key areas of the Group. A materiality analysis was used to process all topics relevant to sustainability from the areas of society, employees and the environment for the Wirecard Group. Based on this materiality analysis, the team of experts and the management of Wirecard AG refined and adjusted the key material topics in a subsequent step. These issues were defined as being material in the sense of the CSR-RUG if they were relevant for understanding the business performance, results and position of the Wirecard Group and if the business activities of the Wirecard Group also had a significant impact on sustainability aspects (environmental issues, employee issues, combating corruption and bribery, respect for human rights and social issues).

The material topics for the Wirecard Group determined using this method were anti-corruption, data protection and employee recruitment.

An analysis of the non-financial risks for all material topics according to the CSR Transparency Directive Implementation Act was carried out by risk management at Wirecard AG. This process examined whether the business activities and actions of the Wirecard Group posed any material risks relating to the obligatory reporting aspects of environment and society, employee issues, human rights and anti-corruption in accordance with Section 315b and Section 289c (2) of the HGB. This examination took into account the probability of occurrence and the extent of any potential negative impacts on these aspects. In the fiscal year and as of the reporting date, no material risks were identified using the risk management process of the Wirecard Group (net method) that have or will have a very likely serious negative impact on these aspects. This classification process was carried out for the first time this year as part of Group-wide risk management and will be regularly checked and updated in the future.

1.3 Description of the business model and organisation

1.3.1 Business model

The Wirecard Group is a global technology group that supports its customers and partners in accepting electronic payments from all sales channels. As a leading international independent supplier, the Wirecard Group offers outsourcing and white label solutions for electronic payments. International payment acceptances and methods with supplementary fraud prevention solutions can be provided via a global platform.

The acquiring and issuing services are combined with one another via the integrated platform based on Internet technology. With regard to issuing own payment instruments in the form of cards or mobile payment solutions, the Wirecard Group provides companies with an end-to-end infrastructure, including the requisite licences for card and account products. The uniform platform approach and supplementary value added services such as data analytics, customer loyalty programmes or retail and transaction banking services support customers and partners of the Wirecard Group to face the challenges of digitalisation.

1.3.2 Global presence

Alongside globally accessible technology services via the integrated and modular platform solution, the Wirecard Group can also provide its international and globally active customers and partners with local support via its regional sites for technology, services and sales due to its global presence. Wirecard's global presence covers, in particular, Europe, the Asia-Pacific region, Latin America, North America, and the Middle East / Africa. The core European markets are Germany, Great Britain, Ireland, Austria and Romania. In the Asia-Pacific region, the operative units are managed from the Asian head office in Singapore. The North American market is managed from our office in the United States of America.

The remaining regions are addressed via our subsidiaries in the United Arab Emirates, India, South Africa and Brazil.

1.3.3 Organisation, management and supervision

The Group parent company Wirecard AG, headquartered in Aschheim near Munich, assumes responsibility for Strategic Corporate Planning and the central tasks of Human Resources, Legal, Treasury, Controlling, Accounting, M&A, Strategic Alliances and Business Development, Risk Management, Corporate Communications and Investor Relations and Facility Management. The holding company also manages the acquisition and management of participating interests. The Management Board of Wirecard AG is responsible for the management of the Group, while it is monitored by the Supervisory Board.

2. NON-FINANCIAL TOPICS IN THE WIRECARD GROUP

The following section will report on the non-financial topics of anti-corruption, data protection and employee recruitment that were identified as obligatory reporting aspects.

Compliance management at the Wirecard Group acts as the basis for the company's business activities in relation to the non-financial topics of anti-corruption and data protection and will be explained in more detail below.

The Compliance-Management-System of Wirecard AG

As well as laying down our values in a Code of Conduct and putting them into practice in internal guidelines, the Compliance Management System of Wirecard AG also includes, in particular, training our employees in relevant compliance themes and providing the opportunity to submit (anonymous) information on breaches of compliance via a whistleblower system.

The Management Board of Wirecard AG is expressly committed to compliance.

Compliance at Wirecard:

- Acting in accordance with applicable laws, regulatory guidelines and in compliance with other material ethical and moral standards and requirements defined by Wirecard itself.
- Preventative measures to avoid legal violations, as well as measures to uncover and respond to them.

For this purpose, the Management Board has laid down its values in a Code of Conduct that define the social and ethical self-image of the Wirecard Group. The Management Board is responsible for compliance with the law within the scope of the business activities of the company. The Management Board does not permit any unethical or illegal behaviour. This includes business transactions that violate the compliance principles. In addition, it expects its employees to act responsibly and in compliance with the law. For this purpose, we have defined our principles in a Code of Conduct, which represents the main frame of reference for guiding our business activities. It is implemented by all Group companies, is a binding document for our employees and can be viewed on the Intranet at all times. Furthermore, we endeavour to ensure that our business partners also comply with the guidelines in the Code of Conduct.

The principles laid down in our Code of Conduct are put into practice in various internal company guidelines.

A Group Compliance Office has been established within Wirecard AG. It is responsible for the processes and systems that implement the compliance requirements and monitors how they are set up and operationally implemented across the Group.

A Governance, Risk & Compliance Committee with a global remit has also been established to support and advise the Management Board on global compliance and smooth business practices, especially with respect to the regulated subsidiaries of Wirecard.

The Management Board and Supervisory Board reported on the Compliance Management System as part of the statement of compliance in 2018.

2.1 Anti-corruption

Transparency, independence and a sense of responsibility form the basis for the trust that our business partners and customers place in us. We believe that this integrity is the foundation for the sustainable economic success of the Wirecard Group. We seek to maintain a cosmopolitan atmosphere and trustful and respectful working relationships within our company. As part of compliance management, the Wirecard Group thus places special focus on avoiding and combating corruption and established special Group-wide guidelines in this area in 2017.

The guidelines define the following fundamental principles for the business activities at Wirecard:

- Transparency
- Independence
- Sense of responsibility
- Trust
- Integrity
- Reliability

2.1.1 Integrity both internally and externally

We ensure that we do not engage in any unfair business practices in our business relationships. As a result, we try to avoid any unfair advantages over others and refrain from exerting any undue influence on the competition. We disclose any potential conflicts of interest to the parties involved.

We expect our business partners to fulfil the same requirements that we place on our own activities. In our business relationships, we thus strive to the best of our ability to ensure that our business partners also observe the main defined guidelines.

By striving to ensure that all parties involved in business dealings act in compliance with the law, we aim to strengthen the values laid down in our Code of Conduct and promote the sustainability of our corporate activities.

2.1.2 Avoiding and combating corruption

Avoiding and combating corruption has a material impact on the business activities of Wirecard because we are also active in countries that are classified as high risk countries for corruption according to Transparency International. If corruption should occur, this could have serious repercussions for Wirecard. These include heavy fines, imprisonment, exclusion from public procurement contracts, blacklisting and a loss of reputation, as well as the termination of collaborations with strategic customers and a drop in business with new customers. Therefore, combating corruption is a fixed component of our compliance activities.

Our commitment to transparency, independence and a sense of responsibility mean that we must avoid even the impression of exerting any undue influence in all situations. In all countries in which Wirecard is active, the legal regulations relating to corruption are applicable for the entire Wirecard Group. Alongside country-specific laws, this includes globally applicable regulations such as e.g. the American Foreign Corrupt Practices Act (FCPA) or the UK Bribery Act.

2.1.3 Ensuring legally compliant business activity

Avoiding corruption from the very beginning

Our principle of fair treatment for all business partners obligates us to make independent, responsible and transparent business decisions. Therefore, we strive to prevent even the slightest impression of any undue influence on our employees and business partners. Wirecard has the goal of avoiding legal violations with respect to corruption within the Wirecard Group and in our customer and supplier relationships entirely.

In order to prevent any form of influence, we initiated a series of measures in the reporting period. Firstly, we have defined guidelines for maintaining integrity in our business relationships in our Code of Conduct and have thus set minimum standards both across the Group and globally, such as guidelines on how to handle conflicts of interest and requirements for making objective business decisions. In addition, special Group-wide anti-corruption guidelines were implemented in 2017 that include rules for handling gifts and invitations. The guidelines obligate all employees of the Wirecard Group to act in compliance with the rules when dealing with customers, business partners and public officials. Rules for dealing with public sector clients must be observed by all employees in the Wirecard Group. In order to support the implementation of these rules in daily practice, a training and advisory concept is being developed that will be realised in 2018.

As neither the corporate development of the company nor the regulatory framework in which Wirecard is active remain static, the Group Compliance Office checks on a regular basis and as required whether the measures for avoiding and combating corruption in their entirety are appropriate for the relevant risks. These measures are developed further as a result of, amongst other things, questions posed by subsidiaries and specialist departments, as well as through ongoing advice provided by the Group Compliance Office. The aim is to avoid cases of doubt and to specify the existing rules in more detail. The resulting system is thus enhanced on an ongoing basis to enable a continuous analysis of the risks at a Group level and in the subsidiaries, as well as to monitor the activities in high-risk countries. We derive the tendency for risk in each case based on the business field and business activities.

We offer our employees the opportunity to report breaches of compliance or misconduct in the Group either by giving their own name or fully anonymously. For this purpose, an Internet-based whistleblower system has been set up that is accessible worldwide 24 hours a day, seven days a week and enables secure communication with the whistleblower. The system is operated by an external service provider that specialises in the secure handling of data.

If material violations of legal or internal company regulations are suspected, we carry out an incident-based investigation. Depending on the type and scope of the suspected case, we complete the investigation ourselves or commission external auditors. In the event that a violation relating to the avoidance of corruption has actually occurred, measures for identifying the risks and avoiding any damage are implemented on an individual basis. At the same time, measures to largely exclude the possibility of the same violation being repeated are implemented.

Handling gifts and invitations

The giving and receiving of gifts and invitations could have an influence on our integrity and the independence of our economic decisions and thus distort business dealings.

Gifts and invitations are part of a trusting business relationship if they are an expression of a courteous, interpersonal relationship and acknowledgement of mutual social responsibility to one another. However, there is also a danger that they represent an attempt to exert undue influence. For this reason, our anti-corruption guidelines include a duty of transparency when dealing with gifts and invitations that must be strictly observed by employees.

Therefore, employees are required to notify their superiors of any expensive or unusual gifts or invitations. This is also true in cases of doubt. The superior or the Group Compliance Office will decide whether the gift or invitation can be accepted in each individual case. In particular, approval from the Group Compliance Office or the Management Board is required for invitations from public officials or for special gifts.

In the case of gifts and invitations granted by employees of Wirecard, our employees are also obligated to comply with the anti-corruption guidelines. Alongside factors such as social acceptability and appropriateness, it is also necessary to comply with tax guidelines. Special rules apply with respect to public officials, such as a ban on gifts and invitations that could give even the impression of exerting any undue influence.

Initial preventative measures include the decentralised monitoring of event expenditure and travel costs in each department or subsidiary. Expenditure limits are defined in the travel cost guidelines. In addition, a strict dual control principle applies – as it does in general – for the approval of invoices.

2.1.4 Anti-corruption in the reporting period

In the reporting period, we did not identify any internal indications of corruption and also did not receive any notifications from external sources such as from business partners or via press reporting.

2.2 Data protection

The processing and protection of personal data are integral components of the business model of Wirecard AG and its subsidiaries. Wirecard processes personal data on, amongst others, employees and third party employees, customers, end consumers, partners and suppliers. We are responsible for ensuring that personal data is collected, saved and processed in accordance with the laws applicable in each case – irrespective of whether the personal data is received, for example, during payment processing or providing risk management or banking services.

The trust placed in us by our customers, as well as our employees and cooperation partners, is based on the secure handling of personal data. If we are not able to protect their personal data, the person's right to privacy could be infringed and there may be an impact on the reputation of the company, resulting not least in financial consequences, including fines.

In order to guarantee reliable work processes, it is imperative to understand our own data flows and processing steps with respect to personal data at all times and to design them based on the applicable laws and regulations. In this way, we can recognise any legal risks at an early stage. As the cross-border exchange of data is part of Wirecard's daily business, data privacy issues also include foreign countries in Europe and outside Europe.

Wirecard places a special emphasis on compliance with the General Data Protection Regulation (EU GDPR) and thus started the first IT implementation projects in 2017. Data protection guidelines exist for our activities in the European Economic Area and we are currently working on expanding the guidelines for implementation globally. Depending on the business model and activities of the relevant Group company, local data protection laws apply.

2.2.1 Integration of data protection into processes and products

Our aim is to protect personal data within the area of responsibility of Wirecard in the best way possible. This is based on the responsible handling of personal data by our employees, as well as ensuring that commonly used and state-of-the-art data protection measures are in place. The product departments and specialist areas are involved in the design of products and processes that conform to the data protection regulations. To ensure a high level of security and to protect the confidentiality of the personal data, we have implemented comprehensive technological and organisational security measures. These include the proper completion of prior checks and data protection impact assessments for newly introduced data processing measures, as well as case-specific audits. All employees are instructed to protect personal data against unauthorised access, unauthorised use, loss and destruction through careful handling of this data in accordance with our Code of Conduct and the data protection regulations. Wirecard's external Data Protection Officer is available to provide advice to employees. The external Data Protection Officer is part of the Group Compliance Office (GCO) and reports in this role to the head of the GCO and, if relevant, directly to the CEO.

2.2.2 Ensuring reliable data protection

The achievement of our goals with respect to data protection is supported by, amongst other things, checks and monitoring during the introduction of new processes or amendments to processes and the associated IT environment. If a notification is received or there is an incident, event-based audits are also carried out. The event-based audits, as well as the checks and process monitoring, are carried out by the external Data Protection Officer and in coordination with the Group Compliance Office or Group Audit. As part of our incident reporting system, we ensure that the causes of any possible incidents are systematically evaluated. If IT Security identifies an incident in the data handling processes during this reporting process, the external Data Protection Officer is informed, who then reports to the Management Board depending on the severity of the incident.

Wirecard established a data protection management system in the 2017 fiscal year in order, amongst other things, to document and track Group-wide data flows.

As part of our outsourcing management, processes and tasks that have been outsourced internally within the Group and also to third parties are checked to ensure they comply with the data protection regulations and data processing contracts.

In addition, we intend to carry out tests in the future to identify any possible violations of the data protection regulations.

To protect personal data against misuse, we use, amongst other things, the following measures as part of the due diligence process for suppliers and also in the event of acquisitions: We require our suppliers to sign a confidentiality and non-disclosure declaration with respect to the processing of data in relation to their mandate, as well as to implement technological and organisational measures to provide a suitable level of data protection. In both cases, we check whether our business partners have been involved in any known data protection violations. Furthermore, we also ensure data is protected by working in both cases according to a strict need-to-know principle (only transferring information to knowledge holders who are directly relevant to the project), as well as by carefully separating data and systematically restricting IT access. In addition, we emphasise the principle of data minimisation to our employees. As part of the due diligence process, access is limited to the information that is actually required. If necessary, random samples from the data sets are made available.

All of our employees at our European sites are required to participate in a training course on the subject of data protection. Training is provided in the form of e-learning courses. We have also implemented a comparable training concept for our employees in the Asia-Pacific region. Until this training concept has been integrated across the Group, our employees in other regions (e.g. USA, Latin America) use already existing services in their companies. Alongside the training measures, we also use other measures to raise awareness amongst employees. This is achieved by, amongst other things, email newsletters (Security Newsletter), making data protection fact-sheets available and providing information/training to multipliers (especially management personnel).

2.2.3 Data protection in the reporting period

In the reporting period, neither the external Data Protection Officer nor the Group Compliance Office were aware of any violations of data protection regulations within the Wirecard Group.

2.3 Employee recruitment

As an international and rapidly growing technology company, we are constantly searching for committed talent and personalities who want to work with us to successfully push forward the digitalisation of payment processes for our customers.

Together we seek to also keep our innovative range of products and services that form a full payment ecosystem at the forefront of dynamic technological developments in the future and continue the long-standing success story of the Wirecard Group. As a result of our strong growth, we will also sustainably expand our stock of qualified employees at our global sites.

Alongside attractive career and promotion opportunities, our employees should also benefit, in particular, from the strong innovative strength of the Wirecard Group in this era of digitalisation which has opened up an exciting field of activity in a future-oriented company. Global megatrends such as artificial intelligence, the Internet-of-Things or blockchain technology should motivate Wirecard Group employees on a daily basis to work on innovative product solutions in the areas of payments and value added services and to successfully launch them onto the market. Thanks to its global sites, the Wirecard Group can offer its employees an international and intercultural corporate environment in which creativity, team spirit, diversity and equal opportunities are promoted and embodied. Employee benefits such as flexible working time models, sports activities, support services for combining a family with a profession or sabbaticals are designed to contribute to the welfare of employees and help them find a corresponding work-life balance.

A strategically important and challenging theme for us is the recruitment of graduates, young professionals and experienced experts, against the background of demographic change and the associated shortage of skilled labour. We are thus competing in numerous markets and in many locations with renowned technology companies to recruit highly qualified experts across all areas of the company. In order to succeed against the competition in the area of employee recruitment, we aim to increase awareness for the Wirecard Group as an attractive employer and expand the international scope of Wirecard as an employer brand via internal and external communication channels.

2.3.1 Organisation of the area of human resources

Wirecard AG, headquartered in Aschheim near Munich, assumes responsibility centrally for strategic corporate planning as the Group parent company. This includes the areas of human resources (HR) which is the responsibility of the Chief Financial Officer. Our human resources work is split organisationally between the subdivisions of HR Operations, Payroll Accounting, HR Controlling, Training & Development and HR Project Management. In the area of employer branding and employee recruitment, the Human Resources department works closely together with Internal Communications which is under the control of the Chief Executive Officer.

During the reporting period, the operative design of our human resources activities was shaped by our HR Guidelines in the version from 1 May 2017 which defines, amongst other things, important operational steps for the recruitment of new employees, such as creating and advertising jobs, interview and hiring processes and onboarding. The recruitment process at our global sites and subsidiaries is organised and carried out locally.

A report on how many employees have been appointed or have departed and on any restructuring of personnel is provided to the Management Board on a monthly basis and also in the case of important events. In addition, regular meetings are held between the Chief Human Resources Officer and the Chief Financial Officer – as the member of the Management Board responsible for human resources – about current and planned projects and measures in the area of human resources. The human resources officers at the global sites within the Wirecard Group are managed decentrally via budgets and they are able to make decisions on their relevant human resources activities within the scope of their budget flexibly and freely. A monthly report in the form of a Headcount Report is provided to the central department of Human Resources at Wirecard AG, which is also available to provide advice on all human resources themes to the international sites. The human resources activities presented below mainly refer to the measures implemented by Wirecard AG at the site in Aschheim. There are plans to increase the exchange of information with the international sites and subsidiaries and also to expand the Group-wide employer branding measures and human resources activities.

2.3.2 Recruiting committed and qualified employees

In our activities to recruit employees, we aim to secure employees with suitable personal and professional skills for the Wirecard Group against the background of our strong corporate growth. In order to achieve this aim, it is essential for us to position ourselves positively as an employer against the competition when searching for the best talent. A strong and attractive employer brand is again the prerequisite for achieving this, which we communicate via internal and external channels using targeted human resources marketing measures. As a young, dynamic technology company with the spirit of a high growth start-up and a position as a global TecDax company, we want to reach, inspire and motivate the best talent to become part of our international team.

Reaching talented people personally

Communicating personally and interactively with potential employees is very important to us. Feedback received via submitted applications and the resulting new appointments helps us to optimise our activities for recruiting employees, such as adjusting our online activities or introducing targeted measures and campaigns.

In order to reach talented people outside of our regional sites, we also use social media, especially our Twitter account @WirecardCareers. The account is used to regularly provide information on events and campaigns. Due to their supra-regional scope and large number of members, online career platforms such as LinkedIn and job portals offer a good opportunity to advertise Wirecard as an employer, including any job vacancies. The interactive communication online means that we receive a direct response from those that we want to reach. Responses and applications which we receive via these channels are evaluated as required.

An important tool for recruiting personnel is our careers page which is continuously updated. Alongside the latest job advertisements at all career levels in the areas of Finance & Wirecard Bank, IT & Technology, Marketing & Corporate Communications, Human Resources & Corporate Operations, Customer Services and Sales, applicants can also find interviews with employees that give some insights into the day-to-day work at Wirecard and their own personal experiences. The range of information available on the careers website will be expanded further in future to focus even more strongly on important target groups for the Wirecard Group, especially with respect to international job advertisements at our global sites.

Recommendations and presence in universities

Some of our newly recruited employees are the result of recommendations made by our existing employees. If an employee motivates appropriate talent to join the company, they are rewarded in the form of a bonus.

In order to make talented people aware of Wirecard as an employer early on, we rely heavily on dialogue between theory and practice. We thus exchange ideas and information with faculties and other institutions involved in educational policy because we believe that we also have a responsibility in this area as an innovative technology company. There are plans to initiate measures and projects with educational institutions.

2.3.3 Quantitative targets and the achievement of targets in employee recruitment

In order to measure the success of our measures for employee recruitment, we use the number of applications received at our site in Aschheim and the number of new appointments at the site in Aschheim during the relevant reporting period.

In the reporting period, there was a clear increase in the number of employees across the entire Wirecard Group. The average number of employees rose from 3,766 in 2016 to 4,449 employees (excluding members of the Management Board and trainees in both cases) in the 2017 fiscal year – which represented growth of 18.1 percent.

In the 2017 fiscal year, around 18,252 applications were received by Wirecard AG at the site in Aschheim.¹ There were 381 new appointments at the site in Aschheim in the 2017 fiscal year.

The company plans to appoint 744 new employees in 2018, which represents an increase of 15.9 percent based on the 4,692 employees as of 31 December 2017. At the site in Aschheim, there are plans to appoint 244 new employees in 2018, which represents an increase of 21.8 percent based on the 1,119 employees as of 31 December 2017.

In the 2017 fiscal year, Wirecard AG participated in three career events from its site in Aschheim: the University Contact Trade Fair Munich (HOKO Munich), Ikom Munich and the VHK Careers Forum.

Wirecard will strongly increase its presence at careers events in the next few years, also on an international scale at other sites. The site in Aschheim plans to participate in four career events at universities in the 2018 fiscal year. In addition, the company aims to reach potential applicants via alternative events, such as a networking and beach volleyball event planned for summer 2018. The aim is to present the “Wirecard” employer brand to a wider audience. Participation by our employees in external events such as the annual B2Run company run in Munich also helps to raise the awareness of potential new employees for Wirecard as an attractive employer. In addition, flyer and poster campaigns at academic institutions, which are designed to raise awareness about Wirecard as an employer, are also planned as in previous years.

Qualitative evaluation of our employee recruitment

Alongside quantitative analyses of our employee recruitment measures, we also place great importance on qualitative evaluations that provide us with important information for the further conceptual development of our employer brand. For example, we regularly evaluate our activities on Twitter, using the number of likes and followers and any comments received as feedback.

Future strengthening of the employer brand

Conceptual and human resources measures focusing on employer branding are planned in the 2018 fiscal year to further increase the attractiveness of Wirecard as an employer. We intend to strengthen and expand, for example, the position of the Employer Branding Manager.

¹ This figure has been extrapolated for the whole year based on the 4,563 applications received during a period of three months.

Participation in competitions to distinguish Wirecard as a top employer are also part of the employer branding measures and will be pursued further in the future. In the 2017 fiscal year, for example, our site in Dubai was honoured as an attractive employer, especially in the area of employee engagement, at the International Business Excellence Awards 2017.

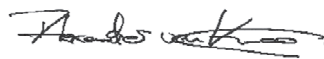
Furthermore, we want to integrate our global sites to a greater extent into our human resources policy, corresponding human resources marketing measures and the human resources management processes. As a result of constant optimisation of the implemented human resources management processes across all sites, we believe we will establish a good basis for the successful positioning of the Wirecard Group on the international job market in order to recruit the best talent. The project to proactively integrate the international sites and subsidiaries into group-wide human resources activities will be the focus of the central HR department at Wirecard AG in the current 2018 fiscal year.

Aschheim near Munich, 25 April 2018

Wirecard AG



Dr. Markus Braun



Alexander von Knoop



Jan Marsalek



Susanne Steidl

Independent Auditor's Limited Assurance Report

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German PDF version of the group non-financial statement 2017 of Wirecard AG. The following text is a translation of the original German Independent Assurance Report.

To Wirecard AG, Aschheim

We have performed a limited assurance engagement on the group non-financial statement of Wirecard AG according to § 315b HGB ("Handelsgesetzbuch": German Commercial Code) which disclosures are made in the group non-financial report 2017 for the reporting period from 1 January 2017 to 31 December 2017. Our engagement did not include any disclosures for prior years.

Management's responsibility

The legal representatives of the Company are responsible for the preparation of the group non-financial statement in accordance with § 315c HGB.

This responsibility includes the selection and application of appropriate methods to prepare the group non-financial statement as well as making assumptions and estimates related to individual disclosures, which are reasonable in the circumstances. Furthermore, the legal representatives are responsible for such internal controls that they have considered necessary to enable the preparation of a group non-financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's declaration relating to independence and quality control

We are independent from the entity in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other professional responsibilities in accordance with these requirements.

Our audit firm applies the national statutory regulations and professional pronouncements for quality control, in particular the by-laws regulating the rights and duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their profession [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer] as well as the IDW Standard on Quality Control 1: Requirements for Quality

Control in audit firms [IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)].

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the group non-financial statement based on the assurance engagement we have performed.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether the group non-financial statement of the Company has been prepared, in all material respects, in accordance with § 315c HGB. In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the auditor's professional judgment.

Within the scope of our assurance engagement, which has been conducted in April 2018, we performed amongst others the following assurance and other procedures:

- Inquiries of employees regarding the selection of topics for the group non-financial statement, the risk assessment and the concepts of Wirecard AG for the topics that have been identified as material,
- Inquiries of employees responsible for data capture and consolidation as well as the preparation of the group non-financial statement, to evaluate the reporting processes, the data capture and compilation methods as well as internal controls to the extent relevant for the assurance of the group non-financial statement,
- Inspection of relevant documentation of the systems and processes for compiling, analyzing and aggregating data in the relevant areas, e.g. environment and employees in the reporting period and testing such documentation on a sample basis,
- Inquiries and inspection of documents on a sample basis relating to the collection and reporting of selected data,
- Analytical procedures at group level regarding the quality of the reported data,

- Evaluation of the presentation of disclosures in the group non-financial statement.

Assurance conclusion

Based on our assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the group non-financial statement of Wirecard AG for the period from 1 January 2017 to 31 December 2017 has not been prepared, in all material respects, in accordance with § 315c HGB.

Intended use of the assurance report

We issue this report on the basis of the engagement agreed with Wirecard AG. The assurance engagement has been performed for the purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement and must not be used for purposes other than those intended. The report is not intended to provide third parties with support in making (financial) decisions.

Engagement terms and liability

The “General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]” dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement ([see attachment](#)). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we do not update the assurance report to reflect events or circumstances arising after it was issued unless required to do so by law. It is the sole responsibility of anyone taking note of the result of our assurance engagement summarized in this assurance report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, April 25, 2018

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Nicole Richter

Jan Kaiser

Wirtschaftsprüferin

Wirtschaftsprüfer

(German Public Auditor)

(German Public Auditor)