



***Annual Financial  
Statements 2015***

*as of 31 December 2015\**

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## Management Report

### Foundations of the Company

#### Business Model

As a publicly traded parent corporation, UMT United Mobility Technology AG (UMT) supports innovative enterprises in a highly entrepreneurial, implementation-oriented approach. It focuses on the early identification of innovative business ideas which are then developed so that, at the appropriate time, an initial public offering can be made, or a sale to other companies. UMT Group provides its customers with services and solutions on an international basis, particularly for mobile and electronic payment systems and in the field of data analytics. These services and solutions are provided on the company's own mobile payment and loyalty platform, which is made available primarily as a white label solution as part of a licensing arrangement and in the form of "mobile wallets." It also offers consulting services all along the value chain for B2B customers concerning mobile payment and loyalty subjects, with a view towards boosting sales. These offerings distinguish UMT as one of the leading technology providers in the German mobile payment market.

#### Subsidiaries and holdings:

UMT holds shares particularly in UMS United Mobile Services GmbH (UMS), in Munich, and in Riga-based iPAYst LLC. Another subsidiary is Mobile Payment System Espana S.L. in Barcelona. Istanbul-based UMT Turkey Mobil A.S., as well as SEKS - Serial Entrepreneurship Knowledge Society S.L. in Barcelona and delinski GmbH also belong to UMT Group.

#### Research and Development

Development activities in financial year 2015 were largely conducted by UMS, particularly in connection with development of the mobile payment and loyalty platform. The focus of these activities was on optimizing and extending the Group's own basic technology, with a particular focus on the white label area.

## Economic Report:

### Marcoeconomic and Industry Conditions

On the whole, the global economy posted modest growth in the year 2015. According to IMF estimates, global GDP was up by 3.3 percent in 2015. The economic situation in Germany in the year 2015 was characterized by solid and steady growth. According to the data of Germany's Federal Statistical Office, Germany's gross domestic product (GDP), adjusted for inflation, was up by 1.7 percent for the year over the year before. A longer-term analysis shows that GDP growth in 2015 was back over the average for the past ten years of +1.3 percent.

The strong growth of the smartphone market continued in 2015. The experts at the market research firm GfK expected global demand for smartphones to total 1.3 billion units. After growing by 23 percent in 2014 over the year before, demand was up once again in 2015, growing by 7 percent according to GfK estimates. GfK expects stronger growth in 2016, with demand to climb by 8 percent. By the year 2020, 6.1 billion smartphones will be in users' hands worldwide. Starting from 2.6 billion devices in the year 2014, this means that the number of smartphones will more than double through 2020 (increase of 3.5 billion).

Growth is also accelerating in the smartphone mobile payment market. There are already more than 60,000 retailers in Germany where contactless payments are accepted. More than 1.2 million payment terminals are reportedly in use across Europe.

There is great interest in mobile payment not only from retailers, but from customers as well. According to a recent study by PricewaterhouseCoopers (PwC), 25 percent of respondents stated that they are already taking advantage of the ability to make cashless purchases with their mobile devices and 35 percent plan to try out the mobile payment process in the future. In Europe, the number of contactless transactions doubled last year, while sales more than tripled. The growth in contactless payments and online sales has paved the way for the new generation of mobile payment technologies. According to a study performed by the market research firm Populus for Visa Europe, mobile payments in Germany will double over the next five years.

One fourth of Germans expect to make more than 55 Euros in payments per week over their mobile phones in the year 2020. Based on the results of the study, the total volume of the German mobile payment market will be an estimated 1.7 billion Euros per week in the year 2020.

For Financial Year 2015, UMT placed its focus on the further development, intensive marketing and positioning of the mobile payment and loyalty platform on an international basis. Within this area, it concentrated on marketing its own platform, primarily as part of licensing arrangement, in order to further establish the platform as the market standard in the mobile payment market.



The macroeconomic and industry conditions continues to offer a highly dynamic and promising market environment for UMT, given its business alignment. The growing willingness of consumers to use digital payment methods and the increasing dissemination of mobile terminal devices provide a solid foundation for the future positioning of UMT's mobile payment and loyalty platform. Because of its ability to meet all the mobile payment and loyalty requirements of its individual dealers, UMT continues to create sustained added value in the B2B and B2C segments alike.

### **Course of Business**

Financial Year 2015 was characterized by intensive technical improvements on the product level and operational implementation of current projects. UMT also focused on acquiring new projects and strategic expansions within its international investment portfolio.

The focus of day-to-day operations was on the joint project with PAYBACK GmbH and implementation of the mobile payment function within the new PAYBACK app. As of June 2016, PAYBACK will be allowing its 28 million customers to use the app not just to activate coupons but also to collect points and make payments. The old PAYBACK app has already been downloaded more than 8.5 million times.

Another focus in the first half of 2015 was on the deliberate strategic expansion of the company's international investment portfolio. At the start of the year, UMT acquired a total of 26 percent of shares in UMT Turkey Mobil A.S., with registered office in Istanbul. The project for the Zorlu shopping center in Istanbul has already been successfully launched through UMT Turkey Mobil A.S. together with Ketchup, a well-known international advertising and marketing agency. As part of this project, the shopping center launched a mobile loyalty platform which offers customers discounts and enormous benefits through special offers.

After a successful pre-launch in the first quarter, the Turkish subsidiary UMT Turkey Mobil A.S. launched the Visa Platinum Masa mobile restaurant and loyalty platform in the fourth quarter of 2015 together with its customer Visa. In this way, UMT Group was able to further strengthen its international position in the promising mobile payment and loyalty market, particularly in the restaurants segment.

Through its shares in UMT Turkey Mobil A.S. and the joint venture with Ketchup, a leading marketing agency, UMT also stands to benefit heavily from the considerable potential of the Turkish market, which is considered to be a key market. Turkey has a population of almost 80 million with an average age of just 30 years, and its electronic payments and e-commerce markets are among the fastest-growing in the world. The population's considerable affinity for smartphones and the internet form an outstanding basis for strong growth in this area.

At the start of the second quarter of 2015, the investment portfolio was expanded again, this time in the direction of Spain. To this end, UMT announced a strategic partnership between UMT's Spanish subsidiary, Mobile Payment System España S.L., an Banco de Sabadell, S.A., the fourth-largest banking group in Spain, for mobile payment in the Spanish market.

This collaboration agreement marks yet another milestone for the strategic European launch of the mobile payment platform. With more than 6.2 million customers and 2,320 branches, Banco de Sabadell, S.A. offers a very strong distribution platform.

In June 2015, another strategic investment was entered into through UMT's Spanish subsidiary with the Spanish big data analytics company SEKS – Serial Entrepreneurship Knowledge Society S.L. UMT has held shares in SEKS - Serial Entrepreneurship Knowledge Society S.L. since September 2015.

It initially acquired a minority position as well as securing an option for a long-term majority stake. The goal of this relationship is, above all, the joint analysis and strategic use of big data so as to benefit end customers. Analyzing this data will allow UMT to post revenue growth and offer its customers yet another innovative product component all along the sales process. The subject of data analytics and the associated benefits for vendors and companies is considered to be of utmost importance today.

In addition, a separate application for smart phone and tablet users, called "living eXperience," will be offered as part of the relationship with SEKS – Serial Entrepreneurship Knowledge Society S.L. This app combines social networking and mobile payment, while also functioning as a tool allowing users to access information directly on the mobile terminal device, including trends and personalized offers. The UMT technology platform has been successfully integrated into the app as a mobile payment solution.

Another highlight was the company's collaboration with the restaurant operator Kuffler at the beginning of Munich's Oktoberfest festival in September 2015. UMT joined forces with Kuffler to offer a mobile payment option for the time at the Kufflers Weinzelt wine tent in Oktoberfest. This unique service was made available to the approximately 80,000 visitors to the wine tent, with the slogan "Ohne Geld ins Zelt" (into the wine bash with no cash).

This joint project has been successfully completed with several thousand app downloads and total revenues of nearly EUR 50,000. The positive course of business in the year 2015 was underscored by TEUR 3,039 in revenues and a net income of more than TEUR 951. The majority of revenues were attributable to the white label business, as expected, and therefore consist primarily of implementation and license fees.

Due to its successful strategic alignment, with a focus on licensing its technological platform, active marketing of the company's iPAYst product will be placed on the back burner for the time being.

Meanwhile, it will be ensured that as many resources as possible will be available for ongoing and future projects with a view to licensing the company's mobile payment and loyalty platform. This strategy also has the advantage of avoiding heavy investments in marketing and sales of the iPAYst product, which are an indispensable requirement to successfully position the product on a lasting basis in the national and international markets. The company will continue to have to adapt to market requirements with regard to changes in financial technology and in order to remain competitive and attractive in the long run.

## **Situation**

The basis for the presentation of the earnings, liquidity and financial situation as well as for the ratios is the audited annual financial statements as of 31 December 2014 in accordance with the German Commercial Code and the internal reports of UMT United Mobility Technology AG for the period from 1 January to 31 December 2015.

In general, UMT publishes all figures in thousands of Euros (TEUR). Due to the use of rounding, it is possible that some figures will not add up exactly to the indicated sum and that the figures and percentages shown will not precisely reflect the absolute values to which they refer.

## **Earnings Situation**

Major changes in the earnings situation of UMT United Mobility Technology AG in 2015 compared to the corresponding period from the previous year:

UMT managed to close the year with a net income of TEUR 951 (previous year: TEUR 121). The reason was essentially revenues, in the amount of TEUR 3,039 (previous year: 1,150). Personnel expenses (TEUR 170) increased somewhat over the previous year (TEUR 161). Depreciation, amortization and write-offs increased over the year before, to TEUR 6.1 (previous year: TEUR 2.5).

Other operating expenses decreased by a total of TEUR 165, from TEUR 1,014 to TEUR 849. The main individual item in this regard was legal and consulting costs of TEUR 374 (previous year: TEUR 767).

Auditing costs and the cost of preparing financial statements were down from the year before (TEUR 33), to TEUR 22. Interest income amounted to TEUR 448 (previous year: TEUR 184), resulting from shareholder loans by UMT to UMS. This was offset by interest expenses for shareholder loans in the amount of TEUR 117 (previous year: TEUR 151).

## Financial and Liquidity Situation

Major changes in the financial situation of UMT United Mobility Technology AG in 2015:

The equity ratio of UMT rose by 1.8% over 31 December 2014 from 85.1% to 86.9%. In absolute figures, shareholders' equity increased by TEUR 2,502 to TEUR 16,082 (31 December 2014: TEUR 13,580). This was essentially attributable to the earnings for the year of TEUR 951, the increase of the capital stock based on the cash capital increase in the second quarter of 2015 in the amount of TEUR 1,099 and to contributions to the capital reserve made in this context in the amount of TEUR 275.

A major portion of the total assets of UMT is attributable to the investment in UMS (TEUR 9,399), with 50.8% of total assets (31 December 2014: 58.9%) and accounts receivable from the loan to UMS, with 35.6% (TEUR 6,595; previous year: 26.2% TEUR 4,175). UMS thus has a total weighting in the total assets of UMT of 86.4% (31 December 2014: 85.1%)

The debt ratio amounted to 13.0% (31 December 2014: 14.9%) with borrowings of TEUR 2,397 (31 December 2014: TEUR 2,338).

UMT's total capital rose from TEUR 15,955 by TEUR 2,546 to TEUR 18,501. The company was furnished with sufficient financial resources as of 31 December 2015. Liquid funds amounted to TEUR 1,717 as of 31 December 2015 (31 December 2014: TEUR 1,331). The cash-flow statement showed a negative operative cash flow of TEUR 1,257 (31 December 2014: TEUR -2,456) and positive cash flow from investment activity of TEUR 141 (31 December 2014: TEUR -629), as well as positive cash flow from financing activity of TEUR 1,552 (31 December 2014: TEUR 2,574).



## Financial and non-financial performance indicators

### Financial performance indicators

The company posted EBIT of TEUR 619 in 2015 (previous year: TEUR 100). In total, the return on equity amounted to 5.9% (previous year: 0.9%). Return on equity before interest and taxes was 5.8% (previous year: 1.8%).

### Non-financial performance indicators

#### Employees

UMT has one additional employee aside from the Management Board.

#### Innovations

Innovations and the company's new technologies are a key building block of strategic development. A large part of the invested funds will be used to develop new and improve existing products, primarily for UMS. The use of new technologies ensures that resources are utilized efficiently and effectively in a highly dynamic market environment.

## Forecast, Opportunities and Risks

The International Monetary Fund (IMF) expects global GDP to grow by 3.4 percent in 2016. According to the European Commission, GDP in the EU and the euro zone could grow by around 2 percent this year. Following real GDP growth of 1.7 percent in year 2015, the Federation of German Industries (BDI) expects the German economy to grow by 1.9 percent this year. Private consumption, sustained job market growth and low inflation continue to be seen as the foundations of this upturn. The growth in consumer spending is being driven by low oil prices and historically low interest rates.

There is growing demand for "mobile payment" solutions, together with other innovative products which offer users convenience along with a very high degree of security. For this reason, cashless and contactless payments are being pursued by all market operators on the European level. In addition, integratable customer loyalty programs, which offer lasting advantages given the strong competition which prevails in the market and the high cost of attracting new customers, continue to play a very important role.

Companies are focusing on getting as much as possible out of existing marketing channels, like point of sale and online sales, as well as developing new channels, such as advertising platforms and catalogues.

The goal is to take advantage of every purchase impulse to successfully generate a sale. The main challenge for retailers is meeting the needs of their customers throughout the entire purchase process and retaining them over the long run. Customers today expect permanent added value, which is creating mounting pressure on retailers.

UMT's operations are largely centered on UMS. As a result, UMT's continued existence continues to be largely dependent on the performance of its wholly-owned subsidiary. The company's Management Board ensures full and routine reporting and close supervision of UMT's business activities and the key investment in UMS. The Management Board also exercises control over the shareholdings through routine accounting reports and continuous monitoring of liquidity. Liquidity requirements are coordinated accordingly with capital providers.

UMT's performance last year is a positive indicator, setting the trend for the remainder of Financial Year 2016. At the center of the company's activities will be continuous and sustained investments in the expansion of its product portfolio, with the goal of extending the value chain of UMT's core business.

With its proprietary mobile payment and loyalty platform, the company derives clear competitive advantages from its ability to enter a market very quickly, as well as the high technological penetration in the retail market and highly efficient development processes.

The business model will continue to focus on wireless integration of the technological platform into existing infrastructure within the framework of licensing arrangements, adapted in such a way as to meet the individual requirements of B2B customers. UMT actively targets multipliers, retail chains and payment services providers in order to market its technology and increase its penetration. Customers are given the option of implementing UMT's proprietary mobile payment technology into their existing applications, as well as a "mobile wallet" which is customized to meet their specific requirements.

With its modular structure, particularly with respect to the integration of various transmission technologies like QR codes, NFC (near field communication) and Bluetooth, the UMT mobile payment and loyalty platform offers the necessary flexibility to target the greatest possible number of users, unlike competitors offering purely NFC-based solutions. UMT's technical infrastructure enables wireless cash register integration as well as a wide variety of payment methods, coupons and loyalty cards, customized to meet the retailer's individual requirements.

Demand for "mobile wallets" is growing steadily. For example, a study by PricewaterhouseCoopers (PwC) examining the factors which determine the success of digital wallets revealed that almost half of respondents were interested in executing financial transactions with the mobile wallet. UMT's technology uses retailers' existing infrastructure and therefore minimizes the cost of implementation. UMT's wallet technology also enables the seamless integration of mobile payment and loyalty transactions.

This sets UMT clearly apart from competitors which merely offer a digital credit or debit card in their wallets and creates clear added value for retailers and users. Since the UMT platform supports all major operating systems (Android, iOS, Windows etc.) as part of the desired business logic, it offers the ability to target a majority of smartphone users and gain massive market share.

With the licensing model, UMT Group will be able to generate implementation revenues as well as recurring revenues from associated license and transaction fees, as it did in its collaboration with PAYBACK GmbH. The targeting of multipliers in order to maximize the acceptance area plays a key role in this regard. The optimization of existing products and improvements in the efficiency of operating process through disciplined cost management also have a positive impact on results.

In addition, consulting services with conceptual support in the areas of mobile payment, loyalty and data analytics for individualized solutions designed to boost sales are offered as an additional component in order to generate revenues in other business segments. The focus will be on project management with conceptual support. The goal in this regard will be to serve major segments of the value chain in the mobile environment.

Taking full advantage of associated opportunities continues to be the basis of UMT's operations within the context of value-based management. Critical developments and evident risks are identified at a very early stage in order to ensure lasting long-term success.

Opportunities are identified, assessed and seized at an early stage in order to exploit trends and ensure future earnings growth. Qualified and motivated employees play a very important role in securing the lasting financial success of UMT Group. Results-oriented business development requires the long-term retention of current employees as well as the recruitment of qualified specialists and executives. Successful realization of projects depends to a large extent on the availability of highly qualified employees. The Management Board sees the recruitment of additional qualified specialists and executives as a risk, as well as the need to allocate human resources to ongoing and future projects as fully and as quickly as possible.

Given the low rate of fluctuation right now, as well as the fact that the company is already well-positioned with specialized personnel, UMT Group will be responding quickly and hiring new employees as it continues to grow. In doing so, it will seek to ensure a highly effective and efficient personnel deployment planning.

Since UMT operates in a market environment where the supply side is highly consolidated, there is a risk that market operators which have already acquired substantial market power and/or financial resources will seek to divide the market among themselves. UMT sees itself as being well-positioned in this regard, because its mobile payment and loyalty technology gives customers a method of processing mobile payments with an integrated customer loyalty tool, and therefore offers significant unique selling points. These particularly include universal applicability and independence of individual retailers, as well as the ability to integrate targeted marketing campaigns.

Because of its collaboration with PAYBACK GmbH and the associated cash register integration options, UMT can meet the needs of a large portion of the German retail market with respect to technological acceptance of mobile payment processes. UMT offers almost all retailers the opportunity to integrate its technology throughout their sales and loyalty process, and guarantees optimum protection of user data. UMT continues to see itself as providing services for retailers throughout the sales process, and not merely as a payment processor. As a result, the company is not in competition with other payment processors with margin pressure.

UMT's business model is transaction-based in part and could be impaired indirectly by changes in consumer behavior. A significant worsening in the situation, resulting in a steep drop in consumer spending, could have a negative impact on the company's course of business. If the willingness of consumers to make purchases is negatively affected due to changes in the general economic situation, this could affect the course of business of UMT's individual B2B customers. Since the majority of revenues consist of implementation, set-up and license fees, the company does not see this as a major risk for the current year in view of the fact that demand for mobile payment is continuing to grow.

Within the framework of its investment business, UMT will continue to make targeted investments in companies along the value chain or acquire them directly insofar as they offer added value for the UMT mobile payment and loyalty platform and the mobile wallet. The company also plans to form additional strategic partnerships through its holdings in Spain and Turkey.

The Management Board expects to receive follow-up orders based on its collaboration with GTD Group in Spain, which was announced at the start of this year. GTD's longstanding experience and solid reputation in the aviation and aeronautics industry, as well as in maritime and port activities, will further strengthen the international positioning of UMT's platform in the B2B market.

The goal of both companies in this regard is to offer their customers an even broader portfolio of individual high-tech and mobile payment solutions, as well as loyalty programs and advisory IT services.

Investment risk is limited through the subsidiaries in Germany, Spain and Latvia, which are essentially only backed with equity. This also applies for the minority stakes in Austria, Turkey and Spain, as well as for the other planned investments and collaborations.

Financial risks and the secured capitalization of UMT constitute major considerations. Based on the cash capital increase carried out in the second quarter of 2015 with subscription rights excluded, UMT created the corresponding liquidity for its future business direction. A total of 1,098,501 new common bearer shares were allotted, each with a share of EUR 1.00 in the capital stock. The shares were successfully placed with a limited circle of selected institutional investors by means of an expedited placement procedure, at an issue price of EUR 1.25 per share.

Upon the entry in the Commercial Register on 1 June 2015, the capital stock was increased by EUR 1,098,501, to EUR 15,888,051. Gross issue proceeds of TEUR 1,373 thus flowed to the company.

The Management Board has been authorized, by resolution of the shareholders in general meeting of 12 June 2015, to raise the capital stock once or several times, with the approval of the Supervisory Board, by a total of up to EUR 7,394,775.00 through 31 May 2020, in exchange for cash and/or non-cash contributions, whereby shareholder subscription rights may be excluded in certain cases. Additional capital is to be added in financial year 2016 by way of a capital increase. With this capital influx, UMT plans to secure the necessary internal resources to cover the full needs of current and future projects, to expand and increase the depth of partnerships and collaborations and to make further investments all along the value chain in the area of mobile technology. Moreover, technological optimization on the product level at UMS and, for the UMT Mobile Payment and Loyalty platform in particular, is to be ensured.

The company's Management Board continues to guarantee that expected costs will only be triggered insofar as sufficient financing is available. In this way, it is ensured that the continued existence of the company in every phase is not placed in jeopardy, independent of individual capital measures. Implementation as part of the licensing model with other large national and international market operators in the form of multipliers is of major importance for the continued existence of UMT and its investments. The company believes that it has a very good order situation, which has been created in recent years.

UMT and UMS both expect double-digit revenue growth in this Financial Year. The timing of revenue realization continues to depend heavily on the progress of the individual customer projects, over which UMT has only limited control due to the various dependencies between the project participants. Despite the need to invest heavily in personnel and the further expansion of its technical infrastructure, the company expects a significant improvement in operating results for the 2015 Financial Year. This is due to the fact that selling and marketing expenses continue to be low, as these expenses are far lower with the licensing model than they are for direct sales.

In view of the discussions which are already underway and its continued efforts to actively target large national and international market operators, as well as its participation in calls to tender in the licensing market and associated orders, the company expects strong performance in 2016 despite the risks presented above.

Munich, 22 April 2016



**Dr. Albert Wahl**  
Management Board



# 2015 Financial Statements

## Balance Sheet

as of 31 December 2015

UMT United Mobility Technology AG, Munich

### ASSETS / EUR

	31.12.2015	Previous Year
<b>A. FIXED ASSETS</b>		
I. Property, plant and equipment		
1. Land, leasehold rights and buildings, including buildings on non-owned land	1.00	1.00
2. Other equipment, fixtures, fittings and equipment	17,243.00	10,323.00
	<b>17,244.00</b>	<b>10,324.00</b>
II. Financial assets		
1. Shares in affiliated companies	9,412,846.00	9,401,846.00
2. Investments	632,130.74	799,001.00
	<b>10,044,976.74</b>	<b>10,200,847.00</b>
	<b>10,062,220.74</b>	<b>10,211,171.00</b>
<b>B. CURRENT ASSETS</b>		
I. Accounts receivable and other assets		
1. Trade receivables	4,145.34	0.00
2. Accounts receivable from affiliated companies thereof, with a residual term of more than one year: EUR 6,594,740.72 (previous year: EUR 4,174,740.72)	6,594,740.72	4,174,740.72
3. Accounts receivable from other Group companies	15,531.62	8,823.36
4. Other assets	82,938.00	215,543.46
	<b>6,697,355.68</b>	<b>4,399,107.54</b>
II. Cash on hand and bank credit	1,717,263.92	1,330,638.32
	<b>8,414,619.60</b>	<b>5,729,745.86</b>
<b>C. DEFERRED CHARGES AND PREPAID EXPENSES</b>	23,831.67	14,497.31
	<b>18,500,672.01</b>	<b>15,955,414.17</b>

### LIABILITIES / EUR

31.12.2015

Vorjahr



<b>A. SHAREHOLDERS' EQUITY</b>		
I. Subscribed capital		
1. Subscribed capital	15,888,051.00	14,789,550.00
2. ./.. Nominal amount of own shares	(154,314.00)	(306,577.00)
	<b>15.733.737,00</b>	<b>14.482.973,00</b>
II. Surplus Capital	1,855,607.80	1,580,982.55
III. Earnings Reserves	628,181.12	601,757.49
IV. Accumulated deficit		
1. Loss carry-forward	(3,085,600.40)	(3,206,477.01)
2. Net income	950,516.31	120,876.61
	<b>(2,135,084.09)</b>	<b>(3,085,600.40)</b>
	<b>16,082,441.83</b>	<b>13,580,112.64</b>
<b>B. PROVISIONS AND ACCRUED LIABILITIES</b>		
Other provisions and accrued liabilities	21,000.00	37,400.00
<b>C. LIABILITIES</b>		
1. Advance payments received on orders thereof with a residual term of less than one year: EUR 0.00 (previous year: EUR 0.00)	0.00	100,000.00
2. Trade payables thereof with a residual term of less than one year: EUR 148,085.92 (previous year: EUR 76,544.71)	148,085.92	76,544.71
3. Liabilities due to affiliated companies thereof with a residual term of less than one year: EUR 557,298.05 (previous year: EUR 227,221.40)	557,298.05	227,221.40
4. Liabilities due to other Group companies thereof with a residual term of less than one year: EUR 1,478,417.73 (previous year: EUR 1,892,880.53)	1,478,417.73	1,892,880.53
5. Other liabilities thereof, with a residual term of less than one year: EUR 210,371.56 (previous year: EUR 38,197.97)	213,428.48	41,254.89
thereof, for taxes: EUR 2,274.16 (previous year: EUR 16,417.97)		
	<b>2,397,230.18</b>	<b>2,337,901.53</b>
	<b>18,500,672.01</b>	<b>15,955,414.17</b>

## Income Statement

for the Financial Year from 1 January to 31 December 2015

UMT United Mobility Technology AG, Munich

	2015 EUR	Previous Year EUR
1. Revenues	3,039,194.95	1,150,000.00
2. Other operating income	5,353.98	127,645.69
3. Cost of materials		
Expenses for purchased services	(1,400,000.00)	0.00
4. <b>Gross profit</b>	<b>1,644,548.93</b>	<b>1,277,645.69</b>
5. Personnel expenses		
a. Wages and salaries	(156,171.44)	(149,204.19)
b. Social security, pension and other benefit costs	(14,318.92)	(11,961.06)
	<b>(170,490.36)</b>	<b>(161,165.25)</b>
6. Depreciation, amortization and write-offs on intangible assets, plant, property and equipment	(6,140.68)	(2,552.50)
7. Other operating expenses	(848,546.39)	(1,014,284.42)
8. Other interest and similar income	448,236.83	184,413.95
thereof, from affiliated companies: EUR 448,236.83 (previous year: EUR 184,413.95)		
9. Interest and similar expenses	(116,884.06)	(151,070.44)
10. <b>Result from ordinary operations</b>	<b>950,724.27</b>	<b>132,987.03</b>
11. Taxes on income	198.04	0.00
12. Other taxes	(406.00)	(12,110.42)
13. <b>Net income</b>	<b>950,516.31</b>	<b>120,876.61</b>
14. Loss carry-forward from previous year	(3,085,600.40)	(3,206,477.01)
15. Accumulated deficit	(2,135,084.09)	(3,085,600.40)

## 2015 Notes

### General Information

The annual financial statements were prepared based on the classification, accounting and valuation provisions in the German Commercial Code (Handelsgesetzbuch; HGB) and the supplementary provisions of the German Corporation Act (Aktiengesetz; AktG).

In application of the definition of the size-related classes in accordance with § 267 of the Commercial Code, the company was a small corporation both in 2014 and in 2015 pursuant to § 267(1) of the Commercial Code.

Size-related simplification options for the preparation (§§ 276 and 288 of the Commercial Code) of the annual financial statements were used in part.

### Classification Principles

The classification of the balance sheet and income statement did not change compared to the previous year.

The classification of the income statement was undertaken in accordance with the cost summary method in accordance with § 275(2) of the Commercial Code.

### Accounting Methods

The annual financial statements contain all assets, debts, deferred charges and prepaid expenses, deferred income, expenses and income, unless stipulated otherwise by law. The asset items have not been netted with liability items, expenses have not been netted with income, leasehold rights have not been netted with charges on property.

The fixed and current assets, shareholders' equity, liabilities, deferred charges and prepaid expenses and deferred income were disclosed separately in the balance sheet and have been sufficiently categorized.

Only fixed assets are disclosed which are permanently dedicated to serve the business operations. Expenses for the formation of the company and for the procurement of shareholders' equity were not included in the balance sheet. Provisions and accrued liabilities were only set up in accordance with § 249 of the Commercial Code and deferred charges and prepaid expenses and deferred income in accordance with the provision in § 250 thereof.

### Valuation Methods

The estimates in the opening balance sheet of the financial year coincide with those of the closing balance sheet of the preceding financial year. The going concern was assumed in the valuation.

The assets and liabilities were measured individually. A cautious valuation has been made; all foreseeable risks and losses that arose prior to the cutoff date have been taken into account, even if these first became known between the cutoff date and the preparation of the annual financial statements. Profit has only been taken into account if realized prior to the cutoff date. Expenses and income of the financial year have been taken into account independently of the payment dates.

Individual items were measured as follows:

- The undeveloped land disclosed under the item "Land, leasehold rights and buildings" has been measured at the acquisition cost or at fair value and is not depreciable.
- Plant, property and equipment has been measured at the acquisition costs plus ancillary acquisition costs less acquisition price reductions or at the production costs. Normal straight-line depreciation is undertaken assuming the standard useful life at the maximum permissible tax rates or, due to a persistent reduction in value, at the lower attributable value.
- A collective item has been set up for low-value items in addition to § 6(2a) of the Income Tax Act. One-fifth (1/5) of this item is reversed annually.
- Financial assets are recorded at acquisition costs or the lower attributable values.

- Accounts receivable and other assets have in principle been recorded at the nominal amount. Identifiable individual risks have been taken into account through individual allowances.
- Provisions and accrued liabilities are recorded at the amounts necessary for their fulfillment in accordance with a prudent commercial assessment. They take into account all identifiable risks and contingent liabilities.
- Liabilities have been disclosed at the amount necessary for their fulfillment.

## Notes to Individual Income Statement Items

The value of the investment in UMS United Mobile Services GmbH (UMS GmbH), Munich, was retained. The future value of shareholdings largely depends on the success which UMS GmbH will have from the mobile payment and loyalty platform solutions it is offering to key accounts. A business valuation was performed using the DCF method based on the estimates of UMS GmbH which (further) justifies the value of the shareholding. Based on the estimates of UMS GmbH, revenues are expected to be up slightly in 2016 and then increase significantly starting in 2017, with positive net income as early as 2016 and an EBIT margin of over 30% starting in 2017.

The composition of the shareholdings in companies and subsidiaries can be derived from the following overview.

	Shareholding %	Shareholders' equity as of 12/31/2015 TEUR		
			Result 2015 TEUR	
UMS United Mobile Services GmbH, Munich	100.00	-5,443	-1,867	
UMT Turkey Mobil Anonim Sirketi, Istanbul	26.00	-229	-108	
Mobile Payment System Espana S.L., Barcelona	69.84	65	-184	
iPAYst LLC, Riga	100.00	-2	-3	
Delinski GmbH, Vienna	22.50	130	126	



With regard to the disclosure of the 2015 shareholders' equity and earnings of UMS GmbH, it should be noted that the latter has thus far refrained from recognizing its developments as intangible assets but plans to do so now. This is expected to have a positive impact on 2015 shareholders' equity and earnings.

Accounts receivable from affiliated companies relate to a clearing account which largely consists of a loan to UMS United Mobile Services GmbH, including deferred interest. This loan is provided on a current account basis and TEUR 1,400 of the loan has been subordinated. The future value of accounts receivable from affiliated companies largely depends on the success which UMS GmbH will have from the mobile payment solutions it is offering to key accounts and the implementation of its plans in this regard.

Other assets of TEUR 83 (previous year: TEUR 216) essentially include cash in transit (TEUR 50). In the previous year, other assets essentially included VAT tax claims (TEUR 171).

The capital stock consists of 15,888,051 bearer shares with a par value of EUR 1.00 each.

As of the cutoff date in the previous year, the capital stock consisted of 14,789,550 bearer shares with a par value of EUR 1.00 each.

Based on the resolution of the shareholders in general meeting on 5 June 2014, the capital stock was increased by EUR 1,098,501.00, to EUR 15,888,051.00.

By resolution of the Supervisory Board of 8 May 2015, §§ 6 and 7 of the Articles of Association (Capital Stock, Authorized Capital) were amended. The new capital stock, in the amount of EUR 15,888,051.00, was entered into the Commercial Register on 1 June 2015. The maximum authorized capital of EUR 6,573,491.00 approved by the shareholders in general meeting on 5 June 2014 was canceled in the general meeting of 12 June 2015.

At the general shareholders' meeting on 12 June 2015, the Management Board was authorized to increase the capital stock, with the approval of the Supervisory Board, within five years from the entry in the Commercial Register of the modification of the Articles of Association, through the issue of new shares one or more times in return for cash and/or non-cash contributions, though up to a total maximum amount of EUR 7,394,775.00, by issuing up to 7,394,775 new shares in return for cash and/or non-cash contributions, while excluding the subscription rights of the shareholders

- to avert fractional amounts;
- in the event of a capital increase in return for cash contributions, if the issue amount of the new shares for which subscription rights are excluded is not significantly below the stock exchange price of the shares already listed in the stock exchange and if the shares which are issued with subscription rights excluded do not exceed a total of 10% of the capital stock;

- insofar as the capital increase in return for non-cash contributions occurs to acquire enterprises, divisions of an enterprise, shareholdings in enterprises or other assets;
- insofar as a third party which is not a credit institution subscribes the new shares, and it is ensured that the shareholders will be granted an indirect subscription right; or
- if the capital increase lies in the well comprehended interests of the company. No use has been made of the authorization so far.

In addition, the Management Board of the company was authorized at the general shareholders' meeting of 5 June 2014 to launch stock option programs for the company's employees prior to 31 May 2019 and to confer options to up to 1,300,000 shares in the company with a term of up to ten years.

Such a stock option plan has yet to be adopted by the company's Supervisory Board.

As of 31 December 2015, there was no distributable shareholders' equity. Moreover, based on the own shares held by the company as of 31 December, there was a dividend freeze in the amount of EUR 830,371.87 (previous year: EUR 856,795.50) (reduction of earnings reserves based on acquisition of own shares).

In the financial year, the company acquired 488,034 of its own shares (acquisition, statement of shareholders' equity: acquisition of own shares), whereby EUR 488,034.00 was deducted from the capital stock and the earnings reserves were reduced by EUR 23,576.37. 640,297 own shares were sold for sale proceeds of EUR 690,297.00 (statement of shareholders' equity: issue of shares), whereby EUR 640,297.00 were transferred to the capital stock and EUR 50,000.00 to the earnings reserves of the company. The proceeds were used to invest in current projects and strengthen the equity base. As of 31 December 2015, the company had 154,314 own shares (previous year: 306,577).

With respect to the liabilities to other Group companies of TEUR 1,478 (previous year: TEUR 1,893), trade payables accounted for TEUR 12 (previous year: TEUR 230).

Liabilities due to other Group companies in the previous year included liabilities of TEUR 200 from a purchase price repayment obligation, which was secured through the conveyance of securities in the form of 286,000 of the company's own shares. This conveyance has been canceled.

Other liabilities include tax liabilities in the amount of TEUR 175 (previous year: TEUR 16).

All liabilities have a residual term of up to one year.

Except for the states of affairs listed below, no other material financial obligations and no liability relations existed in the terms of § 251 of the Commercial Code: assurance of liabilities due to SWM Treuhand AG through assignment of assets of UMS Mobile Services GmbH by way of security.

### Notes to Individual Income Statement Items

Of the other interest and similar income, TEUR 448 (previous year: TEUR 184) resulted from interest from affiliated companies.

### Other Disclosures

Consolidated Financial Statements:

The company is exempt in accordance with § 293 of the Commercial Code from the obligation to prepare consolidated financial statements.

### Cash-Flow Statement:

According to the cash-flow statement, cash and cash equivalents as of 12/31/2015 were exclusively composed of cash in bank corresponding to the balance sheet item "Cash on hand and in Federal Bank, cash in banks and checks."

The disbursements for investments in financial assets relate to the shareholdings in UMT Turkey Mobil Anonim Sirketi and Mobile Payment System Espana S.L., as well as iPAYst LLC.

### Information on the Officers:

#### Management Board

As of 18 December 2009, Dr. Albert Wahl, born on 27 July 1960 (Management Board of UMT United Mobility Technology AG), was appointed as Management Board member with powers of sole representation.

#### Supervisory Board

Composition of the Supervisory Board since 30 September 2013:

- Chairman: Walter Raizner, independent business consultant; Zug, Switzerland
- Vice Chairman: Roderich Schaetze, independent lawyer, public accountant and independent auditor; Munich
- Member: Markus Wenner, Managing Partner at GCI Management Consulting GmbH, Munich.

The total remuneration of the Supervisory Board amounted to TEUR 35 in Financial Year 2015.

In the reporting period, UMT United Mobility Technology AG employed one person in the terms of § 285(1) No. 7 of the Commercial Code.

Munich, 22 April 2016

**Dr. Albert Wahl**  
Management Board

## Statement of Shareholders' Equity

as of 31 December 2015

UMT United Mobility Technology AG, Munich

Commercial Code	Subscribed Capital EUR	Acquired Own Shares EUR	Surplus Capital EUR	Earnings Reserves EUR	Earned Shareholders' equity EUR	Total EUR
As of 01/01/2014	13,146,983.00	-387,061.00	759,699.05	572,220.12	-3,206,477.01	10,885,364.16
Issue of shares	1,642,567.00	216,197.00	821,283.50	83,803.00		2,763,850.50
Acquisition/redemption of own shares		-135,713.00		-54,265.63		-189,978.63
Result for the period					120,876.61	120,876.61
Balance as of 12/31/2014	14,789,550.00	-306,577.00	1,580,982.55	601,757.49	-3,085,600.40	13,580,112.64
Issue of shares	1,098,501.00	640,297.00	274,625.25	50,000.00		2,063,423.25
Acquisition/redemption of own shares		-488,034.00		-23,576.37		-511,610.37
Result for the period					950,516.31	950,516.31
Balance as of 12/31/2015	15,888,051.00	-154,314.00	1,855,607.80	628,181.12	-2,135,084.09	16,082,441.83

## Cash-Flow Statement (direct):

from 01/01/2015 to 12/31/2015

UMT United Mobility Technology AG, Munich

Commercial Code	Financial Year EUR	Previous Year EUR
Payments received from customers for the sale of products, merchandise and services	2,919,517.99	1,267,676.99
- Payments made to suppliers and employees	2,314,232.16	1,130,038.80
+ Other payments received that are not allocable to investment or financing activity	1,137,908.33	873,990.56
- Other payments made that are not allocable to investment or financing activity	2,999,725.48	3,467,131.21
<b>Cash flow from current business activity</b>	<b>-1,256,531.32</b>	<b>-2,455,502.46</b>
- Payments made for investments in plant, property and equipment	14,526.22	5,791.32
+ Payments received from the disposal of financial assets	409,000.00	0.00
- Payments made for investments in financial assets	253,129.74	622,846.00
<b>Cash flow from investment activity</b>	<b>141,344.04</b>	<b>-628,637.32</b>
Payments received from equity acquisitions	1,551,812.88	2,573,871.87
<b>Cash flow from financing activity</b>	<b>1,551,812.88</b>	<b>2,573,871.87</b>
Changes in cash and cash equivalents (total cash flows)	436,625.60	-510,267.91
+ Cash and cash equivalents at start of period	1,330,638.32	1,840,906.23
<b>Cash and cash equivalents at start of period</b>	<b>1,767,263.92</b>	<b>1,330,638.32</b>



## Report of the Supervisory Board of UMT United Mobility Technology AG Concerning Its Activity in Financial Year 2015

Dear shareholders,

The Supervisory Board hereby issues the following report on its activity in financial year 2015:

The Supervisory Board carried out the tasks incumbent upon it in accordance with the law and the Articles of Association in financial year 2015 as well. The Board carefully and regularly monitored the Management Board. The Management Board reported to the Supervisory Board verbally and in writing on a regular basis about the business plans and general strategic plans, the operative business development, the risk management and all critical business events of the company. Decisions of fundamental significance for the company were discussed with the Supervisory Board and submitted to it for approval.

In financial year 2015, four Supervisory Board meetings took place on the following dates: 27 February, 24 April, 12 June and 20 November. All Supervisory Board members attended the meetings. In addition, further resolutions of the Supervisory Board with the participation of all members were adopted in votes by telephone. Moreover, the Supervisory Board also informed itself continuously outside of meetings in discussions in person concerning the current business development.

The Management Board reported regularly on the course of business and presented the business administration figures in the course of the year.

In addition to recent business developments, the subjects of the meeting on 27 February were recent developments in the PAYBACK project, personnel cost estimates and additional strategic partnerships.

At the Supervisory Board meeting on 24 April, the Management Board presented the Supervisory Board with the audited and certified annual financial statements as of 12/31/2014. As in the previous year, it was not necessary to present a resolution on the appropriation of profit because the company reported an accumulated deficit as of the close of the financial year. After deliberation by the Supervisory Board members and hearing the independent auditor, the members unanimously adopted the annual financial statements as of as of 12/31/2014.

At the meeting on 12 June 2015, recent sales activities were discussed in particular, as well as strategy and the structure of the sales unit.

The subject of the Supervisory Board meeting on 20 November 2015 was the status of the PAYBACK project and an update on marketing activities, particularly in Spain.

In financial year 2015, there were no committees of the Supervisory Board, nor were any new committees formed. The 2015 annual financial statements and management report prepared by the Management Board in accordance with the provisions of the German Commercial Code were audited by Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Nuremberg. The auditor issued an unqualified auditor's opinion.

The Supervisory Board was provided the report on the audit of the annual financial statements and the management report as of 31 December 2015 in due time before the meeting on 29 April 2016. The annual financial statements were discussed at the Supervisory Board meeting on 29 April 2016 together with the Management Board and the independent auditor. The Supervisory Board approvingly took note of the audit findings and did not raise any objections. The Supervisory Board audited the annual financial statements and the management report pursuant to § 171 of the Corporation Act and approved the annual financial statements of the company. The annual financial statements for financial year 2015 were thus adopted pursuant to § 172 of the Corporation Act on 29 April 2016.

The Supervisory Board would like to express to the Management Board of the company its gratitude and recognition of its expert and personal dedication in the 2015 financial year just closed.

Munich, 29 April 2016

For the Supervisory Board



**Walter Raizner**

Chairman of the Supervisory Board

**2015 Annual Financial  
Statements**  
as of 31 December 2015  
**UMT United Mobility Technology AG**  
Brienner Straße 7  
80333 Munich, Germany

