

UMT United Mobility Technology AG
Munich

Report on the Audit of the Annual Financial Statements as of 31 December 2014 and
the Management Report for the Financial Year from 1 January to 31 December 2014

Management Report of UMT United Mobility Technology AG, Munich, 2014

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 engages itself primarily in the area of big data and in positioning its mobile payment and sales enabling platform, iPAYst, on a national and an international level. iPAYst is a technology independent application that enables mobile payment allows the integration of customer loyalty programs via smartphones, tables and other portable devices. iPAYst is to be directly established in the market and offered to business customers as a mobile technology white label solution within the framework of a licensing arrangement.

In particular, UMT holds shares in UMS United Mobile Services GmbH (UMS) and iPAYst LLC, which is based in Riga, Latvia. Other subsidiaries include UMS Italia S.R.L. in Italy and Mobile Payment System Espana S.L. in Spain. As of April 2014, UMT also holds shares in delinski GmbH, which is based in Vienna, Austria. UMT Turkey Mobil Anonim Sirketi, in Istanbul Turkey, has been a member of UMT Group since the start of the year 2015.

Research and Development

Development activities in 2014 were essentially conducted by UMS, above all regarding the iPAYst product, i.e. within its own payment platform. The focus of these activities, as in the previous year, was on optimizing and extending the basic technology within the payment platform.

Economic Report

Macro and Sector-Related Framework Conditions

The German economy proved relatively stable on average in 2014. The inflation-adjusted gross domestic product (GDP) was up 1.5% from the year before, above the average for the last ten years, 1.2% (Source: Federal Statistical Office, www.destatis.de).

The market volume for mobile payment services via smartphones and tablets will increase rapidly in the coming years due to the increasing global dissemination and use of mobile devices. The trend toward cashless payment by smartphone will therefore grow steadily. Already, one in every three smartphone users can imagine dispensing with a wallet entirely and paying via smartphone exclusively (Source: BITKOM, www.bitkom.org). In the B2C segment alone, industry experts expect revenues from mobile payment transactions to total 500 million Euros in Germany in the year 2020. The number of unique mobile payment users is expected to increase to 11 million and providers' average annual revenues per customer are expected to climb to 46 Euros (Source: PwC, www.pwc.de). Recent studies predict that the number of global mobile commerce transactions will rise to more than 2 billion by 2017 (Source: Juniper Research, www.juniperresearch.com).

For Financial Year 2014, UMT placed its focus on the further development, intensive marketing and positioning of the iPAYst payment platform, with the goal of establishing the technology in its own name and as the market standard within the framework of a white label approach, with the aid of multipliers.

Given the macroeconomic and sector-specific conditions, UMT continues to find itself in a very exciting market environment, with its business alignment. With its full-service coverage in the areas of mobile payment and customer loyalty within its own

payment platform, UMT is creating permanent added value relative to the competition in the B2C segment and especially in the business customer segment. According to experts, fee revenues from mobile payment transactions in Germany are expected to amount to more than 500 million Euros in the year 2020 in this segment alone (Source: PwC, www.pwc.de).

Course of Business

UMT's Financial Year 2014 was marked by strategic additions within the company's portfolio of investments and the continuing establishment of the iPAYst product. In addition, the focus was on optimizing and positioning the company's own platform within the framework of "white labeling." With its "open loop solution," UMT specializes in full-service coverage for individual vendor needs in the areas of mobile payment and loyalty, and will continue to establish its own basic technology in 2015 in strategic fashion, with the aid of multipliers.

An additional subsidiary, iPAYst LLC, was formed in Riga at the start of the year 2014 as the basis for expansion into the Baltic markets and Eastern Europe. In addition, the expansion in March of the company's international portfolio of investments in delinski GmbH, which is based in Vienna, led to a significant increase in points of acceptance for the iPAYst payment platform. UMT acquired a total of 22.5% of shares in that company. With well over 30,000 users and 192 high-priced restaurants, delinski is one of the most successful platforms. Due to the considerable potential and strong acceptance of the digital last-minute restaurant reservation system, the rollout in Germany began in November 2014, in Munich. Other German cities and international urban centers will follow in 2015 and 2016.

The number of points of acceptance for the iPAYst mobile payment solution continued to increase in the year 2014, not just in Germany but also in Italy, through UMS Italia S.R.L. In addition, the foundation for operations in Spain with Mobile Payment System Espana S.L. is nearly completed. UMT gained access to the Turkish market in April 2014 on the strength of a joint venture with Ketchup, an Istanbul-based advertising and marketing agency which is well-known internationally. Ketchup specializes in the loyalty segment and has a very large network of customers which are of relevance for UMT's business alignment. The UMT payment platform is utilized by top customers as a sales enabling and customer loyalty tool within the framework of license agreements. By means of this relationship, UMT Turkey Mobil Anonim Sirketi has already been able to conclude a license agreement for the payment platform with the shopping center operator Zorlu.

In the year 2014, the iPAYst mobile payment solution was positioned primarily in the restaurant and e-commerce sectors. Some well-known and renowned customers in these markets, such as the VUE Maximilian restaurant in Munich's Hotel Vier Jahreszeiten and the online shop Lodenfrey, were successfully connected to the payment platform. The functionality and user-friendliness of the e-commerce solution has been demonstrated since August 2014. Due to integrated features like the air payment and tipping function within the mobile payment app, permanent added value has been created for a large number of renowned restaurants.

The conclusion of an agreement in November 2014 with Germany's leading provider of customer loyalty programs marks a milestone for UMT with respect to the positioning of its payment technology within the framework of a license agreement on the national and international level. Based on this agreement, the company's reach and the name recognition of the UMT payment platform will increase significantly.

The targeted focus on technical optimization of the iPAYst platform, particularly integration of the loyalty functionality, was the main theme of Financial Year 2014. As a result, the revenues which had been envisioned for 2014 will be generated later on, in the years 2015 and 2016. The arrangements and relationships with well-known partners in Germany and abroad which were forged in 2014 will form the basis for realization of the anticipated revenues. It was first necessary for the company to make appropriate investments in improving its platform. As a result, the downstream marketing and selling expenses were not needed to market and position the platform in the year 2014.

The introduction of iPAYst on point-of-sale terminals of afc Rechenzentrum GmbH, originally planned for 2014, has been postponed due to the new strategic business alignment, with a focus on the white label approach, so that a market standard can be established with the aid of partner multipliers, until the final product launch of the white label technology.

In view of the changes in the area of financial technology (FinTech), the company will have to be able to adapt to market requirements in order to remain competitive and attractive over the long term.

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 2013 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 2014.

Earnings Situation

Major changes in the earnings situation of UMT United Mobility Technology AG in 2014 compared to the corresponding period from the previous year:

UMT managed to close the year with net income of TEUR 121 (previous year: TEUR 478). The reason was essentially revenues, in the amount of TEUR 1,150 (previous year: 0). Personnel expenses (TEUR 161) increased over the previous year (TEUR 125) due to the hiring of an employee since the year began. Depreciation, amortization and write-offs increased somewhat over the year before, to TEUR 2.6 (2013: TEUR 2.2). Other operating expenses increased by almost TEUR 365, from TEUR 649 to TEUR 1,014.

The main individual item in this regard was legal and consulting costs of TEUR 767 (previous year: TEUR 446). Interest income amounted to TEUR 184 (previous year: TEUR 79), resulting from shareholder loans by UMT to UMS. This was juxtaposed by interest expenses for shareholder loans of TEUR 151 (previous year: TEUR 119).

Financial and Liquidity Situation

Major changes in the financial situation of UMT United Mobility Technology AG in 2014:

The equity ratio of UMT rose by 2.2% over 31 December 2013, from 82.9% to 85.1%. In absolute figures, shareholders' equity increased by TEUR 2,695 to TEUR 13,580 (31 December 2013: TEUR 10,885). This was essentially attributable to the net income of TEUR 121, the increase of the capital stock based on the cash capital increase in the summer of 2014 in the amount of TEUR 1,643 and payments made in this context to the surplus capital of TEUR 821.

A major portion of the total assets of UMT is attributable to the shareholding in UMS (TEUR 9,399) with 58.9% of total assets (31 December 2013: 71.6%) and accounts receivable from UMS, with 26.2% (TEUR 4,175; previous year: 12.1% or TEUR 1,587). UMS thus has a total weighting in the total assets of UMT of 85.1% (31 December 2013: 83.7%). The shareholdings in Latvia and Austria were added in 2014 at a total of TEUR 228.

The borrowings ratio amounted to 14.9% (31 December 2013: 17.1%) with borrowings of TEUR 2,375 (31 December 2013: TEUR 2,248). UMT's total capital rose from TEUR 13,134 by TEUR 2,821 to TEUR 15,955. The company was furnished with sufficient financial resources as of 31 December 2014. Liquid assets amounted to TEUR 1,331 as of 31 December 2014 (31 December 2013: TEUR 1,841). The cash-flow statement showed a negative operative cash flow of TEUR 2,456 (31 December 2013: TEUR -841) and negative cash flow from investment activity of TEUR 629 (31 December 2013: TEUR -182), juxtaposed by positive cash flow from financing activity of TEUR 2,574 (31 December 2013: TEUR 2,815).

Financial and Non-Financial Performance Indicators

Financial Performance Indicators

In 2014, the company earned EBIT of TEUR 100 (previous year: after factoring out one-time income: TEUR -769). In total, the return on equity amounted to 0.9% (previous year: 4.4%). The return on total assets before interest and taxes was 1.8% (previous year: 4.6%).

Non-Financial Performance Indicators

Personnel

As of the start of 2014, UMT has one employee aside from the Management Board.

Innovations

Innovations and new technologies are a key building block of the strategic further development of the company and thus a strength of the business program. A large part of the invested funds will be used, as in the previous year, to develop new and improve existing products of the wholly-owned subsidiary UMS United Mobile Services GmbH.

Supplemental Report

At the beginning of the year 2015, UMT acquired a total of 26% of shares in UMT Turkey Mobil Anonim Sirketi, with registered office in Istanbul. There is no need to report on any other events which occurred after the close of the reporting period or which would have required a significantly different presentation of the financial, liquidity and earnings situation of the company had they occurred beforehand.

Forecast, Opportunities and Risks

The business of UMS is conducted by the UMT Management Board. This warrants ongoing information and precise control over the business activity of UMT and its subsidiary UMS by the Management Board. The Board exercises control over the shareholdings through ongoing accounting reports and continuous monitoring of liquidity. The liquidity requirement is coordinated on an ongoing basis with the capital providers.

UMT has largely anchored its operative business in the shareholding in UMS. The going concern thus largely depends on the development of the wholly-owned subsidiary. The focus for the year 2015 will be on the positioning and sales of the payment platform, primarily as a white label solution, and on establishing the iPAYst product in the e-commerce segment. Also of substantial importance are other loyalty features that enable dealers to communicate better with their customers and to build customer relationships. The subject of customer relationships is of utmost importance due to the strong competition and high costs for companies when it comes to attracting new customers. Market researchers only see an opportunity for a long-term breakthrough in interplay with the insight into consumer behavior associated with payment transactions and the resulting long-term customer relationships.

The long-term added value of the UMT payment platform lies above all in the ability for strategic use of the entered data (big data). Moreover, all companies connected via the payment platform can be supported within their digital value-added strategy. Through optimal strategic and operational management, targeted improvements will be achieved with respect to customer relationship management, market positioning, maximizing profits and minimizing risks. Because of the resulting data volume,

UMT is extending its value chain on the subjects of white labeling and consulting with regard to data analytics.

Within the framework of its shareholdings, UMT will invest strategically in companies which can use their own mobile payment solutions and can therefore offer added value for the payment platform. With the investment in delinski GmbH, the plan is to expand the well-known last-minute restaurant reservation system in other major German cities, like Dusseldorf, Frankfurt, Hamburg and Berlin. The agreement which has already been concluded with UMT Turkey Mobil Anonim Sirketi concerning the licensing of the UMT payment platform in the Zorlu shopping center will be operationally implemented accordingly in the first half of Financial Year 2015. The UMT Management Board expects additional follow-up orders in connection with the joint venture with the leading marketing agency Ketchup in Turkey.

In addition, consulting services with conceptual support in the areas of payment and loyalty are being offered as an additional component of the license model and to generate revenues in other business segments. The majority of revenues in 2015 is expected to come from implementation fees, recurring royalties and transaction fees and from the consulting business. The shareholdings are also expected to generate significant earnings and continued strong growth in the year 2015. Assuming that further agreements are concluded as expected in the area of white labeling and that the company's own iPAYst payment platform continues to expand on a national and international level, the Management Board expects prosperous revenue growth in the year 2015. Revenues are expected to reach EUR 3.8 million in the year 2015. It is estimated that more than 80% of these revenues will be attributable to white labeling. The timing of revenue realization 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 high investment in personnel and the expansion of technical infrastructure, the company expects a slight increase in operating profit and a positive EAT for Financial Year 2015, since selling and marketing costs in the white label business are lower than in direct sales due to the use of multipliers.

The Management Board sees the risks of this business development above all in the need to allocate human resources to cover the needs of ongoing and future projects to a full extent and as quickly as possible. UMT has already made arrangements with appropriate specialists for this purpose and will hire new employees depending on the order situation in the future.

There is also a risk that large market operators with a great degree of market power and/or financial reserves will divide the market between themselves. UMT sees itself as being well-positioned in this regard, because iPAYst payment technology provides a payment method with substantial unique selling points. These include universal applicability and independent of individual vendors, as well as the ability to integrate targeted marketing actions. Accordingly, iPAYst offers vendors the ability for integration into the overall sales and loyalty process and guarantees the protection of user data. Since iPAYst sees itself as supporting vendors' overall sales process, rather than as a payment processor, UMT does not yet face competition from other payment processors, along with pressure on margins.

Potential default risks within the framework of payment settlement can largely be averted through access to credit rating agencies and special algorithms to identify potential default risks. Moreover, the default risk for vendors and thus also for iPAYst is limited with respect to credit card payments.

Investment risk is limited through the subsidiaries in Germany, Italy, Spain and Latvia, which are essentially only backed with equity. This also applies for the minority stake in delinski GmbH and the investment in UMT Turkey Mobil Anonim Sirketi, as well as further planned shareholdings and cooperations.

Financial risks and the secured capitalization of UMT constitute major considerations.

Based on the cash capital increase carried out in the summer of 2014 with subscription rights, UMT created the corresponding

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liquidity for its future business direction. As part of the rights issue (public offer) for shares in UMT, 485,900 new shares in the company were subscribed by and allotted to shareholders through the exercise of subscription rights to which they were entitled by law and regular oversubscription, and 1,156,667 shares were subscribed and allotted in the course of a private placement with institutional investors, at a price of EUR 1.50 per share. Upon the entry in the Commercial Register on 5 August 2014, the capital stock was increased by EUR 1,642,567 to EUR 14,789,550. Gross issue proceeds of TEUR 2,464 thus flowed to the company.

The Management Board has been authorized, by resolution of the shareholders in general meeting of 5 June 2014, to raise the capital stock once or several times, with the approval of the Supervisory Board, by a total of up to EUR 6,573,491 through 31 May 2019, 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 the first half of 2015 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 iPAYst platform in particular, is to be ensured.

The company's business plan is designed in such a way that expected costs can only be incurred 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. In particular, the continued existence of UMS will depend on the iPAYst product being used as a payment system and loyalty tool by customers and generating sufficient revenue. In addition, implementation by large market operators as part of the licensing model is of utmost importance. The company believes that it has a very good order situation in this regard, which was created in the year 2014. In view of its continued active participation in calls to tender in the area of white labeling, which will lead to incoming orders, and the continuing creation of national and international points of acceptance for the iPAYst platform, the Management Board continues to anticipate a very positive development in 2015 even in light of the risks presented above.

Munich, 15 April 2015

Dr. Albert Wahl
Management Board

UMT United Mobility Technology AG, Munich
Balance Sheet as of 31 December 2014

ASSETS	12/31/2014		Previous Year
	EUR	EUR	EUR
A. FIXED ASSETS			
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	<u>10,323.00</u>		<u>7,842.00</u>
		10,324.00	<u>7,843.00</u>
II. Financial assets			
1. Shares in affiliated companies	9,401,846.00		9,578,000.00
2. Investments	<u>799,001.00</u>		<u>1.00</u>
		10,200,847.00	<u>9,578,001.00</u>
		<u>10,211,171.00</u>	<u>9,585,844.00</u>
B. CURRENT ASSETS			
I. Inventories			
Properties intended for sale		0.00	15,000.00
II. Accounts receivable and other assets			
1. Trade receivables	0.00		2,676.99
2. Accounts receivable from affiliated companies thereof, with a residual term of more than one year: EUR 4,174,740.72 (previous year: 1,586,651.78)	4,174,740.72		1,586,651.78
3. Accounts receivable from Group companies	8,823.36		0.00
4. Other assets	<u>215,543.46</u>		<u>99,684.72</u>
		4,399,107.54	<u>1,689,013.49</u>
III. Cash on hand and in Federal Bank, cash in banks and checks			
		<u>1,330,638.32</u>	<u>1,840,906.23</u>
		<u>5,729,745.86</u>	<u>3 544 919.72</u>
C. DEFERRED CHARGES AND PREPAID EXPENSES			
		14,497.31	2,844.50
		<u>15,955,414.17</u>	<u>13,133,608.22</u>

UMT United Mobility Technology AG, Munich
Balance Sheet as of 31 December 2014

LIABILITIES	12/31/2014		Previous Year
	EUR	EUR	EUR
A. SHAREHOLDERS' EQUITY			
I. Subscribed capital			
1. Subscribed capital	14,789,550.00		13,146,983.00
2. less nominal amount of own shares	<u>(306,577.00)</u>		<u>(387,061.00)</u>
		14,482,973.00	<u>12,759,922.00</u>
II. Surplus capital		1,580,982.55	759,699.05
III. Earnings reserves		601,757.49	572,220.12
IV. Accumulated deficit			
1. Accumulated deficit	(3,206,477.01)		(3,684,149.78)
2. Net income	<u>120,876.61</u>		<u>477,672.77</u>
		<u>(3,085,600.40)</u>	<u>(3,206,477.01)</u>
		<u>13,580,112.64</u>	<u>10,885,364.16</u>
B. PROVISIONS AND ACCRUED LIABILITIES			
1. Other provisions and accrued liabilities		37,400.00	83,000.00
C. LIABILITIES			
1. Advance payments received on orders thereof with a residual of less than one year: EUR 100,000.00 (previous year: EUR 0.00)			
	100,000.00		0.00
2. Trade payables thereof with residual term of less than one year: EUR 76,544.71 (previous year: 15,795.59)			
	76,544.71		15,795.59
3. Liabilities due to affiliated companies thereof with a residual term of less than one year: EUR 227,221.40 (previous year: EUR 112,674.17)			
	227,221.40		112,674.17
4. Liabilities due to other Group companies thereof with a residual term of less than one year: EUR 1,892,880.53 (previous year: EUR 1,982,302.79)			
	1,892,880.53		1,982,302.79
5. Other liabilities thereof with a residual term of less than one year: EUR 38,197.97 (previous year: Eur 51,414.59); thereof, for taxes: EUR 16,417.97 (previous year: EUR 1,534.59)			
	41,254.89		54,471.51
		2,337,901.53	2,165,244.06
		<u>15,955,414.17</u>	<u>13,133,608.22</u>

UMT United Mobility Technology AG, Munich
Income Statement for the Financial Year from 1 January to 31 December 2014

	2014	Previous Year
	EUR	EUR
1. Gross profit	1,277,645.69	1,304,159.23
2. Personnel expenses	(151,325.53)	(121,681.08)
a) Wages and salaries		
b) Social security, pension and other benefit costs	<u>(9,839.72)</u>	<u>(3,735.60)</u>
	(161,165.25)	(125,416.68)
3. Depreciation, amortization and write-offs on intangible assets, plant, property and equipment	(2,552.50)	(2,246.84)
4. Other operating expenses	(1,014,284.42)	(649,318.39)
5. Other interest and similar income thereof, from affiliated companies: EUR 184,412.95 (previous year: EUR 78,446.48)	184,413.95	78,519.58
6. Interest and similar expenses	<u>(151,070.44)</u>	<u>(119,302.79)</u>
7. Result from ordinary operations	132,987.03	486,394.11
8. Taxes on income	0.00	(8,312.34)
9. Other taxes	<u>(12,110.42)</u>	<u>(409.00)</u>
10. Net income	120,876.61	477,672.77
11. Loss carry-forward from previous year	<u>(3,206,477.01)</u>	<u>(3,684,149.78)</u>
12. Accumulated deficit	<u>(3,085,600.40)</u>	<u>(3,206,477.01)</u>

2014 Notes

I. General Information

The annual financial statements was 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 2013 and in 2014 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 HGB 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 costs or at the lower attributable value and is not subject to wear and tear.
- 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 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.
- Inventories are recorded at the acquisition or production costs or the lower stock exchange or market prices.
- 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.

II. Notes to the Items on the Balance Sheet

The extraordinary depreciation undertaken in 2012 on the shareholding in I-Mall GmbH was retained.

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

	Shareholding %	Shareholders' Equity as of 12/31/2014 TEUR	Result 2014 TEUR
UMS United Mobile Services GmbH, Munich (affiliated company)	100.00	- 3,576	- 2,223
UMS Italia S.R.L., Milan (investment)	49.00	303	-201
Mobile Payment System Espana S.L. (investment)	50.00	75	-92
iPAYst LLC, Riga (affiliated company)	100.00	1	-2
delinski GmbH, Vienna (investment)	22.50	195	-41

The future value of the shares indicated above (not including delinski GmbH, Vienna) largely depends on the performance of the iPAYst product in the coming years.

The investment in UMS Italia S.R.L., Milan, in the amount of TEUR 409 (previous year: TEUR 164), and the investment in Mobile Payment System Espana S.L., Barcelona, in the amount of TEUR 165 (previous year: TEUR 15), were recognized in the previous year under shares in affiliated companies. This year, an opportunity for control is no longer seen for these investments.

The real estate recognized under inventories in the previous year was sold in the year 2014.

Accounts receivable from affiliated companies related to a loan to UMS United Mobile Services GmbH, including deferred interest, TEUR 1,400 of which has been subordinated. The future value of accounts receivable from affiliated companies largely depends on the performance of the iPAYst product in the coming years.

Other assets of TEUR 216 (previous year: TEUR 100) essentially include VAT tax claims (TEUR 171). In the previous year, other assets essentially related to VAT tax claims (TEUR 62) and a short-term claim against the company's Management Board (TEUR 25).

The capital stock consists of 14,789,550 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 13,146,983 bearer shares with a par value of EUR 1.00 each.

At the general meeting of 5 June 2014, it was resolved to increase the company's capital stock of EUR 13,146,983.00, divided into 13,146,982 bearer shares with a par value of EUR 1.00 per share, by up to EUR 10,000,000.00, to as much as EUR 23,146,983.00, by way of an ordinary capital increase, through the issuance of up to 10,000,000 new bearer shares with a par value of EUR 1.00 per share. The new shares are to participate in the company's profits as of 1 January 2014. The new shares will be issued at a minimum issue amount of EUR 1.00 per share. The Management Board and Supervisory Board are authorized to define the actual issue amount.

The capital increase based on the resolution of the shareholders in general meeting on 5 June 2014 was executed in the amount of EUR 1,642,567. By resolution of 31 July 2014, the Supervisory Board adopted the corresponding amendment to § 6 (Capital Stock, Shares) of the Articles of Association. The new capital stock, in the amount of EUR 14,789,550.00, was entered into the Commercial Register on 6 August 2014.

The maximum authorized capital of EUR 5,500,000.00 approved by the shareholders in general meeting on 13 June 2013 was cancelled in the general meeting of 5 June 2014.

At the general shareholders' meeting on 5 June 2014, 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 6,573,491, by issuing up to 6,573,491 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 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, both at the time this authorization takes effect and at the time the authorization is exercised; shares which are issued or sold with subscription rights excluded in direct or indirect application of § 186(3), Sentence 4 of the Corporation Act count towards the limit of 10% of the capital stock. Accordingly, the sale of own shares counts towards the limit of 10% of the capital stock if the sale is made with subscription rights excluded based on an authorization to sell own shares which is valid at the time the authorized capital takes effect;
- 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 thus 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 2014, 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 856,795.50 (previous year: EUR 886,322.87) (reduction of earnings reserves based on acquisition of own shares).

In the financial year, the company acquired 135,713 of its own shares (acquisition, statement of shareholders' equity: acquisition of own shares), whereby EUR 135,713.00 was deducted from the capital stock and the earnings reserves were reduced by EUR 54,265.63. 216,197 own shares were sold for sale proceeds of EUR 300,000.00 for the acquisition of assets (services; statement of shareholders' equity: issue of shares), whereby EUR 216,197.00 were transferred to the capital stock and EUR 83,803.00 to the earnings reserves of the company. The proceeds were used to cover the current costs. As of 31 December 2014, the company had 306,577 own shares (previous year: 387,061).

The advance payments received, in the amount of TEUR 100 (previous year: TEUR 0), consist internally of an account payable to affiliated companies.

With respect to the liabilities to other Group companies of TEUR 1,893 (previous year: TEUR 1,982), trade payables accounted for TEUR 0 (previous year: TEUR 230).

Liabilities due to other Group Companies included liabilities of TEUR 200 (previous year: TEUR 200) from a purchase price repayment obligation in connection with the sale of the easement on the property in Leipzig/Wiederitzsch. The liability was secured through the conveyance of securities in the form of 286,000 of the company's own shares. This risk of actual recourse is deemed to be very improbable, because the liability has already been reduced compared to the previous year and is it moreover planned to repay the full amount of the liability.

Other liabilities contain tax liabilities in the amount of TEUR 16 (previous year: TEUR 2).

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 by way of security of assets of UMS United Mobility Services GmbH, assurance of liabilities due to other Group companies through conveyance by way of security of 286,000 own shares.

III. Notes to the Items on the Income Statement

Of the other interest and similar income, TEUR 184 (previous year: TEUR 79) resulted from interest from affiliated companies.

IV. Miscellaneous

Information

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 12/31/2014 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 UMS Italia S.R.L. and Mobile Payment System Espana S.L., as well as iPAYst LLC.

Information on the Officers:

Management Board

Since 18 December 2009, Dr. Albert Wahl, born on 27 July 1960, was appointed as Management Board member with powers of sole representation.

Supervisory Board

Composition of the Supervisory Board since 5 June 2014:

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

The total remuneration of the Supervisory Board amounted to TEUR 35 in financial year 2014.

In the reporting period, UMT United Mobility Technology AG employed one person in the terms of § 285(1)7.

Munich, 15 April 2015

Dr. Albert Wahl
Management Board

Statement of Shareholders' Equity

as of

31 December 2014

UMT United Mobility Technology AG, Munich

	Subscribed Capital	Acquired Own Shares	Surplus Capital	Earnings Reserves	Earned Shareholders' Equity	Total
	EUR	EUR	EUR	EUR	EUR	EUR
As of 01/01/2013	11,000,000.00	-340,000.00	8,255.00	608,552.99	-3,684,149.78	7,592,658.21
Issue of shares	2,146,983.00	20,000.00	751,444.05	3,380.00		2,921,807.05
Acquisition/redemption of own shares		-67,061.00		-39,712.87		-106,773.87
Result for the period					477,672.77	477,672.77
Balance as of 12/31/2013	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

CASH-FLOW STATEMENT (direct)	Financial Year	Previous Year
from		
01/01/2014 to 12/31/2014		
UMT United Mobility Technology AG, Munich		
	EUR	EUR
Payments received from customers for the sale of products, merchandise and services	1,267,676.99	-148.96
- Payments made to suppliers and employees	1,130,038.80	748,959.43
+ Other payments received that are not allocable to investment or financing activity	836,868.25	1,295,412.24
- Other payments made that are not allocable to investment or financing activity	3,430,008.90	1,387,449.76
Cash flow from current business activity	-2,455,502.46	-841,145.91
- Payments made for investments in plant, property and equipment	5,791.32	3,451.95
- Payments made for investments in financial assets	622,846.00	179,000.00
Cash flow from investment activity	-628,637.32	-182,451.95
Payments received from equity acquisitions	2,763,850.50	2,921,807.05
- Payments made to business owners	189,978.63	106,773.87
Cash flow from financing activity	2,573,871.87	2,815,033.18
Changes in cash and cash equivalents (total cash flows)	-510,267.91	1,791,435.32
+ Cash and cash equivalents at start of period	1,840,906.23	49,470.91
Cash and cash equivalents at end of period	1,330,638.32	1,840,906.23

6.1.7 Auditor's Opinion

Auditor's Opinion

to UMT United Mobility Technology AG, Munich:

We have audited the annual financial statements (consisting of a balance sheet, income statement, statement of shareholders' equity, cash-flow statement and notes), the accounting and the management report of UMT United Mobility Technology AG, Munich for the financial year from 1 January to 31 December 2014. The legal representatives of the company are responsible for the accounting and for preparing the annual financial statements and management report in accordance with the provisions of German commercial law. It is our task to issue an opinion on the annual financial statements, the accounting and the management report on the basis of the audit we have conducted.

We have conducted our audit in accordance with § 317 of the Commercial Code with due regard to the German generally accepted auditing principles issued by the German Independent Auditors' Institute (IDW). In accordance therewith, the audit is to be planned and conducted so that any inaccuracies and breaches which could have a significant effect on the presentation of the view of the financial, liquidity and earnings positions conveyed by the annual financial statements with due regard to the principles of orderly accounting (*GoB*) and by the management report will be detected with sufficient certainty. Knowledge of the business activity and of the economic and legal environment of the company and the expectations regarding potential errors have been taken into account when determining the audit procedures. Within the framework of the audit, the validity of the internal controlling system for the accounting and the documentation of the information in the accounting, annual financial statements and management report have been assessed largely on the basis of random sampling. The audit encompasses the assessment of the applied accounting principles, the material estimates of the legal representatives as well as the overall presentation of the annual financial statements and the management report. We are of the opinion that our audit forms a sufficiently secure basis for our assessment.

Our audit did not lead to any objections.

According to our assessment based on the findings obtained in our audit, the annual financial statements meet the provisions of law and provide a true and fair view of the financial, liquidity and earnings position of the company with due regard to the principles of orderly accounting (*GoB*). The management report is consistent with the annual financial statements and provides an accurate view of the company's situation as a whole and accurately presents the opportunities and risks associated with future development.

Munich, 15 April 2015

Roedl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Report of the Supervisory Board of United Mobility Technology AG Concerning Its Activity in Financial Year 2014

Dear shareholders,

The Supervisory Board hereby issues the following report on its activity in financial year 2014:

The Supervisory Board carried out the tasks incumbent upon it in accordance with the law and the Articles of Association in financial year 2014 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 2014, four Supervisory Board meetings took place on the following dates: 7 April, 16 April, 9 September and 11 December. 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 particular, the Management Board kept the Supervisory Board informed on an ongoing basis about the course of events and progress towards the conclusion of a "white label" agreement for the "iPAYst" product with a major loyalty card provider, and it coordinated with the Supervisory Board as well.

At the Supervisory Board meeting on 7 April, the 2013 annual financial statements were discussed in advance. In addition, the Management Report reported on a change in the company's business alignment in the year 2014. Moreover, the modalities of a share capital increase were considered.

At the Supervisory Board meeting on 16 April, the Management Board presented the Supervisory Board with the audited and certified annual financial statements as of 12/31/2013. 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 12/31/2013.

At the meeting on 9 September, recent business developments were discussed, particularly with respect to the contractual negotiations concerning the white label use of "iPAYst" with a major loyalty card provider.

The subject of the Supervisory Board meeting on 11 December was implementation of the white label agreement which has now been concluded, as well as the performance of foreign investments, particularly in Turkey. Future capital market strategy was also discussed, as well as preparations for compiling the 2014 financial statements.

In financial year 2014, there were no committees of the Supervisory Board, nor were any new committees formed.

The 2014 annual financial statements and management report prepared by the Management Board in accordance with the provisions of the German Commercial Code were audited by Roedl & 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 2014 in due time before the meeting on 24 April 2015. The annual financial statements were discussed at the Supervisory Board meeting on 24 April 2015 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 2014 were thus adopted pursuant to § 172 of the Corporation Act on 24 April 2014.

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 2014 financial year just closed.

Munich, 24 April 2015

For the Supervisory Board

Walter Raizner
Chairman of the Supervisory Board