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## Interim Financial Statements

as of 30 June 2014

**UMT United Mobility Technology AG**

Brienner Straße 7

80333 Munich

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Balance Sheet as of 30 June 2014  
UMT United Mobility Technology AG, 80333 Munich

| ASSETS  | EUR          | 06/30/2014<br>EUR | 12/31/2013<br>EUR |  | EUR           | 06/30/2014<br>EUR | 12/31/2013<br>EUR | LIABILITIES   |
|---|--------------|-------------------|-------------------|--|---------------|-------------------|-------------------|---------------|
| <b>A. Fixed assets</b>  |              |                   |                   | <b>A. Shareholders' equity</b>   |               |                   |                   |               |
| I. Plant, property and equipment  | 6,720.03     | 9,967,567.03      | 7,843.00          | I. Subscribed capital  | 13,146,983.00 |                   |                   | 13,146,983.00 |
| II. Financial assets  | 9,960,847.00 |                   | 9,578,001.00      | Own shares   | 395,307.00-   |                   |                   | 387,061.00-   |
| <b>B. Current assets</b>  | 100,000.00   | 3,399,806.86      | 15,000.00         | Called-in capital  |               | 12,751,676.00     | 12,759,922.00     |               |
| I. Inventories  | 2,875,042.87 | 0.00              | 1,689,013.49      | II. Surplus capital  |               | 759,699.05        | 759,699.05        |               |
| II. Accounts receivable and other assets<br>- thereof, with a residual term of more than one<br>year: EUR 2,263,890.77 (EUR 0.00) |              |                   |                   | III. Earnings reserves   |               | 570,151.44        | 572,220.12        |               |
| III. Cash on hand and in Federal Bank, cash in<br>banks and checks  | 424,763.99   |                   | 1,840,906.23      | IV. Loss carry-forward   |               | 3,206,477.01-     | 3,684,149.78-     |               |
| <b>C. Deferred charges and prepaid expenses</b>   |              |                   | 2,844.50          | V. Net loss  |               | 206,133.67        | 477,672.77        |               |
|   |              |                   |                   | <b>B. Provisions and accrued liabilities</b>   |               | 68,500.00         | 83,000.00         |               |
|   |              |                   |                   | <b>C. Liabilities</b>  |               | 2,217,690.74      | 2,165,244.06      |               |
|   |              |                   |                   | - thereof with a residual term of up to one year:<br>EUR 2,217,690.74 (EUR 2,165,244.06) |               |                   |                   |               |
|   |              | 13,367,373.89     | 13,133,608.22     |  |               | 13,367,373.89     | 13,133,608.22     |               |

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Income Statement for the Period from 01/01/2014 to 06/30/2014  
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|  | Financial Year<br>EUR | Previous Year<br>EUR |
|--|-----------------------|----------------------|
| <b>1. Gross profit</b>   | 437,941.81            | 444,138.32           |
| 2. Personnel expenses  |                       |                      |
| a) Wages and salaries  | 73,800.00             | 60,000.00            |
| b) Social security, pension and other benefit costs  | <u>4,838.78</u>       | <u>1,867.80</u>      |
|  | 78,638.78             | 61,867.80            |
| 3. Depreciation, amortization and write-offs on<br>a) intangible assets, plant, property and equipment | 1,122.97              | 1,001.47             |
| 4. Other operating expenses  | 168,308.69            | 147,677.48           |
| 5. Other interest and similar income   | 71,270.63             | 22,019.92            |
| 6. Interest and similar expenses   | <u>55,000.00</u>      | <u>35,424.36</u>     |
| <b>7. Result from ordinary operations</b>  | 206,142.00            | 220,187.13           |
| 8. Taxes on income   | 8.33                  | 18,654.35            |
| 9. Other taxes   | <u>0.00</u>           | <u>409.00</u>        |
| <b>10. Net income</b>  | <u>206,133.67</u>     | <u>201,123.78</u>    |

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## I. General Information

The interim 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 (*Aktiengesetztes; 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 were used in part for the preparation (§§ 276 and 288 of the Commercial Code) of the annual financial statements.

### 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 pursuant to § 275(2) of the Commercial Code.

### Accounting Methods

The interim 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 which are permanently dedicated to serve the business operations are disclosed. 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

valuated 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 valuated as follows:

- The undeveloped property disclosed under the item "Properties, leasehold rights and buildings" has been valuated at the acquisition costs or at the lower attributable value and is not subject to wear and tear.
- Plant, property and equipment has been valuated 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 written off.
- 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 can be derived from the following overview.

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Notes to the Interim Financial Statements as of 30 June 2014  
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|   | Shareholding | Shareholders' Equity<br>as of 06/30/2014 | Result<br>as of 06/30/2014 |
|---|--------------|--|----------------------------|
|   | %            | TEUR                                     | TEUR                       |
| UMS United Mobile Services GmbH,<br>Munich      | 100.00       | - 1,690                                  | - 356                      |
| iPAYst LLC,<br>Riga                             | 100.00       | -  | -                          |
| Mobile Payment System Espana S.L.,<br>Barcelona | 50.00        | 17                                       | - 3                        |
| UMS Italia S.R.L.,<br>Milan                     | 49.00        | 62                                       | - 107                      |

Real estate intended for sale was disclosed under inventories.

Accounts receivable from affiliated companies related to a loan to the subsidiary UMS United Mobility Services GmbH, including deferred interest in the amount of TEUR 2,264 (previous year: TEUR 899), TEUR 1,400 of which has been subordinated.

Other assets amounted to TEUR 251 (previous year: TEUR 158). The capital stock consists of 13,146,983 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 11,000,000 bearer shares with a par value of EUR 1.00 each.

At the general shareholders' meeting on 13 June 2013, 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 5,500,000, by issuing up to 5,500,000 new shares in return for cash and/or non-cash contributions, while excluding the subscription rights of the shareholders

- in the event of a capital increase in return for cash contributions, as necessary to avert fractional amounts; or
- in the event of a capital increase in return for non-cash contributions, insofar as the capital increase occurs to acquire enterprises, shareholdings in enterprises, patents or other industrial property rights or licenses or an aggregate of assets forming a business; or
- in the event of a capital increase in return for cash contributions, provided the capital increase does not exceed 10% of the capital stock with the submission of other capital measures already adopted or carried out in accordance with § 186(3), Sentence 4 of the Corporation Act in the authorization

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period or with the sale of own shares, and provided the issue price is not significantly below the stock exchange price; or

- if the exclusion of the subscription rights lies in the well comprehended interests of the company.

Use was made of the authorization by the Management Board with the approval of the Supervisory Board in August 2013 and the capital stock was increased by EUR 2,146,983.00 (entry in the Commercial Register on 28 August 2013).

As of 30 June 2014, there was no distributable shareholders' equity. Moreover, based on the own shares held by the company, there was a dividend freeze in the amount of EUR 888,401.55 (reduction of earnings reserves based on acquisition of own shares).

In the financial year, the company acquired 8,246 of its own shares (acquisition, statement of shareholders' equity: acquisition of own shares), whereby EUR 8,246 was deducted from the capital stock and the earnings reserves were reduced by EUR 2,068.68. As of 30 June 2014, the company held 395,307 of its own shares (previous year: 350,345).

Liabilities to other Group companies amounted to TEUR 2,037 (previous year: TEUR 1,982), with trade payables accounting for TEUR 0 (previous year: TEUR 0).

Liabilities due to other Group Companies included liabilities of TEUR 200 (previous year: TEUR 200) from an 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. The risk of actual recourse is deemed to be very improbable, because the liability has already been reduced compared to the past and it is moreover planned to repay the full amount of the liability.

Other liabilities contain tax liabilities in the amount of TEUR 3 (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 71 (previous year: TEUR 22) resulted from interest from affiliated companies.

### IV. Miscellaneous

#### Consolidated Financial Statements

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

#### Information on the Officers

##### Management Board

Since 18 December 2009, Dr. Albert Wahl, born on 27 July 1960 (Graduated Economist), has served as Management Board member with powers of sole representation.

##### Supervisory Board

Composition of the Supervisory Board since 30 September 2011:

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

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

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

Munich, 31 August 2014

Dr. Albert Wahl  
Management Board

## **Foundations of the Company**

### **Business Model**

As a publicly traded parent corporation, UMT United Mobility Technology AG (UMT) conceives of itself as a company that supports innovative enterprises in a hands-on, revenue-oriented approach. This means that UMT's shareholdings are supported and developed by the Management and Supervisory Boards with their experience, industry expertise and global contacts with industrial companies, research institutions and capital market experts. UMT focuses on the early identification of 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 holds shares in UMS United Mobile Services GmbH, UMS Italia S.R.L. and Mobile Payment System Espana S.L. At the start of this year, a further subsidiary, iPAYst LLC, was formed in Riga. Since April 2014, UMT has held a share in Vienna-based Delinski GmbH.

UMT's strength lies in the development of apps. The operative business relating to technology apps largely transpires within its wholly-owned subsidiary, UMS United Mobile Services GmbH (UMS). As a software smith, UMS is responsible for the development of mobility and service apps, particularly for smartphones, the focus of the product portfolio being the iPAYst application, which enables mobile payment via smartphones, tablets and other mobile devices. iPAYst is being established on the market directly under its own brand and offered under a white label as a mobile technology for UMT customers. UMT currently has a user reach of more than 50,000 customers and a total of 250 acceptance points, and counting.

### **Research and Development**

Development activities in the first half of 2014 were essentially conducted by UMS, above all in relation to the iPAYst product. Not only were the strict payment functions extended and improved, but emphasis was placed on developing functions that provide significant added value for e-commerce and brick-and-mortar retail stores.

## **Economic Report**

### **Macro and Sector-Related Framework Conditions**

For the first half of 2014 as a whole, an increase in German GDP of 0.8% resulted compared to the second half of 2013, adjusted for price, seasonal and calendar effects. According to the latest estimates, the German economy grew 0.7% in the first quarter of 2014. In the second quarter of 2014, gross domestic product in Germany amounted to around EUR 723.97, adjusted for seasonal and calendar effects. According to the current forecasts of the German Federal Government, GDP is to increase over the previous year by a total of 1.8% (source: Federal Statistics Office / Statista GmbH, [www.statista.com](http://www.statista.com)).

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According to surveys conducted by the Gartner marketing institute, revenue from mobile payment services last year totaled USD 235 billion, with EUR 8.17 billion in turnover with smartphones in Germany alone. In 2014, revenue is supposed to increase to a total of EUR 8.67 billion. According to current forecasts, this figure is to triple by 2017 (source: Statista GmbH, [www.statista.com](http://www.statista.com)). A current study from PricewaterhouseCoopers forecasts fast-growing market volumes for mobile payment services via smartphones and tablets. In the B2C segment alone, industry experts anticipate revenue from mobile payment transactions in Germany of EUR 500 million in 2020 (source: PwC, [www.pwc.de](http://www.pwc.de)).

In the first half of 2014, UMT continued to focus on further developing, intensively marketing and positioning the iPAYst product of its wholly-owned subsidiary UMS United Mobile Services GmbH on a national and international level.

Based on the economic framework conditions and its business segment, UMT is active with its strategic business approach in one of today's most exciting market environments. The increasing dissemination of smartphones together with the likewise sharply increasing consolidation of brick-and-mortar and digital shops is creating new possibilities for electronic payment methods. The number of users in the mobile payment segment will increase by nearly 63 million by the end of 2017 (source: Statista GmbH, [www.statista.com](http://www.statista.com)).

### **Course of Business**

The first half of financial year 2014 for UMT was influenced by the international strategic expansion of the company's investment portfolio and by the further national and international positioning of the iPAYst product. Not only on the German market but also in Italy and Spain, the UMT subsidiaries UMS Italia S.R.L. and Mobile Payment System Espana S.L. managed to further expand the number of acceptance points for the iPAYst mobile payment solution.

At the start of this year, iPAYst LLC was formed as a further subsidiary in Riga as a basis for expansion in the Baltic markets and eastern Europe. In addition to the proliferation of the iPAYst mobile payment solution and creation of strategic added-value solutions for e-commerce and brick-and-mortar retail stores, UMT has aligned itself as a mobile solutions enabler. iPAYst is being established on the market directly under its own brand and as a white label. The international expansion of the company's shareholding portfolio in March of this year also plays a role in this regard. UMT acquired a total of 22.5% of the shares in Vienna-based Delinski GmbH. Through this strategic shareholding, the potential to create further iPAYst acceptance points has been significantly increased. With well over 20,000 users and 173 high-priced restaurants, Delinski is one of the most successful online smart table booking exchanges. The well-known platform for the best restaurants in the city is to be officially introduced in Munich in the fourth quarter of 2014, with further German cities, such as Duesseldorf, Frankfurt, Hamburg and Berlin, to follow soon. The common goal of UMT and Delinski GmbH is to position their products Europe-wide.

With respect to iPAYst, the Management Board assumes that because the product is very young in a fast-moving

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market, changes and additions will always have to be made to the business model and the product in order to stay attractive and competitive. After concluding its pilot test phase, the iPAYst product is currently in the market introduction and scaling phase.

Originally planned for the first half, the personnel expansion was postponed to the second half of 2014 due to the white label strategy for licensing the iPAYst base technology introduced in addition to the company's own iPAYst brand. Personnel expenses thus amounted to only TEUR 111 in lieu of the budgeted TEUR 1,236. Accordingly, instead of the originally planned TEUR 2,088 for marketing and other expenses, only TEUR 554 were spent.

### **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 30 June 2014.

### **Earnings Situation**

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

UMT concluded the first half with net income of TEUR 206 (previous year: TEUR 201), mainly due to other operating income of TEUR 435 (previous year: TEUR 452). Personnel expenses (TEUR 79) increased over the previous year (TEUR 62) due to the hiring of one employee since the start of the year. Depreciation, amortization and write-offs remained unchanged at TEUR 1 from the previous year (2013: TEUR 1). Other operating expenses increased by TEUR 20 from TEUR 148 to TEUR 168. The main individual item in this regard was legal and consulting costs of TEUR 105 (previous year: TEUR 86). Interest income amounted to TEUR 71 (previous year: TEUR 22), resulting from shareholder loans by UMT to UMS. This was juxtaposed by interest expenses for shareholder loans of TEUR 55 (previous year: TEUR 35).

### **Financial and Liquidity Situation**

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

The equity ratio of UMT remained nearly unchanged compared to 31 December 2013, weighing in at 82.9%. In absolute figures, shareholders' equity increased from TEUR 196 to TEUR 11,081 (31 December 2013: TEUR 10,885). The accumulated deficit decreased by TEUR 206 to TEUR 3,000 (31 December 2013: TEUR 3,206).

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A major portion of the total assets of UMT is attributable to the shareholding in UMS (TEUR 9,399; 70.3% of total assets) (31 December 2013: 71.6%), and accounts receivable from UMS (TEUR 2,264; 16.9% of total assets) (31 December 2013: TEUR 1,587). UMS thus has a total weighting in the total assets of UMT of 87.2% (31 December 2013: 83.7%). The shareholdings in Lithuania and Austria totaling TEUR 228 were added in the first half of 2014.

The borrowings ratio amounted to 17.1% (31 December 2013: 17.1%) with borrowings of TEUR 2,286 (31 December 2013: TEUR 2,248). Total capital of UMT thus rose from TEUR 13,134 by TEUR 233 to TEUR 13,367. The company was furnished with sufficient financial resources as of 30 June 2014. Liquid assets amounted to TEUR 425 as of 30 June 2014 (31 December 2013: TEUR 1,841).

### **Financial and Non-Financial Performance Indicators**

#### **Financial Performance Indicators**

In the first half of 2014, the Company earned EBIT of 105, after factoring out one-time income. In total, the return on equity amounted to 1.9%. The return on total assets before interest and taxes was 2%.

#### **Non-Financial Performance Indicators**

##### **Personnel**

Since the start of the year, UMT has employed one employee in addition to 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. Most of the invested resources are used to develop new and to further develop existing products for our wholly-owned subsidiary, UMS United Mobile Technology GmbH.

#### **Report on Events after the Closing Date**

On 26 June 2014, the Management Board of UMT AG resolved, with the approval of the Supervisory Board, to undertake an ordinary cash capital increase of the capital stock in an amount up to EUR 10,000,000.00. The capital stock of the company is to be increased through the use of the cash capital increase from EUR 13,146,983.00 to up to EUR 23,146,983.00. The new shares were offered for subscription to the shareholders within the framework of a public offering in accordance with the provisions of law at a subscription price of EUR 1.50 per new share. Unsubscribed shares, less the shares allocated in the overallotment, were offered within the

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framework of a private placement. The subscription offer was carried out after approval of the securities prospect by the Federal Financial Supervisory Authority in the period from 7 to 21 July 2014. Within the framework of the subscription offer, 485,900 new shares of the company were subscribed by the shareholders and allocated to them based on their statutory subscription rights and the standard over-allotment. In a private placement, 1,156,667 further shares were allotted to select institutional investors. On 31 July 2014, UMT announced that the capital increase had been executed for a total of 1,642,567 shares. On the same day, notification was sent to the Commercial Registry for entry of the capital increase.

With 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. The company received gross proceeds from this issue of TEUR 2,464.

UMT plans to use the capital flow to expand and strengthen its strategic partnerships and cooperations and to make further investments across the added-value chain in the mobile technology segment. Further technological development at the product level will thus be warranted at UMS, particularly with respect to the iPAYst mobile app.

### **Forecast, Opportunities and Risks**

The business of UMS is conducted by the UMT Management Board. This warrants a continuous flow of information and precise control over the business activity of UMT and the major shareholding in UMS by the Management Board. The Board exercises control over the shareholdings through continuous 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. For this reason, focus will continue to be placed on the national and international positioning of the iPAYst product and its white labeling. UMT has extended its added-value chain and will focus as a mobile technology and enabling company for the rest of financial year 2014 on full coverage of the areas "sales," "loyalty" and "payment" within its shareholdings. Critical are also further loyalty features that enable dealers to communicate better with their customers and thus to strengthen customer loyalty, which is becoming more and more important based on the heavy competition and high cost of acquiring new customers for businesses. Another reason is the sound financial base for a business represented by existing customers.

Mobile payment is taking on increasing importance. One of the world's leading software and hardware manufacturers recently provided the possibility with its newly introduced smartphone to pay with the phone using a fingerprint, thus achieving a further milestone in the entire mobile payment segment, clearly showing the trend

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to a mobile wallet. With its entire "sales," "loyalty" and "payment" service range, UMT feels that it is well positioned to support the full scope of the market. With its mobile iPAYst payment solution, and all the integrated features, UMT can act as a technology partner in the mobile payment segment and with customer loyalty programs.

UMT anticipates prosperous business development for the second half of 2014. The focus is the further expansion of acceptance points at the national and international level for the iPAYst product. UMT United Mobility Technology AG has already managed in the third quarter of 2014 to significantly expand the reach of iPAYst. This transpired through a cooperation with Galatasaray Sports Club, one of the most successful and popular Turkish soccer clubs and Champions League members. UMT's position in the retail trade managed to be extended even further through iPAYst's integration into the online shop of the exclusive Munich fashion designer Lodenfrey. Further strategic partnerships with major trading companies are on the agenda.

In addition to the subsidiaries in Italy, Spain and Lithuania and the shareholding in Delinski GmbH in Austria, the company's internationalization will continue in the direction of Turkey. UMT will procure access to the Turkish market through a joint venture. It is planned to establish iPAYst as a sales enabling and customer loyalty tool for top customers within the framework of licensing agreements.

The general statements made about "Risks and Opportunities" in the annual financial statements as of 31 December 2013 still essentially apply. Reference is made in this regard the presentation in the 2013 UMT Annual Financial Statements, which are available on the company's website at the following address: [www.umt.ag/de/investoren/finanzberichte](http://www.umt.ag/de/investoren/finanzberichte).

Unchanged since the publication of the 2013 annual financial statements in April 2014 is the risk that large market participants that have a great degree of market power and/or financial resources will divide the market between themselves. UMT sees itself as being well-positioned in this regard, because iPAYst, under its own brand or as a white label, is a payment method with significant unique selling points: iPAYst can be used universally and independently of dealers and integrated for targeted marketing strategies. Dealers can thus integrate iPAYst into the entire sales and loyalty process, assuring protection of user data. Because iPAYst does not view itself as a payment processor but as a provider of support for dealers throughout the sales process, UMT does not compete with payment processors under margin pressure.

Investment risk is limited through the subsidiaries in Italy, Spain and Lithuania, which are essentially only backed with equity. This also applies to the minority shareholding in Delinski GmbH and to further planned shareholdings and cooperations.

Key aspects are the financial risks and the secured capital resources of UMT. Within the framework of the cash capital increase carried out in July of this year with subscription rights, UMT procured liquidity for its further business alignment.

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The business planning of the company has thus been designed so that the planned costs are only triggered if there is sufficient financing. In this way, it is assured in each phase that the going concern is not jeopardized irrespective of the individual capital measures. The future going concern of UMS will depend particularly on the iPAYst product being used as a payment system by customers and generating sufficient revenue.

As a whole, even in light of the above-presented risks, the Management Board anticipates further promising growth in the second half of 2014.

Munich, 30 June 2014

Dr. Albert Wahl  
Management Board