



UMT United Mobility **Technology** AG

Financial Report for the First Half of 2019

Interim Consolidated Management Report and Abbreviated Consolidated Financial Statements for the period from 1 January to 30 June 2019*

Table of Contents

To our Shareholders

Foreword of the Management Board	03
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Abbreviated Interim Management Report

Basics of UMT Group	05
Economic Report	06
Position of UMT Group	09
Position of UMT AG	10
Forecast, Opportunities and Risks	11

Abbreviated Interim Financial Statements

Consolidated Balance Sheet	13
Consolidated Income Statement	14
Balance Sheet of UMT AG	15
Income Statement of UMT AG	16
Abbreviated Consolidated Notes	17

To our Shareholders

Foreword of the Management Board

Ladies and Gentlemen,
Dear Shareholders,

The advancing digitalization changes everything from the ground up. No matter whether it is our working life, our mediaconsumption behaviour or communication. One area that she also does not leave out is the way we pay our bills. Increasingly, customers are using the option of paying at the checkout via card money or smartphone (mobile payment). Even in Germany, which is now truly not one of the pioneers of digital payment, transactions are increasingly being settled cashlessly. In 2018 alone, the number of non-cash transactions in Germany totalled 22.6 billion according to the Bundesbank. This represents an increase of more than five billion compared with 2010. We positioned ourselves in this market at an early stage with our business model. With our services and products, we accompany and shape the megatrend of mobile payment. We also succeeded in doing this successfully in the first half of 2019.

UMT United Mobility Technology AG (UMT) continued to develop solidly in the reporting period. At TEUR 6,504, the Group's total operating performance in the first half of 2019 was up on the previous year (first half of 2018: TEUR 6,488). This is mainly based on revenues of TEUR 5,724 (first half of 2018: TEUR 5,325). EBITDA at Group level increased to TEUR 1,689 from TEUR 1,030 in the first half of the previous year. Group operating income before interest and taxes (EBIT) rose to TEUR 1,002 compared to TEUR 520 in the first half of the previous year.

The UMT Group closed the first six months of 2019 with a net income of TEUR 980 after TEUR 485 n the previous year.

Important decisions for the future

Just as the payment process is changing, UMT is also changing with it. Last year, we further sharpened our business model and adapted it to the requirements of the market with a view to the future. Following the acquisition of the licence rights by our long-standing cooperation partner PAYBACK in December 2018, we now have the opportunity to offer our white label solution and related consulting services to an extended customer base. Among other things, we focus our attention on the area of the Industrial Internet of Things (IoT). In Germany alone, there are over a thousand medium-sized companies that are world market leaders with their respective products.

UMT AG's technology is particularly suitable here for implementing pay-per-use and machine-to-machine (M2M) payment applications, in particular also using 5G, across all manufacturers and production processes. This market is characterized by an enormous transaction volume generated by a large number of customers.

In May 2019 we also introduced our App LOYAL. The successful launch of the App took place in August 2019 - only three months after its introduction - in the Apple App Store and Google Play Store

for iOS and Android operating systems. The App will now be successively expanded by all essential features in order to offer the user discounts, bonuses or cashbacks specially tailored to him. To this end, we are introducing the latest artificial intelligence (AI) techniques, such as Unsupervised Learning, Reinforcement Learning or NLP (Natural Language Processing), which we are currently training. In this way, new standards are set in the selection of the best deals and user relevance, and cross-language and cross-national distribution is made possible. With the Meta-App we use the considerably higher scalability of the B2C market and prove our flexibility and high implementation competence in penetrating new business areas.

At the Annual General Meeting in August 2019, the shareholders were convinced of the expanded Group strategy, which resulted in high approval rates for the proposed resolutions. One of the key items on the agenda was the reduction of the Company's share capital. The existing share capital of EUR 23,533,560.00 was reduced by EUR 21,180,204.00 to EUR 2,353,356.00 for the purpose of creating a free capital reserve. The aim is to increase the attractiveness of the share in line with operating performance.

UMT is well positioned thanks to the expansion of our business segment to include industrial applications and the exploitation of the potential of the consumer market, combined with the use of state-of-

the-art technologies. Thanks to the high technical penetration in the retail sector and our flexible platform, which we can now offer to many new customers expanded by Artificial Intelligence, Pay-per-Use and 5G, we feel well positioned to benefit from a market that continues to change to the advantage of the Group as a whole.

Munich, October 2019

Best regards,

Dr. Albert Wahl



Dr. Albert Wahl
CEO

Abbreviated Interim Management Report

Basics of UMT Group

Business Model

As a publicly traded parent corporation, UMT United Mobility Technology AG (UMT) supports innovative enterprises with a high entrepreneurial, implementation-oriented approach.

UMT Group offers its customers customized services and solutions with a focus on modern electronic payment systems for the private and industrial sector using the latest artificial intelligence (AI) methods.

In Germany alone, more than 14 million users can use UMT's mobile payment technology. This is based on the company's mobile payment and loyalty platform as well as the associated services, which are primarily offered using a licensing model as white label solutions.

These offerings make UMT one of the leading providers of mobile payment technology and integration services in Europe. In addition, the UMT Group offers its customers services in the area of customer loyalty programs and smart data along the entire value chain as well as consulting services, including ICOs (Initial Coin Offerings). With the innovative LOYAL App, UMT offers its users an efficient way to use loyalty programs as well as a mobile payment solution which meets current standards.

Subsidiaries and Investments

UMT holds shares in UMS United Mobile Services GmbH (UMS) in Munich and in the Riga-based iPAYst LLC. Another subsidiary is Mobile Payment System España S.L. in Barcelona. UMT Turkey Mobil A.S. based in Istanbul, SEKS - Serial Entrepreneurship Knowledge Society S.L. in Barcelona - and UMT USA Inc. in California are also part of the UMT Group.

Innovations, Research and Development

UMT Group offers its customers from industry and the private sector innovative and flexibly customizable solutions along the mobile payment and loyalty value chain as well as in the area of smart data. Innovations such as AI and other new technologies represent an important component of the Group's strategic development. The optimization and further development of the basic technology within the own platform and services, with a focus on the white label area, form the focus here. A large percentage of the Group's investments flow to UMS. The use of new technologies ensures that resources are utilized efficiently and effectively in a highly dynamic market environment. UMT Group will continue to adapt to market requirements in order to remain competitive and attractive in the long term in view of possible changes in the area of financial technology.

Economic Report

Macroeconomic environment

The International Monetary Fund (IMF) is increasingly sceptical about the global economy. In 2019, the global economy is expected to grow by only 3.2 percent of gross domestic product (GDP) and by 3.5 percent next year, the IMF announced in its July forecast. This is the third time this year that the institution has had to slightly lower its forecast. In April, the IMF had still forecast growth of 3.3 percent for 2019 and 3.6 percent for 2020. The most recent correction is based on the trade dispute between China and the United States. The uncertainty surrounding Britain's planned exit from the European Union and the tensions in the Gulf region also cloud the outlook. According to the IMF, the economy in the euro zone will continue to grow by 1.3 percent in 2019. The fund is raising its forecast for 2020 by 0.1 percentage points to 1.6 percent. Due to weaker international demand for German products, the German economy is likely to grow 0.1 percentage points more slowly this year, namely by 0.7 percent. For the coming year, the IMF is forecasting an increase of 1.7 percent.

According to the Federal Statistical Office (Destatis), German economic output weakened in the second quarter of 2019 compared with the previous quarter. The gross domestic product (GDP) fell by 0.1 percent compared with the first quarter of 2019. In the first quarter of the year, the German economy had still grown by 0.4 percent compared with the previous quarter. The development of foreign trade slowed economic growth in the second quarter of 2019, whereas positive impulses from the domestic economy supported the economy. Both government and private consumer spending rose

compared with the previous quarter of 2019, and investments also increased. Compared with the previous year, real GDP stagnated; adjusted for the calendar effect, the increase was 0.4 per cent, as one working day less was available in the second quarter of 2019 than a year earlier. In the first quarter of 2019, real GDP was 0.8 per cent higher than in the prior-year quarter.

According to the report of the German Institute for Economic Research (DIW) of October 2019, the leading German economic research institutes have revised their economic forecasts for Germany significantly downwards. While in the spring they had still assumed an increase in gross domestic product of 0.8 percent in 2019, they now expect only 0.5 percent growth. The weakening demand for capital goods is likely to have a dampening effect. The automotive industry, which is also important for German exports, is also facing major structural challenges. In this context, the stricter emission regulations in Europe and China should be mentioned among others. Fiscal policy, on the other hand, should have a supporting effect on macroeconomic expansion. Economic researchers have also lowered their forecast for the coming year to 1.1 percent after 1.8 percent in the spring. The political imponderables remain worldwide and burden foreign trade through the willingness of companies to invest. In particular, the risks associated with an escalation of the trade conflict and an unregulated Brexit are high.

General economic conditions in the industry

Smartphones continue to be an integral part of everyday life. The application possibilities are numerous, whether in the vocational employment or in the private everyday life. While around 300 million smartphones were delivered worldwide in 2010, by 2013 the figure had already risen to more than one billion. In 2018, smartphone sales amounted to more than 1.4 billion devices. After a phase of stagnation, the industry is facing a challenging development in the current year according to a forecast by the market research institute International Data Corporation (IDC). Growth will be driven primarily by markets such as India, Indonesia, Korea and Vietnam. China will continue to play a decisive role. 30 percent of all smartphones are sold in the Middle Kingdom. Contrary to the general trend, sales of smartphones in Germany are facing a new record. According to a forecast by the digital association Bitkom in August of this year, the market decisive for UMT AG will grow to a total turnover of EUR 11.9 billion. The number of smartphones sold remained stable at a high level at 22.4 million (2018: 22.6 million).

The market for mobile payment is also growing disproportionately fast worldwide. According to market research company Statista, however, the German mobile payment market is lagging far behind in an international comparison. In particular, the use of mobile payment systems in stationary retail has not yet established itself in Germany. The industry association Bitkom observes a decisive change in the payment behaviour of Germans. According to a study conducted in mid-2019, two thirds of all Germans would be annoyed if they could

not pay without cash. In 2018, the share of 53 percent was still significantly lower. Seen in this light, the acceptance of cashless payment is growing among the population and thus offers plenty of potential for catch-up effects compared to other international markets. In total, at least 140 online payment methods were available in 36 different countries in 2018. Customers preferably settled their invoices with an eWallet. Worldpay expects that the share of transactions settled with an eWallet at the Point of Sale (PoS) in 2018 was already 16 percent and thus in fourth place of retail sales. By 2022, this share is expected to grow to 28 percent.

The general economic and industry-specific conditions form a dynamically growing and promising market for the UMT Group in the mobile and digital payment and loyalty sector. UMT's full service platform fully meets the individual requirements of retailers and partners and offers sustainable added value in the business and end customer segments, especially as a continuous growth driver of sales revenues. By expanding its business area to industrial applications and exploiting the potential of the consumer market, combined with the use of state-of-the-art technologies such as AI, pay-per-use and 5G, UMT Group sees itself in an excellent position to profit from a market that continues to change to the advantage of the Group as a whole.

Course of Business

The Management Board of UMT United Mobility Technology AG (UMT) took decisive decisions to sharpen the business model and thus maintain the competitiveness of the Group while at the same time making it fit for the future. Overall, UMT also benefited in the first half of 2019 from the dynamic growth in demand for modern, cashless payment alternatives.

On 28 March 2019, the capital increase through contributions in kind resolved on 22 November 2018 was entered in the Commercial Register of the Munich Local Court. A total of 2,500,000 new no-par value ordinary bearer shares with a notional interest in the share capital of EUR 1.00 per share were allocated. The contribution to the new shares was made through the contribution of a loan receivable of EUR 2,500,000.00 from UMT AG by SWM Treuhand AG Wirtschaftsprüfungsgesellschaft. The conversion of these receivables from UMT AG into equity significantly reduced the interest burden for the company, the liabilities to shareholders were reduced substantially and without affecting liquidity, and equity was significantly strengthened strategically. With the entry in the commercial register, the share capital of UMT AG increased from EUR 21,033,569.00 to EUR 23,533,569.00.

Within the framework of the strategy adapted to market requirements, UMT was able to successfully implement further important projects. This was based on the cooperation between the Group and the multi-partner bonus programme PAYBACK, which was redefined in December 2018. As part of the further development of the UMT platform, PAYBACK acquired a licence from UMT for the independent operation of PAYBACK PAY and now manages the

customer-specific function model developed by UMT itself. UMT will thus be able to offer the functionalities previously used exclusively by PAYBACK to other interested parties as part of an open-loop solution in future, thus significantly expanding its potential customer base.

UMT focuses its attention in particular on the area of the Industrial Internet of Things (IIoT), since UMT's own technology is particularly suitable for the implementation of pay-per-use and M2M payment applications, and this across all manufacturers and production processes. The market opening up for the UMT Group is characterized by an enormous transaction volume generated by a large number of customers.

The development should be viewed in conjunction with the launch of the LOYAL Meta-App outside the reporting period in August 2019. The App is available for download from the Apple App Store and Google Play Store for iOS and Android operating systems. The App will gradually be expanded to include all the essential features and will thus be able to offer its users even more specially tailored discounts as well as bonuses or cashbacks when selecting their favorite voucher and incentive programs. In this context, UMT will use the latest artificial intelligence methods that are currently being trained. In this way, new standards are set in the selection of the best deals and in user relevance, while at the same time enabling cross-language and cross-national distribution.

The first online marketing activities have already led to a significant increase in LOYAL usage and have also shown in particular the effectiveness of the chosen measures and the correctness of the underlying assumptions. In the coming months, the user base can now be extended by expanding the marketing measures. The intensification of B2B sales is also beginning to bear fruit: on the one hand, the LOYAL network already comprises a three-digit number of partners, and on the other, the LOYAL team is also being approached proactively by partners. This underlines the great interest in the aggregation App and its numerous possibilities. The ongoing expansion of the LOYAL product categories and website will have a further positive impact on the LOYAL App and program.

Overall, the launch of LOYAL represents a significant and consistent extension of UMT AG's value chain as well as a significant step in its strategy to integrate cashless payment, loyalty programs and current deals - beyond pure mobile payment. With the expansion of its business area to industrial applications and the exploitation of the potential of the consumer market, combined with the use of state-of-the-art technologies, UMT Group is thus placing its business model on a broader basis.

Position of UMT Group

The basis for the presentation of the earnings, liquidity and financial situation as well as for the key ratios is to the annual financial statements as of 31 December 2018 in accordance with the German Commercial Code (HGB) and UMT Group internal reporting for the period from 1 January to 30 June 2019.

Earnings Position

Significant changes in the earnings position of UMT Group in the first half of 2019 compared to the corresponding period from the previous year:

In the first half of 2019, UMT Group recorded total performance of TEUR 6,504 (previous year: TEUR 6,488). This is based on revenues from operating activities (consulting, software as a service, licensing and transaction business) of TEUR 5,724 (previous year: TEUR 5,325), other operating income of TEUR 30 (previous year: TEUR 163) and own work capitalized of TEUR 750 (previous year: TEUR 1,000). The cost of materials (TEUR 4,008) increased compared to the same period of the previous year (TEUR 3,610). Personnel expenses fell to TEUR 476 compared to the previous year's figure of TEUR 573. Depreciation increased from TEUR 510 in the first half of 2018 to TEUR 687 in the reporting period. Other operating expenses fell significantly from TEUR 1,276 in the previous year to TEUR 334. Interest income amounted to TEUR 219 (previous year: TEUR 0) in the half-year under review. This is offset by interest and similar expenses of TEUR 239 (previous year: TEUR 35).

Financial Position

Significant changes in the financial situation of UMT Group in the first half of 2019:

As of 30 June 2019, the balance sheet total of the Group amounted to TEUR 23,653 (31 December 2018: TEUR 22,186). The increase in fixed assets is mainly due to the increase in shares in affiliated companies. Current assets mainly include an increase in trade receivables and receivables from affiliated companies.

UMT Group had sufficient financial resources as of 30 June 2019. Cash and cash equivalents amounted to TEUR 730 at the end of the reporting period (31 December 2018: TEUR 483).

The equity of UMT Group amounted to TEUR 22,682 as of 30 June 2019 (31 December 2018: TEUR 18,972). Liabilities decreased by TEUR 2,336 to TEUR 878 (31 December 2018: TEUR 3,214).

Financial and Non-Financial Performance Indicators

Financial Performance Indicators

In the first half of 2019, UMT Group generated EBIT of TEUR 1,002 (previous year: TEUR 520) and consolidated net income of TEUR 980 (previous year: TEUR 485).

Non-Financial Performance Indicators

Human Resources

In the first half of 2019, the UMT Group had an average of 24 permanent employees in addition to the Management Board and other management members. The Group's staff is supplemented by a changing number of external software developers. This is common practice in the industry and allows flexible adaptation to the market situation.

Position of UMT United Mobility Technology AG

The basis for the presentation of the earnings, liquidity and financial situation as well as for the key ratios is to the annual financial statements as of 31 December 2018 in accordance with the German Commercial Code (HGB) and UMT United Mobility Technology AG internal reporting for the period from 1 January to 30 June 2019.

Earnings Position

Significant changes in the earnings position of UMT United Technology Mobility AG in the first half of 2019 compared to the corresponding period from the previous year:

In the first half of 2019, UMT AG generated revenues of TEUR 640 (previous year: TEUR 1,550) and operating income of TEUR 19 (previous year: TEUR 150). The majority of the revenues generated are attributable to the white label business and thus to UMT's core business.

Personnel expenses (TEUR 93) were at the level of the previous year (TEUR 97). At TEUR 3, depreciation decreased slightly compared to the previous year (TEUR 4). Other operating expenses fell to TEUR 368 (previous year: TEUR 730). Interest income amounted to TEUR 218 in the first half of 2019 (previous year: TEUR 642). This is offset by interest expenses for shareholder loans amounting to TEUR 21 (previous year: TEUR 35). UMT AG closed the first half-year with a net income of TEUR 153 (previous year: TEUR 226).

Financial Position

Significant changes in the financial situation of UMT United Mobility Technology AG in the first half of 2019:

In the first half of 2019, the total capital of UMT AG increased by TEUR 248 from TEUR 26,947 as of 31 December 2018 to TEUR 27,195. The equity ratio rose from 88.7 percent as of 31 December 2018 to 97.6 percent as of the end of the first half of 2019. In absolute figures, equity amounted to TEUR 26,548 as of 30 June 2019 (31 December 2018: TEUR 23,901).

The investment in UMS (TEUR 9,649) accounts for 34.6 percent of the balance sheet total (31 December 2018: 34.9 percent) and receivables from the loan to UMS for 56.6 percent (TEUR 15,398; 31 December 2018: 54.9 percent; TEUR 14,465) and continues to account for a significant share of UMT's total assets. As a result, UMS had a weighting of 91.2 percent of UMT's total assets as of 30 June 2019 (31 December 2018: 89.7 percent).

The debt capital ratio as of 30 June 2019 was 2.4 percent (31 December 2018: 11.3 percent) with debt capital of TEUR 647 (31 December 2018: TEUR 3,046). Cash and cash equivalents amounted to TEUR 44 as of 30 June 2019 (31 December 2018: TEUR 450). The

other securities classified as current assets amounting to TEUR 390 (31 December 2018: TEUR 963) are funds that were invested in near-money market investments.

Forecast, Opportunities and Risks

For the Group, the conscious assumption of calculable risks and the consistent exploitation of the associated opportunities form the basis for entrepreneurial action within the framework of value-oriented corporate management.

UMT Group continues to operate in a highly fragmented and heterogeneous market environment for payment service providers. There is a risk that competitors that already hold significant market shares and/or the corresponding financial resources could divide the market among themselves in the long term.

The forecast and estimates of opportunities and risks have not changed significantly since 31 December 2018. In this regard, reference is made to the detailed presentation in the Annual Report 2018 of the UMT Group starting on page 15, which can be downloaded from the Company's website at www.umt.ag.

In summary, it can be stated that forecasts of any kind regarding the future business development of UMT depend on the further market penetration of mobile payment options in stationary retail as well as in e-commerce. As explained above, the development of the mobile payment market itself will primarily be determined by the extent to which customers will in future not only accept the mobile phone as a means of payment but also use it. Due to the difficulty of guaranteeing the validity of forward-looking statements, forecasts are subject to a high degree of uncertainty, particularly with regard to their dependence on a large number of variables.

With its business orientation and the expansion of its value chain, UMT considers itself to be well positioned in the market and expects continued positive development for the current fiscal year, also against the background of the risks described above.

The Management Board anticipates an improvement in sales and operating earnings on the basis of a market that continues to change to the advantage of the Group as a whole.

Munich, October 2019

Dr. Albert Wahl
CEO of UMT United Mobility Technology AG



Dr. Albert Wahl
CEO

Abbreviated Interim Financial Statements

CONSOLIDATED BALANCE SHEET

as of 30 June 2019

ASSETS / in EUR	30/06/2019		31/12/2018	
A. FIXED ASSETS				
I. Intangible assets				
1. Self-created industrial property rights and similar rights and duties	6,185,124.79		6,115,070.00	
2. Purchased concessions, industrial property rights and similar rights and assets, and licenses in such rights and assets	45,831.51		49,404.00	
3. Goodwill	12,184,999.67	18,415,955.97	12,184,999.67	
II. Property, plant and equipment				
1. Other equipment, fixtures, fittings and equipment	6,779.70		10,243.00	
2. Advance payments and assets in process of construction	0.00	6,779.70	0.00	
III. Financial assets				
1. Shares in affiliated companies	250,148.40		13,985.15	
2. Investments	994,527.20	1,244,675.60	994,527.20	
B. CURRENT ASSETS				
I. Accounts receivable and other assets				
1. Trade receivables	736,292.77		304,515.53	
2. Receivables from companies with which an equity interest exists	95,000.00		0.00	
3. Accounts receivable from affiliated companies	8,875.03		8,875.03	
4. Other assets	1,924,803.34	2,764,971.14	1,049,843.48	
II. Securities				
1. Other securities		390,341.74	962,540.00	
III. Cash on hand, Bundesbank balance, bank balances and checks				
		730,449.07	483,223.39	
C. DEFERRED CHARGES AND PREPAID EXPENSES		6,261.21	9,268.21	
Other assets		93,565.60	0.00	
		23,653,000.03	22,186,494.66	

LIABILITIES / in EUR	30/06/2019		31/12/2018	
A. SHAREHOLDERS' EQUITY				
I. Subscribed capital				
Own shares	-10,902.00		-2,461.00	
Called capital	23,792,667.00		21,031,108.00	
II. Capital reserve		4,022,911.05	4,022,922.05	
III. Earnings reserve				
1. Statutory reserve	6,704.66		6,704.66	
2. Other earnings reserves	735,695.69	742,400.35	733,028.46	
IV. Loss carry-forward		-6,855,975.57	-1,606,221.62	
V. Consolidated net income		979,781.38	0.00	
VI. Carry forward to new account		0.00	116,727.32	
VII. Minority shares		0.00	-5,332,614.52	
B. PROVISIONS				
1. Other provisions		37,190.23	53,990.23	
C. ACCOUNTS PAYABLE				
1. Accounts payable to banks	0.00		882.51	
- thereof with a residual term of less than one year: EUR 0.00 (EUR 882.51)				
2. Trade payables	407,662.05		335,317.27	
- thereof with a residual term of less than one year: EUR 407,662.05 (EUR 335,317.27)				
3. Accounts payable to other Group companies	320,623.31		2,703,578.33	
- thereof with a residual term of less than one year: EUR 2,676.99 (EUR 2,676.99)				
4. Other accounts payable	112,174.07	840,459.43	121,082.97	
- thereof for taxes: EUR 14,171.17 (EUR 116,642.51)				
- thereof for social security: EUR 0.00 (EUR 3,056.92)				
- thereof with a residual term of less than one year: EUR 17,174.07 (EUR 121,082.97)				
Other Liabilities		93,566.16	0.00	
		23,653,000.03	22,186,494.66	

CONSOLIDATED INCOME STATEMENT

from 1 January to 30 June 2019

	30/06/2019 / EUR	30/06/2018 / EUR
1. Revenues	5,724,305.58	5,325,017.16
2. Own work capitalized	750,000.00	1,000,000.00
3. Other operating income	29,695.37	163,199.16
4. Cost of materials	4,008,398.57	3,609,501.71
5. Personnel expenses		
a. Wages and salaries	417,740.31	496,360.71
b. Social security, pensions and other benefit costs	58,370.54	476,110.85
- thereof for pensions: EUR 0.00 (EUR -98.52)		
6. Depreciation on intangible assets and property, plant and equipment	687,428.34	509,511.54
7. Other operating expenses	333,710.03	1,275,626.14
8. Income from investments	3,550.00	0.00
9. Other interest and similar income	218,540.58	0.00
- thereof from affiliated companies: EUR 217,960.58 (EUR 0.00)		
10. Depreciation on financial assets and marketable securities	0.00	252.39
11. Interest and similar expenses	239,129.14	35,047.65
- thereof to affiliated companies: EUR 217,960.58 (EUR 134,901.33)		
12. Taxes on income	935.22	59.11
13. After-tax income	980,379.38	485,034.34
14. Other taxes	598.00	318.00
15. Consolidated net income	979,781.38	484,716.34
16. Minority shares	0.00	-10,000.00
17. Consolidated net earnings	0.00	474,716.34

BALANCE SHEET OF UMT UNITED MOBILITY TECHNOLOGY AG

as of 30 June 2019

ASSETS / in EUR	30/06/2019	31/12/2018
A. FIXED ASSETS		
I.		
Intangible assets		
1. Other equipment, fixtures, fittings and equipment	4,726.52	6,892.00
II.		
Financial assets		
1. Shares in affiliated companies	9,648,979.25	9,648,979.25
2. Investments	479,540.20	10,128,519.45
479,540.20		479,540.20
B. CURRENT ASSETS		
I.		
Accounts receivable and other assets		
1. Trade receivables	1,557.46	69,780.22
2. Receivables from companies with which an equity interest exists	15,398,016.41	14,464,701.06
3. Accounts receivable from affiliated companies	8,875.03	8,875.03
4. Other assets	1,212,356.34	16,620,805.24
846,243.16		
II.		
Securities		
1. Other securities	390,341.74	962,540.00
III.		
Cash on hand, Bundesbank balance, bank balances and checks	44,068.60	450,077.42
C. DEFERRED CHARGES AND PREPAID EXPENSES	6,261.21	9,268.21
	27,194,722.76	26,946,896.55

LIABILITIES / in EUR	30/06/2019	31/12/2018
A. SHAREHOLDERS' EQUITY		
I.		
Subscribed capital		
1. Subscribed capital	23,533,569.00	21,033,569.00
2. Own shares	-10,902.00	-2,461.00
3. Called capital	23,522,667.00	21,031,108.00
II.		
Capital reserve	4,022,911.05	4,022,911.05
III.		
Earnings reserve		
1. Statutory reserve	6,704.66	6,704.66
2. Other earnings reserves	735,695.69	742,400.35
733,028.46		
IV.		
Loss carry-forward	-1,892,706.10	-2,125,230.18
V.		
Net income	152,538.40	232,524.08
B. PROVISIONS		
1. Other provisions	4,200.00	21,000.00
C. ACCOUNTS PAYABLE		
1. Accounts payable to banks	0.00	882.51
- thereof with a residual term of less than one year: EUR 0.00 (EUR 882.51)		
2. Trade payables	347,942.92	209,904.72
- thereof with a residual term of less than one year: EUR 347,942.92 (EUR 209,904.72)		
3. Accounts payable to other Group companies	285,623.31	2,700,901.34
- thereof with a residual term of less than one year: EUR 2,676.99(EUR 0.00)		
- thereof with a residual term of more than one year: EUR 282,946.32(EUR 2,700,901.34)		
4. Other accounts payable	9,145.83	642,712.06
- thereof for taxes: EUR 8,560.91 (EUR 110,104.99)		
- thereof for social security: EUR 584.92 (EUR 3,056.92)		
- thereof with a residual term of less than one year: EUR 9,145.83 (EUR 113,161.91)		
	27,194,722.76	26,946,896.55

INCOME STATEMENT OF UMT UNITED MOBILITY TECHNOLOGY AG

from 1 January to 30 June 2019

	30/06/2019 / EUR	30/06/2018 / EUR
1. Revenues	639,843.08	1,550,028.58
2. Total operating performance	639,843.08	1,550,028.58
3. Other operating income		
a. Miscellaneous other operating income	18,559.30	150,287.38
4. Cost of materials	241,441.33	1,248,596.32
5. Personnel expenses		
a. Wages and salaries	85,883.72	90,487.14
b. Social security, pensions and other benefit costs	7,025.22	92,908.94
6. Depreciation		
a. Depreciation on intangible assets and property, plant and equipment	2,612.82	4,479.31
7. Other operating expenses	368,403.30	730,284.94
8. Income from investments	3,550.00	0.00
9. Other interest and similar income	218,343.58	641,804.08
- thereof from affiliated companies: EUR 217,960.58 (EUR 641,804.08)		
10. Depreciation on financial assets and marketable securities	0.00	252.39
- thereof impairment losses: EUR 0.00 (EUR 252.39)		
11. Interest and similar expenses	20,857.00	35,047.29
12. Taxes on income	936.17	59.11
13. After-tax income	153,136.40	225,976.72
14. Other taxes	598.00	318.00
15. Net income	152,538.40	225,658.72

Abbreviated Consolidated Notes

I. General Disclosures

Identifying information on the company according to the court of register

Corporate name according to court of register:	UMT United Mobility Technology AG
Registered office:	Munich
Register entry:	Commercial Register
Court of register:	Munich
Register No.:	HRB 167884

The consolidated financial statements of UMT United Mobility Technology AG were prepared on the accounting rules of the German Commercial Code (Handelsgesetzbuch; HGB).

The consolidated financial statements comply with the legal requirements and generally accepted accounting principles and convey a true and fair view of the Group's financial, earnings and liquidity position.

The interim consolidated financial statements consist of the interim consolidated balance sheet, the consolidated income statement and the notes to the consolidated financial statements.

Disclosures that can be made either in the consolidated interim balance sheet, the consolidated income statement or the notes to the consolidated financial statements are presented in full in the

notes to the consolidated financial statements.

The cost summary method was selected for the income statement.

II. Consolidated Companies

1. Disclosures about Group companies

The consolidated interim financial statements include UMS United Mobile Services GmbH. UMT Peaches Mobile GmbH, in which the company directly held more than half of the voting capital until 22 November 2018, was deconsolidated effective 22 November 2018.

The following subsidiary was therefore consolidated in the financial year:

Name of the company	Registered office	Share in capital EUR	Consolidation basis
UMS United Mobile Services GmbH	Munich	270,000.00	Subsidiary

2. Disclosures about non-consolidated subsidiaries

The following companies are not included in the interim consolidated financial statements due to the principle of materiality: Mobile Payment System España S.L., Barcelona, und iPAYst LLC, Riga.

3. Disclosures of investments in terms of Section 271 (1) of the German Commercial Code (HGB)

Investments in the following companies are reported in accordance with Section 285 No. 11 of the German Commercial Code (HGB):

Company name / registered office	Share ownership	Net income TEUR	Equity TEUR
UMT Turkey Mobil Anonim Sirketi, Istanbul*	26 %	-92	-196
Mobile Payment System España S.L., Barcelona	70 %	2	34
iPAYst LLC, Riga*	100 %	0	-2
UMT USA Inc., Orange, Kalifornien	10 %	0	41

*The figures refer to 31 December 2018. For UMT Turkey Mobil Anonim Sirketi, Istanbul, and iPAYst LLC, Riga, only the annual financial statements for 2016 were available.

III. Principles of consolidation

The interim financial statements of the subsidiaries included in the consolidation were prepared uniformly in accordance with the accounting and valuation methods applicable at UMT United Mobility Technology AG in accordance with the statutory provisions.

1. Disclosures about the consolidation date

The consolidated interim financial statements were prepared for the reporting date in effect for the parent company's individual financial statements.

The reporting date for the interim financial statements of all companies included in the consolidated financial statements is 30 June 2019.

2. Capital consolidation

Capital was consolidated according to the remeasurement method by subtracting the acquisition costs from the Group's share in each company's capital at the time of acquisition or initial consolidation.

3. Date of initial consolidation

The date on which the capital subject to consolidation within the meaning of Section 301 (2) HGB is offset is generally the date on which the subsidiaries are first included in the consolidated financial statements. For UMS United Mobile Services GmbH, this date is 1 January 2016 as the date of initial consolidation pursuant to § 301 (2) sentence 3 HGB.

4. Differences arising from capital consolidation

In accordance with German Accounting Standard (DRS) No. 23, the passive difference resulting from capital consolidation after consolidation of UMS United Mobile Services GmbH is shown separately on the assets side as goodwill (§ 301 (3) sentence 1 HGB).

5. Consolidation of debt

In the course of debt consolidation, reciprocal accounts receivable and payables between the consolidated companies are netted out and eliminated.

6. Consolidation of expenses and income

Inter-company income is netted out with corresponding inter-company expenses.

Expenses and income arising from other business transactions between the consolidated companies are also offset.

7. Elimination of inter-company results

There were no inter-company profits to be eliminated from inter-company deliveries and services in the financial year.

IV. Disclosures on accounting and valuation methods

The provisions of § 298 of the German Commercial Code (HGB) applicable to the consolidated financial statements were observed.

In addition to these provisions, the provisions of the German Stock Corporation Act (Aktiengesetz) and the German Limited Liability Companies Act (GmbH-Gesetz) had to be observed.

Positive differences arising from capital consolidation were recognized as goodwill. Scheduled depreciation was carried out for the first time in the 2018 consolidated financial statements.

Acquired intangible assets were carried at cost and, if subject to wear and tear, reduced by scheduled depreciation.

Internally generated intangible assets are stated at development costs. In addition to directly attributable costs, production costs also include necessary overheads and depreciation caused by production.

Property, plant and equipment was carried at cost and, where depreciable, reduced by scheduled depreciation.

Shares in non-consolidated affiliated companies are carried at the lower of cost or fair value.

Scheduled depreciation was calculated using the straight-line method over the expected useful life of the assets.

Financial assets were recognized and valued as follows:

- Shares in affiliated companies at acquisition cost
- Investments at cost of acquisition
- other securities at cost of acquisition

Inventories are stated at acquisition or production cost. If the daily values on the balance sheet date were lower, these were applied.

Receivables and securities were valued taking into account all identifiable risks.

Other provisions were formed for all other uncertain liabilities. All identifiable risks were taken into account.

Liabilities were stated at the amount repayable. If the current values were higher than the repayment amounts, the liabilities were carried at the higher current value.

V. Notes to the Consolidated Balance Sheet

1. UMT Peaches GmbH

UMT Peaches GmbH was deconsolidated as of 22 November 2018.

2. Deferred tax assets

No use was made of the option to form an asset item for deferred tax income.

3. Deferred tax liabilities

No deferred tax liabilities were recognized.

4. Contingent liabilities from other financial obligations not recognized in the balance sheet

In addition to the liabilities shown in the interim balance sheet, there are other financial obligations amounting to TEUR 113.

5. Distribution freeze

There was no distributable equity as of 30 June 2019.

In addition, the following distribution freezes exist in the total amount of TEUR 6,901:

As a result of the treasury shares held by the Company, a distribution block of TEUR 716 (previous year: TEUR 719) existed as of 31 December 2019 (reduction in retained earnings due to acquisition of treasury shares).

The total amount, which is subject to a dividend distribution block pursuant to § 268 (8) HGB, amounts to TEUR 6,185. This amount corresponds to the total amount of capitalized development costs of the fiscal year (after depreciation) of the companies included in the consolidated financial statements. Research is not carried out. The total amount is attributable to the capitalization of internally generated intangible fixed assets.

VI. Disclosures Concerning the Consolidated Income Statement

Own work capitalized relates to the expenses capitalized in fiscal year 2019 (including expenses for freelancers and external companies) for the development of the core system and the software used in the new LOYAL application, including the pro rata overheads.

VII. Other Disclosures

1. Average number of employees during the financial year

The average number of Group employees during the financial year was 24.

2. Other mandator disclosures according to the German Stock Corporation Act (AktG)

Disclosures concerning the number, purchase and sale of own shares

In the financial year, the company acquired 29,214 own shares (addition, statement of changes in equity: acquisition of own shares), whereby EUR 29,214.00 was deducted from the share capital and EUR 7,547.13 was deducted from retained earnings. 20,773 own shares were sold for EUR 30,987.16 (statement of changes in equity: issue of shares), of which EUR 20,773.00 was allocated to the share capital and EUR 10,214.16 to the company's revenue reserves. The proceeds were used to invest in ongoing projects and strengthen the equity base. As of 30 June 2019, the Company held 10,902 own shares (previous year: 2,461).

Disclosures concerning class of shares

As of 30 June 2019, the share capital consisted of 23,533,569 bearer shares with a par value of EUR 1.00 each. As at the balance sheet date in the previous year, the share capital consisted of 21,033,569 bearer shares with a par value of EUR 1.00 each.

Disclosures concerning authorized capital

The authorized capital of a maximum of EUR 8,738,428.00 resolved at the Annual General Meeting on 30 June 2017 was cancelled at the Annual General Meeting on 29 June 2018.

At the Annual General Meeting on 29 June 2018, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital by issuing new shares against contributions in kind and/or cash on one or more occasions up to a maximum of EUR 10,516,784.00 by issuing up to 10,516,784 new shares against contributions in kind and/or cash contributions up to a period of five years from the entry of the amendment to the Articles of Association in the Commercial Register, subject to the approval of the Supervisory Board, and to exclude shareholders' subscription rights in this context.

- for the settlement of fractional amounts,
- in the case of capital increases against cash contributions, if the issue price of the new shares for which the subscription right is excluded is not significantly lower than the market price of the shares already listed and the shares issued under exclusion of the subscription right do not exceed a total of 10% of the share capital;
- if the capital increase against contribution in kind(s) is carried out for the purpose of acquiring companies, parts of companies or interests in companies or other assets;
- insofar as a third party other than a credit institution subscribes to the new shares and is secured, insofar as a third party other than a credit institution subscribes to the new shares and is secured that the shareholders are granted an indirect subscription right;
- if the capital increase is in the well-understood interest of the Company.

3. Names of the Management Board members

During the past financial year, the business of the parent company was conducted by the following person:

Dr. Albert Wahl, Chief Executive Officer

4. Supervisory Board

Composition of the Supervisory Board of the parent company:

- Chairman: Walter Raizner, self-employed consultant, Zug, Switzerland;
- Deputy Chairman: Clemens Jakopitsch, self-employed business consultant, Ludmannsdorf, Austria;
- Member: Stefan Krach, attorney, Munich, Germany.

The total remuneration of the Supervisory Board amounted to TEUR 0 in the first half of 2019.



Dr. Albert Wahl
CEO



UMT United Mobility **Technology** AG

Financial Report for the First Half of 2019

UMT United Mobility Technology AG
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