Mattig-Suter und Partner Schwyz
Treuhand- und Revisionsgesellschaft

REPORT OF THE STATUTORY AUDITOR AND CONSOLIDATED FINANCIAL STATEMENTS 2015

Cashcloud AG
4054 Basel

formerly:
Cashcloud Holding AG
4054 Basel

Index

Cashcloud AG (until 13 February 2015: Cashcloud Holding AG), Basel/Switzerland

Management report

for the year ended 31 December 2015

1. Company profile:

Cashcloud AG, Basel/Switzerland (hereinafter referred to as the “Company” or the “Cashcloud AG”), is parent company for the Cashcloud Group (hereinafter referred to as the “Group” or the “Cashcloud Group”) with the main functions of strategic management and financing of the group’s activities.

The Cashcloud group of companies specializes in the development of mobile payment systems, which are gaining increasing acceptance worldwide. Cashcloud has developed a unique mobile eWallet application including a mobile payment system for smartphones running on Apple iOS and Google Android; it is already available in Germany, Spain, France and the Netherlands. The app allows safe and fast online payments, offline payments via NFC (Near Field Communication) technology, real-time money transfer from person to person, coupons received directly in the app, the ability to earn money via our rewards virtual currency (Cashcredits), a parental sub-account for cost control and much more.

2. Legal structure:

Cashcloud AG is the parent company of the Cashcloud Group, consisting of the Company itself and the three 100% owned subsidiaries Cashcloud S.A., Luxembourg, Cashcloud Deutschland GmbH, Darmstadt/Germany, and Cashcloud Technology Services SRL, Sibiu/Romania. Cashcloud AG is the strategic management and financial holding company for the Cashcloud Group and performs the central management function. It focuses on the management and financing of its investments. The entire operational business is carried out throughout the subsidiaries, mainly Cashcloud S.A., Luxembourg.

The Company is listed at regulated market (General Standard) of Frankfurt Stock Exchange since 8 June 2015 (symbol: KCC; ISIN CH0132106482).

3. Economic situation:

In reference to the sector, the Company expects that mobile payment industry is likely to receive any positive impulses by the increased involvement of large vendors like Apple ("Apple pay"), Samsung (acquisition of "Loop Pay") and Google (acquisition of "Soft Card" and cooperation with the mobile operators AT & T Mobility, T-Mobile USA and Verizon Wireless).

In 2015, the number of registered users of the cashcloud e-wallet application has increased to 186k (76k as of 31 Dec 2014). Correspondingly, the number of transactions for this period has increased to 18k (8k in the year 2014).

4. Financial position of Cashcloud Group:

The financial position of Cashcloud Group, is described based on the consolidated financial statement in accordance with International Financial Reporting Standards, International Accounting

Standards and Interpretations (collectively IFRSs) as issued by the International Accounting Standards Board (IASB).

The Company as well as the subsidiaries Cashcloud S.A., Luxemburg, Cashcloud Deutschland GmbH, Darmstadt/Germany and Cashcloud Technology Services S.R.L., Sibiu/Romania are consolidated.

The presentation of the financial position has been prepared by the company and has been audited for the year 2015 by Treuhand- und Revisionsgesellschaft Mattig-Suter und Partner.

4.1. Balance sheet position:

	31.12.2015 IFRS CHF ‘000	31.12.2014 IFRS CHF ‘000
Current assets		
Inventories	46	49
Trade and other receivables	81	64
Cash and cash equivalents	69	1’580
	196	1’693
Non-current assets		
Intangible assets	45	2
Property, plant and equipment	16	20
Deposits	14	12
	75	34
Total Assets	272	1’728
Current liabilities		
Loans and borrowings	180	998
Trade accounts payable	388	245
Other current liabilities	90	27
Provisions	206	178
	863	1’447
Equity		
Share capital	2’478	2’400
Share premium	8’022	4’620
Translation Reserve	172	54
Accumulated deficit	-11’263	-6’794
	-591	281
Total Equity and liabilities	272	1’728

Inventories as of 31 December 2015 of CHF 46k consist entirely of blank (not personalized to users) cards for MasterCard stickers and chip-cards.

Other receivables as of 31 December 2015 of CHF 81k mainly include VAT claims and a claim to a related party amounting to CHF 16k in regard of a shared media service.

The intangible assets as of 31 December 2015 of CHF 45k consist of software licences. The increase of CHF 43k mainly arises from the acquisition of a software licence for an external gaming application to be integrated in the Cashcloud e-wallet.

Property, plant and equipment as of 31 December 2015 of CHF 16k mainly consist of computer equipment (CHF 13k) and office equipment (CHF 3k).

Deposits assets as of 31 December 2015 of CHF 14k consist of security deposit accounts for office rentals and e-money transactions. The security deposits are held by Group companies but are not currently available for use by group.

The loans and borrowings as of 31 December 2015 of CHF 180k consist of short term loans from affiliated enterprises and splits up by CHF 34k from SPP Capital AG, Liechtenstein, CHF 27k from Confortune Europe AG, Liechtenstein and CHF 119 from Cybernet Ltd., UK; the decrease of CHF 818k versus CHF 998k as of end of 2014 is the result of the capital increase in December 2015 by contribution in kind by which existing loans were converted into equity.

The trade accounts payable as of 31 December 2015 of CHF 388k include liabilities to related parties of CHF 55k trade liabilities for services for management, legal and accounting performed by Megadon AG, Basel/Switzerland, and CHF 37k for IT development performed by Moelia development S.L., Murcia/Spain. Beside this, the main part relates in the amount of CHF 97k to Cashcloud S.A., Luxemburg, in regard to usual operative business and in the amount of CHF 199k to Cashcloud AG in regard of the corporate finance and investors' relation function.

Other current liabilities as of 31 December 2015 of CHF 90k include VAT payable, social security liabilities, wages payable or tax on wages payable.

The short term provisions of 31 December 2015 of CHF 206k consist of provisions for accounting and audit, for short term employee benefits result from remaining obligations for employees' annual leave and for outstanding suppliers' invoices.

4.2. Profit and loss position:

	01.01.2015 - 31.12.2015 IFRS CHF '000	01.01.2014 - 31.12.2014 IFRS CHF '000
Revenue	44	2
Other operating income	234	124
Costs for purchased services and consumables	405	262
Employee benefit expenses	1'196	979
Depreciation and amortisation expenses	11	11
Other operating expenses	3'049	2'143
Operating Profit or Loss	-4'385	-3'269
Finance expense	70	150
Finance income	3	38
Financial Result	-66	-112
Profit or loss before tax	-4'451	-3'381
Income tax expenses	18	3
Net profit or loss for the period	-4'469	-3'384

Revenues in 2015 amount to CHF 44k (2014: CHF 2k). These revenues consist of the eWallet fees contain the provision of the cashcloud application functions. Additionally, the MasterCard/NFC function creates an annual flat fee and so-called interchange fees which are granted by the

MasterCard issuer to Cashcloud as service partner. The new revenue type “programs & advertisements” was introduced and generated CHF 40k in 2015 (2014: -).

Other operating income in 2015 amount to CHF 234k (2014: CHF 124k) mainly arises mainly from customer services, which mainly consist of responding to user requests and hotline questions related to e-money and MasterCard accounts for the main external client PPRO Financial Services Ltd.; the increase is caused by the expansion of the service volume during the relevant periods.

The costs for purchased services and consumables of CHF 405k in 2015 (2014: CHF 262k) comprise mainly the costs for external IT server providers, for external management and operation of e-money accounts and the services from the MasterCard issuer.

Employee benefit expenses amount to CHF 1’196k in 2015 (2014: CHF 979k) and consist of wages and salaries (CHF 839k, 2014: CHF 759k), social security contributions (CHF 134k, 2014: CHF 132k) and the anticipated costs or settled options of the share-based payment awards (CHF 223k, 2014: CHF88k).

The depreciation and amortisation expenses of CHF 11k (2014: CHF 11k) relate to computer hardware, office equipment and an acquired software licence.

Other operating expenses amount to CHF 3’049k in 2015 (2014: CHF 2’143k) and arise mainly of external consulting (CHF 493k; 2014: CHF 78k), IT development (CHF 930k, 2014: CHF 818k), marketing & investor relations (CHF 674k, 2014: CHF 709k), legal and accounting expenses (CHF 385k, 2014: CHF 251k), and travelling expenses (CHF 63k, 2014: CHF 61k). Furthermore, the cost for banking fee related to initial stock exchange listing in June 2015 amount to CHF 168k in 2015 (2014: -).

The financial result of CHF -66k (2014: -112) arise from interest provisions on loans from related parties (SPP Capital AG, Liechtenstein, Confortune Europe AG, Liechtenstein and Cybernet Ltd., UK) of CHF 67k (2014: 46k and net exchange gains recognised of CHF 1k (2014: losses recognised CHF 66k).

The increase of the net loss of CHF -4’469k in 2015 (2014: CHF 3’384) mainly reflects directly connected banking fees, as well as external consulting, legal and accounting expenses in context of the stock exchange listing on the Frankfurt Stock Exchange in June 2015.

4.3. Cash flow position:

	01.01.2015 - 31.12.2015 IFRS CHF ‘000	01.01.2014 - 31.12.2014 IFRS CHF ‘000
Cash flows from operating activities		
Net profit or loss for the period	-4’469	-3’384
Adjustments for:		
Depreciation of property, plant and equipment	3	4
Amortisation of intangible fixed assets	9	0
Finance income	-3	-38
Finance expense	70	150
Share-based payment expense	223	88
Income tax expenses	18	3
	-4’150	-3’176
Increase / Decrease in trade and other receivables	-17	-22
Increase / Decrease in inventories	3	-31

Decrease / Increase in trade and other payables	206	177
Decrease / Increase in provisions and employee benefits	28	102
Cash used in operations	-3'931	-2'950
Income taxes paid	-18	-3
Net cash flows from operating activities	-3'948	-2'954
Investing activities		
Disposal (+) of property, plant and equipment	7	-2
Disposal (+) / Purchase (-) of intangibles	-34	-2
Disposal (+) / Purchase (-) of financial assets	-2	3
Interest received	0	1
Net cash from / (used) in investing activities	-30	0
Financing activities		
Proceeds from borrowings	-818	998
Interest paid	-68	-47
Proceeds from issuing of share capital	3'256	3'163
Net cash flows from financing activities	2'370	4'089
Net increase in cash and cash equivalents	-1'608	1'135
Cash and cash equivalents at beginning of the period	1'580	455
Effect of exchange rate fluctuations on cash and cash equivalents	97	-10
Cash and cash equivalents at end of the period	69	1'580

The net cash flows from operating activities amounting to CHF -3'948k in 2015 (2014: CHF 2'954) corresponds to higher operative loss in the relative period. This effect mainly arises from efforts regarding stock exchange listing and the herewith connected higher standard of corporate public relations and governance requirements.

The decrease of the cash flow from investment activities of CHF -30k in 2015 (2014: 0k) related mainly to an investment in mainly arises from the acquisition of a software licence for an external gaming application to be integrated in the Cashcloud e-wallet.

The net cash flows from financing activities arise from funding by related parties amounting to CHF 2'370k. This relates to the capital increase in December 2015 amounting to CHF 3'256k, reduced by the conversion of loans from related parties SPP Capital AG, Liechtenstein, Confortune Europe AG, Liechtenstein, and Cybernet Ltd, UK, which in total amount to CHF 818k and interest paid of CHF 68k.

In total and under consideration of foreign exchange effects, the cash and cash equivalents have reduced during 2015 by CHF 1512k to CHF 69k.

5. Financial position of Cashcloud AG:

The financial position of Cashcloud AG, Basel/Switzerland, is described based on the individual financial statement according to Swiss Accounting Law.

The subsidiaries Cashcloud S.A., Luxemburg, Cashcloud Deutschland GmbH, Darmstadt/Germany and Cashcloud Technology Services S.R.L., Sibiu/Romania are shown as investments and are not consolidated.

The presentation of the financial position has been prepared by the annual financial accounts, created by the company. The financial accounts has been audited for the year 2015 by Treuhand- und Revisionsgesellschaft Mattig-Suter und Partner.

5.1. Balance sheet position:

	31.12.2015 Swiss GAAP CHF '000	31.12.2014 Swiss GAAP CHF '000
Current Assets		
Cash and cash equivalents	25	1'051
Receivables from related parties	16	1
Other current assets	15	4
	56	1'056
Non-current assets:		
Financial Assets:		
- Loans to group companies	7'893	4'934
Investments	510	540
Intangible assets		
- Software development costs	0,0	28
	8'382	5'502
TOTAL ASSETS	8'439	6'559
Current Liabilities:		
Other Interest bearing liabilities		
- towards shareholders	180	0
Other current liabilities		
- towards third parties	220	0
- towards shareholders	62	19
Accruals	128	125
	590	144
Equity:		
Share capital (par value 0.20 CHF)	2'478	2'400
Legal reserves from capital contribution	8'112	4'869
Accumulated profit (deficit)	-854	-512
Profit (loss) for the period	-1'887	-341
	7'849	6'415
TOTAL EQUITY AND LIABILITIES	8'439	6'559

Other current assets of CHF 16k (31 Dec 2014: CHF 4k) consist of VAT receivables.

The decrease of the total current assets of CHF 56k (31 Dec 2014: CHF 1'056k) mainly results from decrease of cash and cash equivalents to CHF 25k (31 Dec 2014: 1'051k).

The financial assets (loans to group companies) amounting to CHF 7'873k (31 Dec 2014: CHF 4'934k) consist solely of the intercompany loan to Cashcloud S.A., Luxemburg, for financing current operative activity connected to the creation and distribution of the Cashcloud application. Beside additional bilateral loans during the reporting period, the increase results from a transfer of loans from related parties (SPP Capital AG, Balzers/Liechtenstein and Confortune Europe AG, Balzers/Liechtenstein) from Cashcloud S.A., Luxembourg, to Cashcloud AG, Basel, amounting to a total of EUR 815k which has been settled with the intercompany loan arrangement and therefore led to an increase of the operative intercompany loan to Cashcloud S.A. by CHF 849k as of 31. December 2015.

The investments are related to shares in group subsidiaries of CHF 510K (31 Dec 2014: CHF 540k) consist of 100 % shareholdings in Cashcloud S.A., Luxemburg (CHF 510k), and Cashcloud Technology Services S.R.L., Sibiu/Romania (CHF 0.1k). The value of Cashcloud Deutschland GmbH, Darmstadt/Germany has been adjusted to 1,00 CHF as the shares have been sold effective as of 1 April 2016.

The increase of interest bearing liabilities towards related shareholders of CHF 180k (31 Dec 2014: CHF -) mainly result from loans from Cybernet Ltd, UK, (CHF 119k), SPP Capital AG, Balzers/Liechtenstein (CHF 34k) and Confortune Europe AG, Balzers/Liechtenstein (CHF 27k).

The other current liabilities towards shareholders of CHF 62k (31 Dec 2014: 18) contain of CHF 55k trade liabilities for services for management, legal and accounting performed by Megadon AG. An amount of CHF 7k is related to trade liabilities to group companies Cashcloud Deutschland GmbH, Darmstadt, and Cashcloud S.A., Luxembourg.

Other current liabilities towards third parties of CHF 220k (31 Dec 2014: -) consist of trade liabilities to third parties amounting to CHF 199k and loans granted amounting to CHF 21k as basis price payment of the owners of the first tranche of the stock options programme as the deliverance of the stocks was outstanding as of 31 December 2015.

The accruals have increased to CHF 128k (31 Dec 2014: 125k) and consist of accrued expenses for annual report and audit (CHF 57k), invoices outstanding for services (CHF 33k), duty on capital increased (Emissionsabgabe, CHF 31k) and taxes (CHF 7k).

As of 31 Dec 2015, the share capital has increased to CHF 2’478k (31. Dec 2014: CHF 2’400k) and the share premium has increased to CHF 8’112 (31. Dec 2014: CHF 4’869k) mainly due to the capital increase in December 2015.

5.2. Profit and loss position:

	01.01.2015 - 31.12.2015 Swiss GAAP CHF ‘000	01.01.2014 - 31.12.2014 Swiss GAAP CHF ‘000
Revenues	0	0
Other income	15	0
Accounting, legal and advisory services	1’000	321
Office and administrative expenses	349	3
Total operating costs	1’349	323
Operating result before depreciation and amortisation, financial result taxes	-1’334	-323
Depreciation	29	0
Valuation allowance	30	0
Earnings before interest and tax	-1’393	-323
Financial income	128	87
Financial expense	-615	-105
Net income before tax	-1’881	-341
Taxes	6	0
NET INCOME (LOSS)	-1’887	-341

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The costs for accounting, legal and advisory services increased to CHF 1'000k (2014: CHF 321k), consisting back-office services (CHF 232k), legal services fees (CHF 124k), accounting and audit (CHF 223k), fees for other consulting (CHF 143k) and accounting services performed by group companies (CHF 30k) as well as investor relations expenses of CHF 248k (2014: -). The increase results manly from the preparation of stock exchange listing in June 2015.

Office and administrative expenses CHF 349k (2014: CHF 3k) increased mainly as a result of bank fees connected with the stock exchange listing and the costs connected to a higher standard of corporate public relations and governance requirements.

The financial income of CHF 128k (2014: CHF 87k) result from interest for the intercompany loan to Cashcloud S.A., Luxembourg.

The financial expenses amounting to CHF 615k (2014: CHF 105k) mainly result from currency effects (CHF 560k) caused by changes of the EUR-CHF rate in the reporting period. Beside this, interest expenses for loans from related parties are included (CHF 55k).

Taxes of CHF 6k (2014: -) are accrued expenses for tax on capital.

6. Personnel:

The Cashcloud group employed 26 people on average full time equivalent (FTE) in the respective period.

7. Research & development:

Research and development activities have been undertaken with the prospect of gaining new scientific or technical knowledge and understanding as well as plan or design for the production of new or substantially improved products and processes. Within the Cashcloud Group, research and development is performed by Cashcloud S.A., Luxembourg.

For the periods presented, we have determined that the conditions for recognizing internally generated intangible assets from our development activities were not met for the consolidated group accounts according to IFRS. Therefore, expenditure on development activities was recognised in profit or loss as incurred.

The aggregate amount of research and development expense recognised as an expense in 2015 amounts to CHF 1'193k (2014: CHF 1'112k).

8. Risk report:

The Board of Directors reviews on an ongoing basis the risk position of the company and implements necessary measures of improvement, as applicable.

Main risk is a potential failure to implement the funding plans and to increase the capital position consistent with the business plan.

On 8 June 2015, the shares of Cashcloud AG were listed on the General Standard of the Frankfurt Stock Exchange and admitted to trading (ISIN CH0132106482, ticker symbol "KCC"). The flotation did not entail a capital increase, but provides the company with access to the capital market to fund growth. The Frankfurt Stock Exchange decided on 30 June 2015 to suspend trading; the trading was reopened at 30 July 2015. The reasons were not provided by the Frankfurt Stock Exchange.

9. Remuneration report:

The members of the Board of Directors (Verwaltungsrat) in the relative period have not received a compensation.

The new members which joint the Board of Directors at 1 January 2016 (see: 11. Outlook) have neither been considered as member of the Board of Directors nor as related parties in the respective period.

The Company issued a Remuneration Report (Vergütungsbericht) according to Art. 663b^{bis} OR.

10. Extraordinary occurrences:

In January 2015, the Swiss National Bank abandoned the linkage of the CHF to EUR, which was guaranteed at a level of 1,20 CHF/EUR until this time. This led to mayor changes of the currency rate by an increase of the CHF versus the EUR in the respective year. This had mainly a negative impact on the financial result of Cashcloud AG (single accounts), as the debt funding to group companies is provided in EUR. However, in the financial accounts of the Cashcloud Group (consolidated accounts) this effect was widely compensated through the consolidation effects.

11. Outlook:

Based on the shareholders' decision of decision of 21 December 2015, new the members of the board of directors were Moritz Hunzinger, Peter Heinz and Rainer Maurice Wunderlin by their acceptance as of 1 January 2016. With the entrance to the board, Moritz Hunzinger took over the President Chair from Sven Donhuysen. Sven Donhuysen resigned from the board of directors as of 11 February 2016. Rainer Maurice Wunderlin resigned from the board of directors as of 22 April 2016.

The company plans a further substantial capital increase in 2016 through private or public offering of shares which should give the cashcloud group the opportunity to invest significantly in marketing campaigns and IT development in order to significantly increase the user base.

Cashcloud AG, Basel,

25 April 2016

Cashcloud AG

(until 13 February 2015: Cashcloud Holding AG)

Basel/Switzerland

Consolidated financial statements

for the year ended 31 December 2015

Cashcloud AG (until 13 February 2015: Cashcloud Holding AG), Basel/Switzerland

Consolidated Balance Sheets as of December 31

Assets	*Note*	2015	2014
		'000 CHF	'000 CHF
Non-current assets			
Intangible assets	*16*	44,8	1,8
Property, plant and equipment	*17*	16,4	20,4
Deposits	*18*	14,2	11,9
		-----------------	-----------------
Total non-current assets		75,4	34,1
Current assets			
Inventories	*19*	46,1	49,1
Trade and other receivables	*20*	81,1	63,9
Cash and cash equivalents	*21*	68,9	1'580,5
		-----------------	-----------------
Total current assets		196,1	1'693,5
		-----------------	-----------------
Total assets		271,5	1'727,5
		===========	===========

Equity and liabilities	*Note*	2015	2014
		'000 CHF	'000 CHF
Equity			
Share capital	*22*	2'477,5	2'400,0
Capital reserve	*23*	8'021,8	4'620,3
Translation reserve	*23*	172,0	54,3
Accumulated deficit		-11'262,7	-6'793,9
		----------------	----------------
Total equity		-591,3	280,6
Liabilities			
Current liabilities			
Loans and borrowings	*24/25*	179,6	997,7
Trade accounts payable	*25*	387,6	244,5
Other current liabilities	*25*	89,6	26,8
Provisions	*25*	205,9	177,9
		----------------	----------------
Total current liabilities		862,8	1'446,9
Total liabilities		862,8	1'446,9
		----------------	----------------
Total equity and liabilities		271,5	1'727,5
		===========	===========

The accompanying notes are an integral part of these consolidated financial statements.

Cashcloud AG (until 13 February 2015: Cashcloud Holding AG), Basel/Switzerland

Consolidated Statements of Comprehensive Income for the years ended December 31

	Note	2015	2014
		'000 CHF	'000 CHF
Revenue	*8*	43,6	1,6
Other operating income	*9*	233,9	124,2
Total income		277,6	125,9
Costs for purchased services and consumables	*10*	405,2	261,9
Employee benefit expenses	*11*	1'196,3	978,9
Depreciation and amortisation expense		11,2	10,6
Other operating expenses	*12*	3'049,5	2'143,0
Total operating costs		4'662,1	3'394,4
Operating loss		-4'384,5	-3'268,5
Finance expense	*13*	69,6	150,4
Finance income	*13*	3,2	38,0
Financial result		-66,4	-112,4
Profit or loss before tax		-4'450,9	-3'380,9
Income tax expenses	*14*	17,8	3,4
Net profit or loss for the period		-4'468,8	-3'384,3
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		117,7	83,9
Other comprehensive income for the period		117,7	83,9
Total comprehensive income for the period		-4'351,0	-3'300,4
Profit or loss attributable to equity holders of the Group		-4'468,8	-3'384,3
Total comprehensive income attributable to the equity holders of the Group		-4'351,0	-3'300,4
Basic earnings per share	*15*	-0,372	-0,373
Diluted earnings per share	*15*	-0,366	-0,369

The accompanying notes are an integral part of these consolidated financial statements.

Cashcloud AG (until 13 February 2015: Cashcloud Holding AG), Basel/Switzerland

Consolidated Statements of Changes in Equity for the years ended December 31

in '000 CHF	Share capital	Capital reserve	Translation reserve	Accu-mulated deficit	Total
Balance at 31 December 2013	1'760,0	2'009,0	-29,6	-3'409,6	329,8
Total comprehensive income					
Net profit or loss for the period	-	-	-	-3'384,3	-3'384,3
Other comprehensive income	-	-	83,9	-	83,9
Total comprehensive income	0,0	0,0	83,9	-3'384,3	-3'300,4
Transactions with owners of the Company					
Issue of ordinary shares	640,0	2'523,0	-	-	3'163,0
Equity-settled share-based payments	-	88,3	-	-	88,3
Total contributions and distributions	640,0	2'611,3	0,0	0,0	3'251,3
Total transactions with owners of the company	640,0	2'611,3	0,0	0,0	3'251,3
Balance at 31 December 2014	2'400,0	4'620,3	54,3	-6'793,9	280,6

in '000 of CHF	Share capital	Capital reserve	Translation reserve	Accumulated deficit	Total
Balance at 31 December 2014	2'400,0	4'620,3	54,3	-6'793,9	280,6
Total comprehensive income					
Net loss for the period	-	-	-	-4'468,8	-4'468,8
Other comprehensive income	-	-	117,7	-	117,7
Total comprehensive income	0,0	0,0	117,7	-4'468,8	-4'351,0
Transactions with owners of the Company					
Issue of ordinary shares	77,5	3'243,3	-	-	3'320,8
Equity-settled share-based payments	-	158,3	-	-	158,3
Total contributions and distributions	77,5	3'401,6	0,0	0,0	3'479,1
Total transactions with owners of the company	77,5	3'401,3	0,0	0,0	3'479,1
Balance at 31 December 2015	2'477,5	8'021,8	172,0	-11'262,7	-591,3

The accompanying notes are an integral part of these consolidated financial statements.

Cashcloud AG (until 13 February 2015: Cashcloud Holding AG), Basel/Switzerland

Consolidated Statements of Cash Flows for the years ended December 31

	2015	2014
	'000 CHF	'000 CHF
Cash flows from operating activities		
Net loss for the period	-4'468,8	-3'384,3
Adjustments for:		
Depreciation of property, plant and equipment	2,5	3,7
Amortisation of intangible assets	8,7	0,3
Finance income	-3,2	-38,0
Finance expense	69,6	150,4
Share-based payment expense	223,0	88,3
Income tax expenses	17,8	3,4
	-----------------	-----------------
	-4'150,4	-3'176,3
Increase / Decrease in trade and other receivables	-17,2	-22,1
Increase / Decrease in inventories	3,0	-31,0
Decrease / Increase in trade and other payables	206,0	176,8
Decrease / Increase in provisions and employee benefits	28,0	102,1
	-----------------	-----------------
Cash used in operations	-3'930,6	-2'950,4
Income taxes paid	-17,8	-3,4
	-----------------	-----------------
Net cash flows from operating activities	-3'948,4	-2'953,9
Investing activities		
Net disposal (+) / purchase (-) of property, plant and equipment	6,6	-2,0
Net disposal (+) / Purchase (-) of intangibles	-34,4	-1,7
Net disposal (+) / Purchase (-) of financial assets	-2,3	2,5
Interest received	0,4	1,4
	-----------------	-----------------
Net cash from / (used) in investing activities	-29,7	0,2
Financing activities		
Proceeds from borrowings	-818,1	997,7
Repayment of borrowings	0,0	-24,9
Interest paid	-68,0	-47,2
Proceeds from issuance of share capital	3'256,1	3'163,0
	-----------------	-----------------
	2'370,0	4'088,6
Net increase in cash and cash equivalents	-1'608,1	1'134,9
Cash and cash equivalents at beginning of the period	1'580,5	455,1
Effect of exchange rate fluctuations on cash and cash equivalents	96,5	-9,5
	-----------------	-----------------
Cash and cash equivalents at end of the period	68,9	1'580,5
	===========	===========

The accompanying notes are an integral part of these consolidated financial statements.

Cashcloud AG (until 13 February 2015: Cashcloud Holding AG), Basel/Switzerland

Notes to the consolidated financial statements

for the year ended 31 December 2015

1. Reporting Entity

Cashcloud AG (until 13 February 2015: Cashcloud Holding AG) ('Cashcloud AG' or the 'Company') is a company domiciled in Switzerland. The address of the Company's registered office is Birsigstrasse 2, 4054 Basel, Switzerland. These consolidated financial statements as at and for the year ended 31 December 2015 comprise the Company and its subsidiaries as described in Note 27 Group entities (together referred to as the 'Group' and individually as 'Group entities').

The Group is primarily involved in the development and marketing of a mobile eWallet application including a mobile payment system for smartphones running on Apple iOS and Google Android products.

The Company is listed at regulated market (General Standard) of Frankfurt Stock Exchange since 8 June 2015.

2. Basis of preparation

2.1. General

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) as issued by the International Accounting Standards Board (IASB).

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 4 *Critical accounting estimates and judgments*.

The consolidated financial statements were authorised for issue by the Board of Directors (Verwaltungsrat) on 25 April 2016.

2.2. Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet mandatory repayment terms of the Group's debt facilities and other liabilities.

As described in the following, the Company needs additional capital to meet its future cash requirements and to execute its business strategy, which requires that continuous successful financing by shareholders or other external parties is required until the group is able to generate sufficient operating cash flows that will allow the Company to continue as going concern. The Company's lack of capital and existing debt defaults could require it to cease operations without further funding. To maintain its current level of business operations and meet its current debt obligations, the Company will be required to obtain additional capital through either equity or debt financing. There can be no assurance that additional equity or debt financing will be available to the Company on commercially reasonable terms or at all. Failure to obtain additional capital could result in insolvency, foreclosure and possible bankruptcy of the Company. These factors raise a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

Based on the current economic development of the Group, the Board of Directors considers the current business plan as showing a realistic and achievable scenario that the Group will be able to maintain adequate resources to continue in operational existence for the foreseeable future. The main premises underlying this scenario include the assumptions that sufficient capital will be available in order to invest in planned marketing actions and the planned level of development efforts. These premises will in a very directly manner determine the level of achievable business volume.

The Group has recognized a net loss of CHF 4,5 million for the year ended 31 December 2015, and an accumulated deficit of CHF 11,3 million as of 31 December 2015. According to the business plan, it is not expected that the Group will be able to achieve a positive net income before end of 2017, and the external funding requirements for the coming 24 months amount to CHF 16,0 million. This external financing – as usual with start-up companies – is at present not yet fully available. Based on cooperation with existing investors as well as the current negotiations with potential new investors, the Board of Directors is convinced that the existence of the Group will be secured – especially in the next two years – and that the Company will be able to successfully complete the necessary external financing rounds in order to raise capital that is sufficient to achieve this goal. This belief is supported by the fact that a capital increase by was performed in December 2015 amounting to CHF 3,4 million converting existing loans to equity. Additionally major investors gave their contractual committed to a further capital increase remaining to the amount of CHF 1,3 million.

The Board of Directors acknowledges that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern in regard to the Company's ability to meet its funding requirements and to refinance or repay its debt facilities and other liabilities as they fall due. However, as described above, the Board of Directors has a reasonable expectation that the Company will be able to raise adequate resources to continue in operational existence for the foreseeable future. If for any reason the Company is unable to continue as a going concern, it could have an impact on the Company's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements. The financial statements do not include adjustments that might result from the outcome of this uncertainty.

2.3. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for equity-settled share-based payment expenses, which are measured at fair value at grant date.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted market prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted market prices included in Level 1 that are observable for the asset of the liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 24 – Loans and borrowings
- Note 26 – Share-based payment arrangements

2.4. Functional currency and presentation currency

These consolidated financial statements are presented in Swiss Francs (CHF), which is also the Company's functional currency. All financial information presented in CHF has been rounded to the nearest hundreds, unless otherwise stated. We would like to draw attention to the fact that there could be rounding differences compared to the mathematically accurate values (monetary units, percentages, etc.).

2.5. Changes in accounting policies

There have been no changes in accounting policies throughout any of the periods presented. No new accounting standards and amendments to standards with a date of initial application as of 1 January 2015 had a material impact on the Company's financial statements for the year ended 31 December 2015.

2.6. Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by all Group entities, unless otherwise stated.

3.1. Foreign Currency

3.1.1. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in profit or loss.

3.1.2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to CHF at exchange rates at the reporting date. The income and expenses of foreign operations are translated to CHF at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

3.2. Financial instruments

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

The Group has not classified any of its financial assets as held to maturity, as financial assets at fair value through profit or loss, or as available-for-sale during any of the periods presented.

The Group initially recognises loans and receivables on the date when they are originated. All other financial assets and liabilities are initially recognised on the trade date.

3.2.1. Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

3.2.2. Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, debt securities issued, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

3.2.3. Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments as they include no contractual obligation to either (i) deliver cash or another financial asset to another entity, or (ii) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

3.3. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes (i) the cost of materials and direct labour; (ii) any other costs directly attributable to bringing the assets to a working condition for their intended use; (iii) when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and (iv) capitalised borrowing costs, if applicable.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is recognised in profit or loss.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Fixtures and fittings: 5 years

Computer equipment: 4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.4. Intangible assets

3.4.1. Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

For all of the periods presented, we have determined that the conditions for recognizing internally generated intangible assets from our development activities were not met. Therefore, expenditure on development activities was recognised in profit or loss as incurred.

The aggregate amount of research and development expense recognised as an expense in 2015 amounts to CHF 1'193k (2014: CHF 1'112k).

3.4.2. Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

3.4.3. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

3.4.4. Amortisation

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

3.5. Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on weighted average cost and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.6. Impairment

3.6.1. Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity financial assets) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3.6.2. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7. Employee benefits

3.7.1. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.7.2. Long-term employee benefits / pension plans

There are no material pension plans for employees, employed by subsidiaries of Cashcloud AG. Therefore, there are no requirements for actuarial valuations of pension plan liabilities in accordance with IAS 19 nor to recognize any pension plan assets and liabilities in the financial statements.

3.7.3. Share-based payment transactions

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

3.8. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.9. Revenue

Revenues of the Group consist of fees that are received from the Company's customers for IT services provided in regard of money transactions, and service charges received from customers in connection with the issuing of credit cards. Customers include both private users as well as corporate users (e.g. internet shops).

Provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Group, revenue for services is recognised in the period in which they are rendered.

3.10. Finance income and finance expense

As applicable, finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

As applicable, finance expense generally comprises interest expense on borrowings.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.11. Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

3.11.1. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. If applicable, current tax payable also includes any tax liability arising from the declaration of dividends.

3.11.2. Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company, or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

As of December 31, 2015, the Company has not recognised any deferred tax assets, as – due to the Group's loss history – the Group is not able to demonstrate that probable taxable profits will be available against which they can be utilized.

3.11.3. Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4. Critical accounting estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are discussed in the following notes.

A. Judgements

2.2. Going concern basis of accounting

3.4.1. Research and development: Determination of whether the conditions for recognizing internally generated intangible assets from our development activities are met

3.11.2 Recognition of deferred tax assets

B. Assumptions and estimation uncertainties

26. Share-based payment arrangements

5. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early, and the group has not yet completed the determination of the expected impact on the financial statements.

- Improvements to IFRS 2012 – 2014: Amendments to IFRS 5, IFRS 7, IAS 19, IAS 34, which will become effective for fiscal year 2016.
- IFRS 9 (2014) – Financial Instruments, which will be applicable in fiscal year 2018. The new guidance is expected to mainly impact the classification and measurement of financial assets and will result in additional disclosures.
- IFRS 15 – Revenue from Contracts with Customers: The standard becomes effective in fiscal year 2018 with earlier application permitted. The standard foresees different alternative approaches for the adoption of the new guidance. We have not yet taken a decision which of these alternatives we intend to apply.
- Amendments to IAS 16 (Property, Plant and Equipment) and IAS 38 (Intangible Assets). The amendments become applicable in fiscal year 2016 financial statements and clarify that – in general – the use of revenue-based methods to calculate the depreciation/amortization is not appropriate (this presumption, however, can be rebutted in certain limited circumstances for intangibles).
- Amendments to IAS 1 – Disclosure Initiative. The amendments become mandatory for fiscal year 2016. Amongst other things, the amendments clarify that disclosures are required only if their content is material, and amend the rules for presentation of items of other comprehensive income.

6. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

7. Operating segments

The Group currently has only one operating segment, which is the mobile payment division.

Generally, geographical segmentation is divided between Europe and Rest of World. However, currently only accounts from users in European countries generate revenues. Thus, a geographical segmentation is currently not applicable.

The Company's segment is managed centrally by Group management. Facilities and offices primarily operated in Switzerland, Luxembourg, Germany and Romania.

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Revenue

Revenue recognised in 2015 relates to customers in Germany, The Netherlands, Spain and France.

Non-current assets (see note below)

	2015 CHF '000	2014 CHF '000
Switzerland	0,0	0,0
All foreign countries		
Luxembourg	47,9	4,7
Germany	5,3	6,0
Romania	8,0	11,5
	----------	----------
Total	*61,2*	*22,2*
	========	========

Note: excluding financial instruments, deferred tax assets and financial instruments.

8. Revenues

	Revenues 2015 CHF '000	 2014 CHF '000
eWallet fees	0,1	0,2
Card issuing fees	2,0	1,2
MasterCard Interchange	1,0	0,2
Programs & Advertisements	40,5	0,0
	----------	----------
Total	*43,6*	1,6
	========	========

The eWallet fees contain the provision of the cashcloud application functions such as the "Withdraw to bank-account" or "Send money" function. Per the Company's price list, such fees are charged only to corporate users, not to private users, on a per-transaction basis. Revenue from these fees is recognized as individual transactions are completed by a corporate end-user.

The MasterCard/NFC function has created revenues from core operations and relates to management services provided by the group in connection with the issuance of MasterCard/NFC stickers and cards to the group's customers via the cashcloud eWallet application. Such fees are invoiced to customers as an annual flat fee and are recognized on a straight-line basis over the contractual term of the card. Additionally, the MasterCard function created so-called interchange fees which are granted by the MasterCard issuer to Cashcloud as service partner.

In the business year 2015 Programs & Advertisements created a new revenue stream. This mainly results from campaigns issued by advertisers and the sales of the loyalty currency "cashcredits". The ongoing development of Cashcloud's big data approach to bundle users' payment behaviour and offer them personalised ads helps increasing this revenue and profit source.

9. Other operating income

Other operating income arises mainly from customer services, which mainly consist of responding to user requests and hotline questions related to e-money and MasterCard accounts. Such services are performed on behalf of the Company's service provider for the administration of MasterCard accounts and are invoiced to the service provider monthly in arrears on a time-and-material basis. Since these services are not considered to be part of the main revenue generating activities, the Group presents this income separately from revenue.

In addition, other income mainly results from the reversal of provisions.

	Other operating income	
	2015	2014
	CHF '000	CHF '000
Customer Service to external customers	196,9	123,8
Other income	37,1	0,5
	----------	----------
Total	233,9	124,2
	========	========

The other income in 2015 mainly results from release of provisions (CHF 21,7k) and a cost charge to a related party in regard of a shared service from an external online media services advisor (CHF 14,9k).

10. Costs of purchased services and consumables

	Costs for purchased services and consumables	
	2015	2014
	CHF '000	CHF '000
Purchased consumables	12,6	13,7
Purchased Services	392,6	248,2
	----------	----------
Total	405,2	261,9
	========	========

Purchased services comprise mainly the costs for external IT server providers, for external management and operation of e-money accounts and the services from the MasterCard issuer.

11. Employee benefit expenses

	Employee benefit expenses	
	2015	2014
	CHF '000	CHF '000
Wages and salaries	838,7	758,7
Social security contributions	134,6	131,8
Share-based payment awards	223,0	88,3
	----------	----------
Total	1'196,3	978,9
	========	========

12. Other operating expenses (including operating leases)

	Other operating expenses	
	2015	2014
	CHF '000	CHF '000
Consulting	493,2	77,6
IT development	929,9	818,2
Marketing & investor relations	673,7	708,8
Legal & accounting	385,3	251,1
Travelling costs	63,4	61,0
Other	504,0	226,4
	----------	----------
Total	3'049,5	2'143,0
	========	========

Additional to the other operating expenses included in the accounts as of 31 December 2015, future lease expenses and long-tern (>1 year) contingent liabilities will incur in connection with operating lease arrangements (mainly office space) of CHF 68,7k (2014: CHF 27,3k) and long-term other contingent liabilities of CHF 72,5k (2014: 81,8k). At the end of the reporting period, the future minimum lease payments under non-cancellable operating leases are payable as follows:

	Future minimum lease payments and long-term contingent liabilities	
	2015	2014
	CHF '000	CHF '000
Less than one year	12,7	27,3
Between one and five years	128,5	8138
More than five years	0,0	0,0
	----------	----------
Total	141,2	109,1
	========	========

13. Finance income and finance expense

	2015	2014
	CHF '000	CHF '000
Finance income		
Interest received on deposits	0,4	1,4
Foreign currency gains	2,8	36,6
	----------	----------
Total finance income	3,2	38,0
	========	========
Finance expense		
Interest expense on financial liabilities	68,0	47,2
Foreign currency losses	1,6	103,2
	----------	----------
Total finance expense	69,6	150,4
	========	========
Net finance income (+)/expense (-) recognised in profit or loss	-66,4	-112,4
	========	========

The amount of net exchange currency losses recognised in profit or loss in 2015 is CHF 1,1k (2014: CHF 66,6k).

14. Taxes

Taxes recognized in profit or loss

	2015 CHF '000	2014 CHF '000
Tax recognised in profit or loss		
Current tax on profits for the year	17,8	3,4
	----------	----------
Total current tax	17,8	3,4
	========	========
Total tax	17,8	3,4
	========	========

Reconciliation of effective tax rate

	2015 %	2015 CHF '000	2014 %	2014 CHF '000
Profit or loss before tax		-4'450,9		-3'380,9
thereof:				
Luxembourg operations		*-3'062,2*		*-2'989,5*
German operations		*8,5*		*17,1*
Romanian operations		*18,0*		*16,4*
domestic (CH) operations		*-1'980,1*		*-424,9*
consolidation effects		*564,8*		*0,0*
	========	========	========	========
Tax using Company's domestic tax rate	20,0%	-890,2	20,0%	-676,2
Tax rate differences	0,7%	-30,4	0,9%	-28,7
Current year losses and temporary differences for which no deferred tax asset is recognized	-20,7%	920,6	-20,9%	704,9
Other	-0,4%	17,8	-0,1%	3,4
	----------	----------	----------	----------
Total	-0,4%	17,8	-0,1%	3,4
	========	========	========	========

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	2015 CHF '000	2014 CHF '000
Deductible temporary differences (will never expire)	619,7	474,1
tax losses (unlimited)	1'778,9	908,7

There were no unrecognised deferred tax liabilities during any of the periods presented.

The aggregate amount of unused tax losses as of 31 December 2015 is CHF 8'569k (31 December 2014: 4'336k).

15. Earnings per share

The calculation of basic earnings per share (EPS) has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

The calculation of diluted earnings per share has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	Total 2015 CHF '000	Total 2014 CHF '000
Numerator		
Profit or loss for the year	-4'468,8	-3'384,3
	----------	----------
Earnings used in basic and diluted EPS	-4'468,8	-3'384,3
	========	========
Weighted average number of ordinary shares issued at 1 January	12'000'000	8'800'000
Effect of shares issued		
in November 2014	-	266'667
in December 2015	8'493	-
	----------	----------
Weighted average number of shares used in basic EPS	12'008'493	9'066'667
Effects of:		
Employment share options	207'513	100'793,4
	----------	----------
Weighted average number of shares used in diluted EPS	12'216'006	9'167'460
	========	========
Basic earnings per share	-0,372	-0,373
Diluted earnings per share	-0,366	-0,369

16. Intangible assets

	Licences & other	Total
	CHF '000	CHF '000
(i) costs		
at 1.1.2014	0,7	0,7
Additions	1,9	1,9
Disposals	-0,2	-0,2
Foreign exchange movements	0,0	0,0
	----------	----------
at 31.12.2014	2,4	2,4
	========	========
at 1.1.2015	2,4	2,4
Additions	45,4	45,4
Disposals	0,0	0,0
Foreign exchange movements	-0,3	-0,3
	----------	----------
at 31.12.2015	47,5	47,5
	========	========
(ii) accumulated depreciation and impairment costs		
at 1.1.2014	0,3	0,3
Depreciation	0,5	0,5
Disposals	-0,2	-0,2
Foreign exchange movements	0,0	0,0
	----------	----------
at 31.12.2014	0,6	0,6
	========	========
at 1.1.2015	0,7	0,7
Depreciation	2,1	2,1
Disposals	0,0	0,0
Foreign exchange movements	-0,1	-0,1
	----------	----------
at 31.12.2015	2,7	2,7
	========	========
(iii) net book value		
at 1.1.2014	0,4	0,4
at 31.12.2014	1,8	1,8
at 31.12.2015	44,8	44,8
	========	========

17. Property, plant and equipment

	Plant machinery and motor vehicles	Fixtures and fittings	Computer equipment	Low-value assets	Total
	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000
(i) costs					
at 1.1.2014	0,7	5,1	22,1	0,0	28,0
Additions	0,0	0,0	12,1	3,1	15,2
Disposals	0,0	0,0	-9,6	-3,1	-12,6
Foreign exchange movements	0,0	-0,1	-0,4	0,0	-0,6
at 31.12.2014	0,7	5,0	24,3	0,0	30,0
at 1.1.2015	0,7	5,0	24,3	0,0	30,0
Additions	0,0	0,6	5,6	0,0	6,2
Disposals	0,0	0,0	0,0	0,0	0,0
Foreign exchange movements	-0,1	-0,5	-2,4	0,0	-3,0
at 31.12.2015	0,6	5,1	27,4	0,0	33,2
(ii) accumulated depreciation and impairment costs					
at 1.1.2014	0,1	0,2	5,6	0,0	5,9
Depreciation	0,2	0,9	6,1	3,1	10,3
Impairment losses	0,0	0,0	-0,2	0,0	-0,2
Disposals	0,0	0,0	-3,3	-3,1	-6,4
Foreign exchange movements	0,0	0,0	-0,1	0,0	-0,1
at 31.12.2014	0,3	1,1	8,1	0,0	9,5
at 1.1.2015	0,3	1,1	8,1	0,0	9,5
Depreciation	0,2	1,0	7,1	0,0	8,2
Impairment losses	0,0	0,0	0,0	0,0	0,0
Disposals	0,0	0,0	0,0	0,0	0,0
Foreign exchange movements	0,0	-0,1	-0,8	0,0	-0,9
at 31.12.2015	0,4	2,0	14,4	0,0	16,8
(iii) net book value					
at 1.1.2014	0,6	4,9	16,6	0,0	22,1
at 31.12.2014	0,4	3,8	16,1	0,0	20,4
at 31.12.2015	0,2	3,1	13,0	0,0	16,4

18. Deposits

	Guarantee deposits CHF '000	Total CHF '000
(i) costs		
at 1.1.2014	14,4	14,4
Additions	2,5	2,5
Disposals	-4,7	-4,7
Foreign exchange movements	-0,3	-0,3
	----------	----------
at 31.12.2014	11,9	11,9
	========	========
at 1.1.2015	11,9	11,9
Additions	3,4	3,4
Disposals	0,0	0,0
Foreign exchange movements	-1,1	-1,1
	----------	----------
at 31.12.2015	14,2	14,2
	========	========
(ii) accumulated depreciation and impairment costs		
at 1.1.2014	0,0	0,0
Depreciation	0,0	0,0
	----------	----------
at 31.12.2014	0,0	0,0
	========	========
at 1.1.2015	0,0	0,0
Depreciation	0,0	0,0
	----------	----------
at 31.12.2015	0,0	0,0
	========	========
(iii) net book value		
at 1.1.2014	14,4	14,4
at 31.12.2014	11,9	11,9
at 31.12.2015	14,2	14,2
	========	========

Deposits consist of security deposit accounts for office rentals and e-money transactions. The security deposits are held by Group companies but are not currently available for use by group.

19. Inventories

	2015 CHF '000	2014 CHF '000
Raw materials and consumables	46,1	49,1
	----------	----------
Total	46,1	49,1
	========	========

Inventories consist entirely of blank (not personalized to users) cards for MasterCard stickers and chipcards.

20. Trade and other receivables

	2015 CHF '000	2014 CHF '000
Receivables from related parties	16,1	0,9
	----------	----------
Total financial assets other than cash and cash equivalents classified as loans and receivables	16,1	0,9
Other receivables	65,0	63,0
	----------	----------
Total trade and other receivables	81,1	63,9
	========	========

Other receivables mainly include VAT claims.

Information about the Group's exposure to credit and market risks, and impairment losses for trade and other receivables, excluding construction contracts in progress, is included Note 29 *Financial instruments - Risk Management*.

21. Cash and cash equivalents

	2015 CHF '000	2014 CHF '000
Bank balances	56,4	1'557,7
e-money institute balances	12,5	22,8
	----------	----------
Cash and cash equivalents	68,9	1'580,5
	========	========

22. Share capital

	Ordinary shares of 0,2 CHF each	
	2015	2014
	Shares	Shares
Issued at 1. January	12'000'000	8'800'000
Issued for cash	387'500	3'200'000
	-------------	-------------
Issued at 31 December – fully paid	12'387'500	12'000'000
	=========	=========
Authorised – par value CHF 0,20	*5'612'500*	*160'000*
Conditional capital – par value CHF 0,20	*3'475'000*	*3'475'000*
	=========	=========

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Issue of ordinary shares

The Company was founded in 2011 with an initial share capital of CHF 1,5 million, divided in 7'500'000 ordinary shares of CHF 0,2 each.

On 15 February 2013 the Company's share capital was increased by 500'000 ordinary shares at an issue value of total CHF 0,6 million (CHF 1,20 each) to 8'000'000 ordinary shares at CHF 0,2 CHF nominal value.

On 16 July 2013 the Company's share capital was increased by 800'000 ordinary shares at an issue value of total CHF 1,5 million (CHF 1,875 each) to 8'800'000 ordinary shares at CHF 0,2 CHF nominal value.

The capital of the Company was increased on 10 November 2014 by 3'200'000 new ordinary shares, issued at 1,00 CHF per share in cash. Share capital has increased to a total volume of CHF 2'400'000 split-up by 12'000'000 shares.

The capital of the Company was increased on 23 December 2015 by 387'500 new ordinary shares, issued at an average of 8,65 CHF per share by converting existing loans of 3'100'000 EUR to equity. Share capital has increased to a total volume of CHF 2'477'500 split-up by 12'387'500 shares.

Capital management

The Group's policy is to raise all funding as equity. Investors in the past have usually increased equity in an amount that the projected cash requirements are covered for approximately the next 6 months. For interim periods, the investors have granted loans which were intended to be paid back after next capital increase.

In the future, the range of participating investors' base shall be expanded based on the listing the Company's shares at a stock exchange or an open market. The Group's medium term policy will also remain similar as funding shall also be raised by equity or at least equity-linked instruments for a similar period to be covered.

23. Capital reserve and other reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Capital reserve	Additional paid-in capital; amount subscribed for share capital in excess of nominal value.
Other reserves	The reserves include translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations

24. Loans and borrowings (measured at cost)

	Book value 2015 CHF '000	Book value 2014 CHF '000
Current		
Loans from related parties	179,6	997,7
	----------	----------
	179,6	997,7
	========	========

Interest arrangements are at arm's length.

The currency profile of the Group's loans and borrowings is as follows:

	2015 CHF '000	2014 CHF '000
CHF	0,0	18,3
EUR	179,6	979,4
	----------	----------
Total	179,6	997,7
	========	========

The term profile of the Group's loans and borrowings is as follows:

2014	Floating rate CHF '000	Fixed rate CHF '000	Total CHF '000
Due to be settled within twelve months after the reporting period	0,0	997,7	997,7
	----------	----------	----------
Total	0,0	997,7	997,7
	========	========	========

2015	Floating rate	Fixed rate	Total
	CHF '000	CHF '000	CHF '000
Due to be settled within twelve months after the reporting period	0,0	179,6	179,6
	----------	----------	----------
Total	0,0	179,6	179,6
	========	========	========

25. Current liabilities

	2015	2014
	CHF '000	CHF '000
Loans and Borrowings (current)	179,6	997,7
Trade accounts payable	387,6	244,5
Other current liabilities	89,6	26,8
Provisions	205,9	177,9
thereof: provision for annual leave	*7,5*	*2,8*
	----------	----------
Total Current liabilities	862,8	1'446,9
	========	========

Other current liabilities include VAT payable, social security liabilities, wages payable or tax on wages payable.

The roll forward of provisions is as follows:

	Taxes	Accounting and audit	Invoices outstanding	Short term employee benefits	Total
at 1.1.2015	1,2	36,1	125,2	15,5	177,9
additions	6,0	70,0	122,4	7,5	206,0
utilized in year	0,0	-13,0	-124,2	-14,0	-151,2
released in year	0,0	-21,7	0,0	0,0	-21,7
Foreign exchange movements	0,0	-3,4	-0,1	-1,5	-5,0
	----------	----------	----------	----------	----------
at 31.12.2015	7,2	67,9	123,3	7,5	205,9
	========	========	========	========	========

Provisions for accounting and audit mainly include obligations related to the preparation of annual financial statements. The provisions for short term employee benefits result from remaining obligations for employees' annual leave. Further provisions are considered for outstanding suppliers' invoices. The Group expects to settle the majority of the provisions within one year from the balance sheet date.

26. Share-based payment arrangements

26.1. Description of equity-settled share-based payment arrangements

During 2013, the Company introduced an equity-settled share option program that entitles certain employees to purchase shares in the Company. In accordance with this program, holders of vested options are entitled to purchase shares at an exercise price of CHF 0,20.

Under the program, beneficiaries receive the right to have a total maximum of share options issued in three Tranches on each of the Issue Dates 15 February 2014, 15 February 2015, and 15 February 2016, whereby the actual number of share options that will be granted on each of those dates depends on the achievement of certain non-market performance criteria ("Targets") during each of the one-year Performance Periods ending on 31 December 2013, 31 December 2014, and 31 December 2015. The maximum number of share options to be granted for each Tranche as well as the relevant Targets for each of the Performance Periods 2013, 2014 and 2015 are agreed between the Company and the beneficiaries during the course of each of the Performance Period. Assuming a 100% Target achievement, the following table shows the maximum number of share options to be issued and the vesting conditions for each of the three Tranches:

Tranche	Performance Period	Scheduled Issue Date	Maximum number of share options to be issued on Issue Date	Share options issued	Vesting conditions	Contractual life of options
1	1 January – 31 December 2013	15 Feb 2014	300'000*	106'500	Achievement of certain non-market performance criteria and 1 year service from Issue Date.	2 years from scheduled Issue Date (15 Feb 2016)
2	1 January – 31 December 2014	15 Feb 2015	120'000**	55'650	Achievement of certain non-market performance criteria and 1 year service from Issue Date.	2 years from scheduled issue date (15 Feb 2017)
3	1 January – 31 December 2015	15 Feb 2016	260'000***	288'540	Achievement of certain non-market performance criteria. Options vest on Issue Date.	1 year from scheduled issue date (15 Feb 2017)

* As determined in April 2013 as part of Target setting for the Performance Period 2013
** As determined in August 2014 as part of Target setting for the Performance Period 2014
*** As determined in March 2015 as part of Target setting for the Performance Period 2015

Generally, all options are to be settled by physical delivery of shares, except in the following circumstances: (i) If the beneficiary voluntarily terminates employment prior to vesting, the beneficiary receives a cash settlement amounting to the intrinsic value of the outstanding options determined at beginning of the relevant Performance Period; (ii) if the Company terminates a beneficiary's employment prior to vesting, the beneficiary receives a cash settlement amounting to the intrinsic value of the outstanding options determined as of the termination date.

26.2. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option program were as follows:

in thousands of options	Number of options 2015	Weighted-average exercise price 2015	Number of options 2014	Weighted-average exercise price 2014
Outstanding at 1 January	195,9	CHF 0,20	127,6	CHF 0,20
Granted during the year	260,0	CHF 0,20	120,0	CHF 0,20
Effect on achievement of non-market performance criteria	(80,9)	CHF 0,20	(30,6)	CHF 0,20
Forfeited during the year	--	--	--	--
Settled during the year	(33,7)		(21,1)	
Exercised during the year	(106,5)	--	--	--
Outstanding at 31 December	234,8	CHF 0,20	195,9	CHF 0,20
Exercisable at 31 December	0	--	0	--

All 234’770 options outstanding at 31 December 2015 had an exercise price of CHF 0,20. The options have a contractual life of 1,1 years. The 106’500 Option of Tranche 1 have been exercised in August 2015; however, deliverance of the shares was outstanding as of 31 December 2015.

Based on the actual Target achievement determined for the second Tranche of this program (relating to the 2014 Performance Period), 89’400 share options were issued in March 2015; 33’750 share options hereof where settled in October 2015.

Based on the actual Target achievement determined for the third Tranche of this program (relating to the 2015 Performance Period), 179’120 share options were issued in January 2016.

26.3. Measurement of fair values

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the transactions were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date of equity-settled share-based payment plans were as follows:

	Tranche 3	Tranche 2	Tranche 1
	2015	2014	2013
Fair Value at grant date	CHF 0,83	CHF 0,85	CHF 1,05
Share price at grant date	CHF 1,00	CHF 1,00	CHF 1,20
Exercise price	CHF 0,20	CHF 0,20	CHF 0,20
Expected volatility	100%	100%	100%
Expected life	1,6 years	2,6 years	2,6 years
Expected dividends	0%	0%	0%
Risk-free interest rate (based on government bonds)	1%	1%	1%

The computation of expected volatility is based on the historical volatility of comparable public companies. The computation of expected life was determined based on the average of the vesting period and the contractual life of the option.

26.4. Expense recognized in profit or loss

The Company recognizes the fair value of equity-settled over the vesting period, which is the period during which all of the specified vesting conditions are to be satisfied in order for the beneficiaries to be entitled unconditionally to the equity instrument. As the grant date for the first Tranche occurred after the employees have begun rendering services under the program, the Company estimates the grant-date fair value of the equity instruments for the purpose of recognising the services from the service commencement date of each Tranche (1 January 2013, 1 January 2014, and 1 January 2015, respectively) until grant date of each of the three Tranches. Until the grant date has been established, the Company revises the earlier estimates so that the amounts recognised for services received are based on the grant-date fair value of the equity instruments. This revision is treated as a change in estimate.

The grant date for the first Tranche was April 11, 2013. In accordance with the above, for the first Tranche, the amounts for services rendered are recognised on a straight-line basis from 1 January 2013 through February 15, 2015.

The grant dates for the second Tranche were in September and October 2014. In accordance with the above, for the second Tranche, the amounts for services rendered are recognised on a straight-line basis from 1 January 2014 through February 15, 2016.

The grant date for the third Tranche was 23 March 2015. In accordance with the above, for the third Tranche, the amounts for services rendered are recognised on a straight-line basis from 1 January 2015 through February 15, 2016.

For details on the related employee benefit expense recognized in each of the periods presented, see Note 11 *Employee benefit expenses*.

27. Group entities

The group entities of Cashcloud AG, all of which have been included in these consolidated financial statements, are as follows:

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 31 December	
		2015	2014
Cashcloud S.A.	Luxembourg	100%	100%
Cashcloud Technology Services S.R.L.	Romania	100%	100%
Cashcloud Deutschland GmbH	Germany	100%	100%

28. Related Parties

28.1. Parent and ultimate controlling party

Based on share transactions in March 2015, the Group's parent entity SPP Capital AG, Balzers, Liechtenstein, as well as the Group's ultimate parent and ultimate controlling party Bluestar Capital Trust, Balzers, Liechtenstein, have reduced their direct and indirect shareholding below majority so that these entities no longer control the majority of voting rights since that date. However, Bluestar Capital as well as its group companies are still treated as related parties for the period HY1 2015.

Based on the shareholdings at the time of initial listing (8 June 2015) at General Standard at Frankfurt stock Exchange and considering the effect from the capital increase as of December 2015 the shareholdings are as follows:

SPP Capital AG:	33,2%
Cybernet Capital Limited:	19,3%
FORESIGHT FOUNDATION:	18,0%
Freefloat (<5% shareholdings):	29,5%

Due to the stock exchange listing the company is not able to track the current shareholdings directly. However, according to stock exchange rules investors are obliged to inform to Company if they reach or fall below certain levels. According to the Company's knowledge, the major shareholdings beside the freefloat have not been changed as at 31 December 2015 compared to the listing date.

28.2. Transactions with key management personnel and other related parties

Key management personnel have received the following compensation from the Company during any of the periods presented:

	2015	2014
	CHF '000	CHF '000
Short-term employee benefits:	158,1	170,1
Share-based payments:	70,7	48,5
	----------	----------
Total	228,7	218,6
	========	========

The directors of the Company control the voting shares of the Company as follows:

at 31. December	2015	2014
	%	%
control the voting shares by the directors	18,0	18,6

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these companies transacted with the Group during the year. The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows:

	Loans, borrowings from and accounts payables to related parties December 31,	
	2015	2014
	CHF '000	CHF '000
a) The parent	0,0	613,5
b) Entities with joint control, or significant influence over the entity	0,0	0,0
c) Key management personnel of the entity or its parent	55,0	0,0
d) Other related parties	179,6	365,9
	----------	----------
Total	234,6	997,7
	========	========

The outstanding balance regarding loans and borrowings and accounts payables is due to be settled within twelve months after the end of the reporting period.

	receivables from related parties December 31,	
	2015	2014
	CHF '000	CHF '000
a) The parent	0,0	0,0
b) Entities with joint control, or significant influence over the entity	0,0	0,0
c) Key management personnel of the entity or its parent	16,1	0,0
d) Other related parties	0,0	0,9
	----------	----------
Total	16,1	0,9
	========	========

All outstanding balances regarding receivables with these related parties are to be settled in cash within twelve months after the end of the reporting period.

None of the balances with these related parties is secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

Charges to the Group or expense to Related Parties:

	Charges for media advisory, IT and Management Services	
	2015	2014
	CHF '000	CHF '000
a) The parent	0,0	0,0
b) Entities with joint control or significant influence over the entity	0,0	0,0
c) Key management personnel of the entity or its parent	582,9	328,4
d) Other related parties	0,0	0,0
	----------	----------
Total	577,3	328,4
	========	========

	Interest Expenses	
	2015	2014
	CHF '000	CHF '000
a) The parent	0,0	27,4
b) Entities with joint control, or significant influence over the entity	0,0	0,0
c) Key management personnel of the entity or its parent	0,0	0,0
d) Other related parties	55,0	12,0
	----------	----------
Total	55,0	39,4
	========	========

Interest income from key management personnel and other related parties has not applied.

29. Financial instruments - Risk Management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Market risk
- Liquidity risk

This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

(i) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Deposits
- Trade and other receivables
- Cash and cash equivalents
- Trade accounts payable and other current liabilities
- Loans and borrowings

(ii) Financial instruments by category

Loans and receivables measured at amortised cost

	Loans and receivables	
	2015	2014
	CHF '000	CHF '000
Cash and cash equivalents	68,9	1'580,5
Trade and other receivables	81,1	63,9
Deposits	14,2	11,9
	----------	----------
Total financial assets	164,2	1'656,3
	========	========

Non-derivative financial liabilities

	Financial liabilities at amortized cost	
	2015	2014
	CHF '000	CHF '000
Trade accounts payable	387,6	244,5
Loans and borrowings	179,6	997,7
Other current liabilities	89,6	26,8
	----------	----------
Total financial liabilities	656,9	1'269,0
	========	========

Trade accounts payable do not include any payables related to operating leases.

(iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include deposits, cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value. Also, the carrying value of deposits approximates fair value.

(iv) Financial instruments measured at fair value

The Group does not hold any financial instruments that are measured at fair value in the respective periods presented.

29.1. General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies.

The overall objective of the Board is to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

29.1.1. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

As the company's user and customer relations are based on prepaid principle, in regard of trade receivables credit risk should not apply in material volume throughout the regular process. This risk category therefore is seen as negligible.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions.

29.1.2. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Fair value and cash flow interest rate risk

In principle, the Group is exposed to cash flow interest rate risk from long-term borrowings at limited period of fixed interest rates and this could be relevant in regard to potential prolongation of loans for funding.

At the relevant periods no loan funding was applicable.

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Funds are allocated to the group entity in the respective currency which will be needed in near future. For this, the board receives a monthly liquidity report in order to decide about and relocate the needed funds to the respective entity.

Foreign exchange risk regarding revenues is negligible.

As of 31 December the Group's net exposure to foreign exchange risk was as follows:

net foreign currency financial assets/liabilities	Total (group) 2015 CHF '000	2014 CHF '000
CHF	0,0	0,0
EUR	14,5	209,8
RON	0,0	0,0
Other	0,0	0,0
	----------	----------
Total	14,5	209,8
	========	========

29.1.3. Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 30 days. The Board receives rolling 12-month cash flow projections (through rolling business plan and current year's budget) on a yearly basis and rolling 6-week detailed cash flow projections (operative liquidity forecast) on a monthly basis.

Based on current year's budget the boards organizes funding rounds though external investors. Based on the monthly detailed cash flow projections, operational Group entities are supplied with required funds by the parent Company.

The remaining contractual maturities of financial liabilities are less than one year at each of the reporting dates presented.

30. Events after the reporting date

Significant events to report after the balance sheet date of the respective period are:

- Based on the shareholders' decision of decision of 21 December 2015, new members of the board of directors were Moritz Hunzinger (as chairman), Peter Heinz and Rainer Maurice Wunderlin by their acceptance as of 1 January 2016.
- Sven Donhuysen have resigned from the board of directors as of 11 February 2016.
- Deliverance of the Tranche 1 stocks of the employee stock options programme which has been fully exercised (106'500) in August 2015 is still outstanding. For Tranche 2 a number 38,100 Options and for Tranche 3 a number of 69,700 Options has of the employee stock options programme has been exercised in February 2016. The deliverance was due on 15 February 2016, but is outstanding.
- Ms Stefanie Frey has been appointed as director for Cashcloud AG as of 29 March 2016 with the right of sole representation.

- The Company was informed by the mayor shareholder SPP Capital AG that its shareholding has been increased to 53,3% as of by March 2016.
- Cashcloud Deutschland GmbH has left the Cashcloud Group as of 1 April 2016 through a sale of 100% of the shares. The key employees have entered into an employment contract by Cashcloud S.A., Luxembourg. The service arrangement between Cashcloud Deutschland GmbH and other Cashcloud group entities ends at 30 April 2016. As the decision on the sale of Cashcloud Deutschland GmbH was taken in 2016, this transaction does not fall under discontinued operations in accordance with IFRS 5.
- Rainer Maurice Wunderlin resigned from the board of directors as of 22 April 2016.

Cashcloud AG, Basel

25 April 2016

Bahnhofstrasse 28
Postfach 556
CH-6431 Schwyz

Tel +41 (0)41 819 54 00

info@mattig.ch
www.mattig.ch

Report of the statutory auditor
to the general meeting of
Cashcloud AG
(formerly Cashcloud Holding AG)
4054 Basel

Mattig-Suter und Partner Schwyz Treuhand- und Revisionsgesellschaft

As statutory auditor, we have audited the accompanying consolidated financial statements of Cashcloud AG (formerly Cashcloud Holding AG), which comprise the consolidated balance sheet as at December 31, 2015, the consolidated statement of comprehensive income, the consolidated statements of changes in equity, the consolidated statement of cash flow and notes to the consolidated financial statements (pages 10 to 47) for the year then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards and comply with Swiss law.

Emphasis of Matter

We draw attention to note "2.2 Going concern basis of accounting" to the consolidated financial statements describing the liquidity difficulties the cashcloud group faced during the financial year ended December 31, 2015. This fact together with other matters disclosed in note "2.2 Going concern basis of accounting" indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Should the going concern assumption no longer be appropriate, the consolidated financial statements would have to be prepared based on liquidation values.

The prior year consolidated financial statements were audited by a different auditor. The auditor's report dated May 6, 2015 was issued with an unqualified opinion.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In the course of our audit performed in accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we noted that an internal control system for the preparation of financial statements designed according to the instructions of the Board of Directors was adequately documented but not implemented in all material respects.

In our opinion, the internal control system is not in accordance with Swiss law and accordingly we are unable to confirm the existence of the internal control system for the preparation of the financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

Schwyz, April 25, 2016 adu

Treuhand- und Revisionsgesellschaft
Mattig-Suter und Partner

A. Dubacher ppa M. Arnet

Aldo Dubacher
Licensed audit expert
Auditor in charge

Marc Arnet
Licensed audit expert