Cashcloud AG

(until 13 February 2015: Cashcloud Holding AG)

Basel/Switzerland

Consolidated financial statements

for the half-year ended 30 June 2015

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

Consolidated Balance Sheets as of 30 June 2015

Assets	Note	30.06.2015	2014
		CHF	'000 CHF
Non-current assets			
Intangible assets	*16*	1,216.32	1.8
Property, plant and equipment	*17*	18,030.26	20.4
Deposits	*18*	13,607.10	11.9
Total non-current assets		**32,853.68**	**34.1**
Current assets			
Inventories	*19*	38,424.71	49.1
Trade and other receivables	*20*	70,291.01	63.9
Cash and cash equivalents	*21*	519,959.03	1,580.5
Total current assets		**628,674.75**	**1,693.5**
Total assets		**661,528.43**	**1,727.5**

Equity and liabilities	***Note***	**30.06.2015**	**2014**
		CHF	'000 CHF
Equity			
Share capital	*22*	2,400,000.00	2,400.00
Share premium	*23*	4,689,241.10	4,620.3
Translation reserve	*23*	146,019.87	54.3
Accumulated deficit		-8,755,555.19	-6,793.9
		----------------	----------------
Total equity		**-1,520,294.22**	**280.6**
Liabilities			
Current liabilities			
Loans and borrowings	*24*	1,735,240.39	997.7
Trade accounts payable	*25*	337,333.42	244.5
Other current liabilities	*25*	38,462.81	26.8
Provisions	*25*	70,786.03	177.9
		----------------	----------------
Total current liabilities		**2,181,822.65**	**1,446.9**
Total liabilities		**2,181,822.65**	**1,446.9**
		----------------	----------------
Total equity and liabilities		**661,528.43**	**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 half-year ended 30 June

	Note	**01.01. - 30.06.2015**	**01.01. - 30.06.2014**
		CHF	'000 CHF
Revenue	*8*	1,439.31	0.9
Other operating income	*9*	100,392.18	27.7
Costs for purchased services and consumables	*10*	116,002.22	138.8
Employee benefit expenses	*11*	484,275.61	479.6
Depreciation and amortisation expense		4,883.35	4.6
Other operating expenses	*12*	1,440,308.17	898.3
Operating loss		**-1,943,637.86**	**-1,492.7**
Finance expense	*13*	19,646.41	26.4
Finance income	*13*	4,037.32	15.2
Financial result		**-15,609.09**	**-11.3**
Profit or loss before tax		**-1,959,246.95**	**-1,503.9**
Income tax expenses	*14*	2,392.85	2.0
Net profit or loss for the period		**-1,961,639.80**	**-1,505.9**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**91,754.58**	**-2.6**
Other comprehensive income for the period		**91,754.58**	**-2.6**
Total comprehensive income for the period		**-1,869,885.22**	**-1,508.5**
Profit or loss attributable to equity holders of the Group		-1,961,639.80	-1,505.9
Total comprehensive income attributable to the equity holders of the Group		-1,869,885.22	-1,508.5
Basic earnings per share	*15*	**-0.163**	**-0.171**
Diluted earnings per share	*15*	**-0.161**	**-0.170**

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 half-year ended 30 June

in '000 CHF	Share capital	Share Premium	Translation Reserve	Accumulated 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	-	-	-	-1,505.9	-1,505.9
Other comprehensive income	-	0.8	-2.6	-	-1-8
	-------------	-------------	-------------	-------------	-------------
Total comprehensive income	**0.0**	**0.8**	**-2.6**	**-1,505.9**	**-1,507.7**
	-------------	-------------	-------------	-------------	-------------
Transactions with owners of the Company					
Issue of ordinary shares	-	-	-	-	-
Equity-settled share-based payments	-	34.0	-	-	34.0
Total contributions and distributions	**0.00**	**34.0**	**0.00**	**0.00**	**34.0**
	-------------	-------------	-------------	-------------	-------------
Total transactions with owners of the company	**0.00**	**34.0**	**0.00**	**0.00**	**34.0**
	-------------	-------------	-------------	-------------	-------------
Balance at 30 June 2014	**1,760.0**	**2,043.8**	**-32.2**	**-4,915.5**	**-1,143,9**
	==========	==========	==========	==========	==========

in CHF	Share capital	Share Premium	Translation Reserve	Accumulated deficit	Total
Balance at 31 December 2014	**2,400,000.00**	**4,620,278.71**	**54,265.29**	**-6,793,915.43**	**280,628.57**
	-------------	-------------	-------------	-------------	-------------
Total comprehensive Income					
Net profit or loss for the period	-	-	-	-1,961,639.76	-1,961,639.76
Other comprehensive income	-	-	91,754.58	-	91,754.58
	-------------	-------------	-------------	-------------	-------------
Total comprehensive income	**0.00**	**0.00**	**91,754.58**	**-1,961,639.76**	**-1,869,885.18**
	-------------	-------------	-------------	-------------	-------------
Transactions with owners of the Company					
Issue of ordinary shares	-	-	-	-	-
Equity-settled share-based payments	-	68,962.39	-	-	68,962.39
Total contributions and distributions	**0.00**	**68,962.39**	**0.00**	**0.00**	**68,962.39**
	-------------	-------------	-------------	-------------	-------------
Total transactions with owners of the company	**0.00**	**68,962.39**	**0.00**	**0.00**	**68,962.39**
	-------------	-------------	-------------	-------------	-------------
Balance at 30 June 2015	**2,400,000.00**	**4,689,241.10**	**146,019.87**	**-8,755,555.19**	**-1,520,294.22**
	==========	==========	==========	==========	==========

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 half-year ended 30 June

	01.01. - 30.06.2015	**01.01. - 30.06.2014**
	CHF	'000 CHF
Cash flows from operating activities		
Net loss for the period	-1,961,639.80	-1,505.9
Adjustments for:		
Depreciation of property, plant and equipment	2,500.00	4.4
Amortisation of intangible fixed assets	2,383.35	0.3
Finance income	-4,037.32	0.0
Finance expense	19,646.41	10.7
Share-based payment expense	68,962.39	34.0
Income tax expenses	2,392.85	2.0
	-----------------	-----------------
	-1,869,792.12	**-1,454.5**
Increase / Decrease in trade and other receivables	-6,428.19	0.4
Increase / Decrease in inventories	10,678.66	-30.9
Decrease / Increase in trade and other payables	104,503.02	-67.7
Decrease / Increase in provisions and employee benefits	-107,128.48	-4.7
	-----------------	-----------------
Cash used in operations	**-1,868,167.11**	**-1,557.5**
Income taxes paid	-2,392.85	-2.0
	-----------------	-----------------
Net cash flows from operating activities	**-1,870,559.96**	**-1,559.4**
Investing activities		
Purchase (-) of property, plant and equipment	103.54	-9.7
Disposal (+)of property, plant and equipment	0.00	4.9
Disposal (+) / Purchase (-) of intangibles	1,841.39	-0.6
Disposal (+) / Purchase (-) of financial assets	1,705.43	0.0
Interest received	165.57	0.0
	-----------------	-----------------
Net cash from / (used) in investing activities	**3,815.93**	**-5.4**
Financing activities		
Proceeds from borrowings	737,528.81	1,424.1
Interest paid	-15,655.50	-10.7
Proceeds from issuance of share capital	0.0	0.8
	-----------------	-----------------
	721,873.31	**1,414.3**
Net increase in cash and cash equivalents	-1,140,874.47	-150.5
Cash and cash equivalents at beginning of the period	1,580,495.01	455.1
Effect of exchange rate fluctuations on cash and cash equivalents	84,334.74	-2.6
	-----------------	-----------------
Cash and cash equivalents at end of the period	**519,959.03**	**302.0**
	===========	===========

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 half-year ended 30 June 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 Steinenvorstadt 13, 4051 Basel, Switzerland. These consolidated financial statements as at and for the half-year ended 30 June 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 26 August 2015.

These financial statements have not been audited.

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 a 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, management 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 2.0 million for the half-year ended 30 June 2015, and an accumulated deficit of CHF 8.8 million as of 30 June 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 20.0 million (this includes committed funds for capital increase amounting to CHF 4.5 million which is planned to be finalised in 3rd quarter 2015). 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 is convinced that the existence of the Group will be secured – especially in the next two years – and that the Group 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 was performed in November 2014 amounting to CHF 3.2 million by one major investor and major investors have committed to a capital increase of CHF 4.5 million scheduled in 3rd quarter 2015.

Management acknowledges that a material uncertainty exists over the Group'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, management has a reasonable expectation that the Group will be able to raise adequate resources to continue in operational existence for the foreseeable future. If for any reason the Group is unable to continue as a going concern, it could have an impact on the Group'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 half-year ended 30 June 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 HY1 2015 amounts to CHF 632,4k (HY1 2014: CHF 478,1k).

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. 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 30 June 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 HY1 2015 relates to customers in Germany, The Netherlands, Spain and France.

Non-current assets (see note below)

	HY1 2015 CHF '000	2014 CHF '000
Switzerland	0.0	0.0
All foreign countries		
Luxembourg	4.1	4.7
Germany	5.4	6.0
Romania	9.8	11.5
	----------	----------
Total	19.2	22.2
	========	========

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

8. Revenues

	Revenues	
	HY1 2015 CHF '000	HY1 2014 CHF '000
eWallet fees	0.04	0.2
Card issuing fees	1.3	0.7
MasterCard Interchange	0.1	0.1
	----------	----------
Total	1.4	0.9
	========	========

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.

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	
	HY1 2015	HY1 2014
	CHF '000	CHF '000
Customer Service to external customers	93.3	27.6
Other income	7.1	0.0
	----------	----------
Total	100.4	27.6
	========	========

10. Costs of purchased services and consumables

	Costs for purchased services and consumables	
	HY1 2015	HY1 2014
	CHF '000	CHF '000
Purchased consumables	4.6	4.5
Purchased Services	111.4	134.3
	----------	----------
Total	116.0	138.8
	========	========

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	
	HY1 2015	HY1 2014
	CHF '000	CHF '000
Wages and salaries	357.3	381.7
Social security contributions	58.0	63.8
Share-based payment awards	69.0	34.0
	----------	----------
Total	484.3	479.6
	========	========

12. Other operating expenses (including operating leases)

	Other operating expenses	
	HY1 2015	HY1 2014
	CHF '000	CHF '000
Consulting	154.2	72.2
IT development	481.3	289.2
Marketing	275.9	375.3
Legal & accounting	228.2	55.1
Travelling costs	28.0	39.8
Other	272.8	66.8
	----------	----------
Total	1,440.3	898.3
	========	========

Additional to the other operating expenses included in the accounts as of 30 June 2015, future lease expenses will incur in connection with operating lease arrangements (mainly office space) of CHF 88.0k (30 June 2014: CHF 37.2k). 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	
	HY1 2015	HY1 2014
	CHF '000	CHF '000
Less than one year	20.3	13.3
Between one and five years	67.7	23.9
More than five years	0.0	0.0
	----------	----------
Total	88.0	37.2
	========	========

13. Finance income and finance expense

	HY1 2015	HY1 2014
	CHF '000	CHF '000
Finance income		
Interest received on deposits	0.2	0.0
Foreign currency gains	3.9	15.2
	----------	----------
Total finance income	4.0	15.2
	========	========
Finance expense		
Interest expense on financial liabilities	15.7	10.7
Foreign currency losses	4.0	15.8
	----------	----------
Total finance expense	19.6	26.4
	========	========
Net finance income (+)/expense (-) recognised in profit or loss	-15.6	-11.3
	========	========

The amount of net exchange currency gains recognised in profit or loss in HY1 2015 is CHF 0.1k (HY1 2014: CHF 0.6k).

14. Taxes

Taxes recognized in profit or loss

	HY1 2015 CHF '000	HY1 2014 CHF '000
Tax recognised in profit or loss		
Current tax on profits for the year	2.4	2.0
	----------	----------
Total current tax	2.4	2.0
	========	========
Total	2.4	2.0
	========	========

Reconciliation of effective tax rate

	HY1 2015 %	HY1 2015 CHF '000	HY1 2014 %	HY1 2014 CHF '000
Profit or loss before tax		-1,959.2		-1,503.9
thereof:				
Luxembourg operations		*-1,512.5*		*-1,439.1*
German operations		*96.6*		*26.1*
Romanian operations		*5.5*		*-3.1*
domestic (CH) operations		*-1,387.8*		*-87.8*
consolidation effects		*839.0*		*0.0*
	========	========	========	========
Tax using Company's domestic tax rate	20.0%	-391.8	20.0%	-300.8
Tax rate differences	0.3%	-5.1	0.8%	-11.5
Current year losses and temporary differences for which no deferred tax asset is recognized	-20.3%	397.0	-20.0%	312.3
Other	-0.1%	2.4	-0.1%	2.0
	----------	----------	----------	----------
Total	-0.1%	2.4	-0.1%	2.0
	========	========	========	========

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.

	HY1 2015 CHF '000	HY1 2014 CHF '000
Deductible temporary differences (will never expire)	516.2	308.5
tax losses (unlimited)	1,176.7	695.1

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

The aggregate amount of unused tax losses as of 30 June 2014 is CHF 5,676.3k (30 June 2014: 3,335.8k).

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.

Numerator	HY1 2015 CHF '000	HY1 2014 CHF '000
Profit or loss for the year	-1,961.6	-1,505.9
	----------	----------
Earnings used in basic and diluted EPS	-1,961.6	-1,505.9
	========	========
Weighted average number of ordinary shares issued at 1 January	12,000,000	8,800,000
	----------	----------
Weighted average number of shares used in basic EPS	12,000,000	8,800,000
Effects of:		
Employment share options	169,596	65,033
	----------	----------
Weighted average number of shares used in diluted EPS	12,169,596	8,865,033
	========	========
Basic earnings per share	**-0.163**	**-0.171**
Diluted earnings per share	**-0.161**	**-0.170**

16. Intangible assets

	Licences & other	Total
	CHF '000	CHF '000
(i) costs		
at 1.1.2015	2.4	2.4
Additions	0.2	0.2
Disposals	0.0	0.0
Foreign exchange movements	-0.3	-0.3
	----------	----------
at 30.6.2015	2.3	2.3
	========	========
(ii) accumulated depreciation and impairment costs		
at 1.1.2015	0.7	0.7
Depreciation	0.5	0.5
Disposals	0.0	0.0
Foreign exchange movements	-0.1	-0.1
	----------	----------
at 30.6.2015	1.1	1.1
	========	========
(iii) net book value		
at 1.1.2015	1.8	1.8
at 30.6.2015	1.2	1.2
	========	========

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 1.1.2015	0.7	5.0	24.3	0.0	30.0
Additions	0.0	0.6	3.2	0.0	3.8
Disposals	0.0	0.0	0.0	0.0	0.0
Foreign exchange movements	-0.1	-0.7	-3.3	0.0	-4.1
at 30.6.2015	0.6	4.9	24.2	0.0	29.7
(ii) accumulated depreciation and impairment costs					
at 1.1.2015	0.3	1.1	8.1	0.0	9.5
Depreciation	0.1	0.4	2.9	0.0	3.4
Disposals	0.0	0.0	0.0	0.0	0.0
Foreign exchange movements	0.0	-0.2	-1.1	0.0	-1.3
at 30.6.2015	0.3	1.4	9.9	0.0	11.7
(iii) net book value					
at 1.1.2015	0.4	3.8	16.1	0.0	20.4
at 30.6.2015	0.3	3.5	14.2	0.0	18.0

18. Deposits

	Guarantee deposits CHF '000	Total CHF '000
(i) costs		
at 1.1.2015	11.9	11.9
Additions	3.3	3.3
Disposals	0.0	0.0
Foreign exchange movements	-1.6	-1.6
	----------	----------
at 30.6.2015	13.6	13.6
	========	========
(ii) accumulated depreciation and impairment costs		
at 1.1.2015	0.0	0.0
Depreciation	0.0	0.0
	----------	----------
at 30.6.2015	0.0	0.0
	========	========
(iii) net book value		
at 1.1.2015	11.9	11.9
at 30.6.2015	13.6	13.6
	========	========

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

	HY1 2015 CHF '000	2014 CHF '000
Raw materials and consumables	38.4	49.1
	----------	----------
Total	38.4	49.1
	========	========

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

20. Trade and other receivables

	HY1 2015 CHF '000	2014 CHF '000
Trade receivables	5.2	0.0
Loans to related parties	0.0	0.9
	----------	----------
Total financial assets other than cash and cash equivalents classified as loans and receivables	5.2	0.9
Other receivables	65.1	63.0
	----------	----------
Total trade and other receivables	70.3	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

	HY1 2015 CHF '000	2014 CHF '000
Bank balances	445.2	1,557.7
e-money institute balances	74.8	22.8
	----------	----------
Cash and cash equivalents	520.0	1,580.5
	========	========

22. Share capital

	Ordinary shares of 0.2 CHF each	
	HY1 2015 Shares	2014 Shares
Issued at 1. January	12,000,000	8,800,000
Issued for cash	-	3,200,000
	--------------	--------------
In issue at end of period – fully paid	12,000,000	12,000,000
	=========	=========
Authorised – par value CHF 0.20	0	0
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.

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. Share premium and reserves

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

Reserve	Description and purpose
Share premium	Additional paid-in capital; amount subscribed for share capital in excess of nominal value.
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 (not measured at fair value)

	Book value HY1 2015 CHF '000	Fair value (Level 2) HY1 2015 CHF '000	Book value 2014 CHF '000	Fair value (Level 2) 2014 CHF '000
Current				
Loans from related parties	1,735.2	1,735.2	997.7	997.7
	----------	----------	----------	----------
	1,735.2	1,735.2	997.7	997.7
	========	========	========	========

Interest arrangements are at arm's length.

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

	HY1 2015 CHF '000	2014 CHF '000
CHF	0.0	18.3
EUR	1,735.2	979.4
	----------	----------
Total	1,735.2	997.7
	========	========

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

HY1 2015	Floating rate CHF '000	Fixed rate CHF '000	Total CHF '000
Due to be settled within twelve months after the reporting period	0.0	1,735.2	1,735.2
	----------	----------	----------
Total	0.0	1,735.2	1,735.2
	========	========	========

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
	========	========	========

25. Current liabilities

	HY1 2015 CHF '000	2014 CHF '000
Loans and Borrowings (current)	1,735.2	997.7
Trade accounts payable	337.3	244.5
Other current liabilities	38.5	26.8
Provisions	70.8	177.9
thereof: provision for annual leave	*0.5*	*2.8*
	----------	----------
Total Current liabilities	2,181.8	1,446.9
	========	========

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

The roll forward of provisions is as follows:

	Accounting and audit	Invoices outstanding	Short term employee benefits	Total
at 31.12.2014	36.1	126.4	15.5	177.9
Additions	6.3	31.8	0.0	38.1
Utilized in year	-22.9	-96.1	-12.9	-132.0
Released in year	-6.3	0.0	0.0	-6.3
Foreign exchange movements	-4.8	-0.2	-2.1	-7.0
	----------	----------	----------	----------
at 30.06.2016	8.3	62.0	0.5	70.8
	========	========	========	========

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**	89,400	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***	To be deter-mined****	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 2014 as part of Target setting for the Performance Period 2015
**** To be determined based on actual Performance

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*	--	--	(30.6)	CHF 0.20
Forfeited during the year	--	--	--	--
Settled during the year	--		(21.1)	
Exercised during the year	--	--	--	--
Outstanding at 30 June	**455.9**	**CHF 0.20**	**195.9**	**CHF 0.20**
Exercisable at 30 June*	106.5	--	0.0	--

* next exercise widow: 15.08.2015

All options outstanding at 30 June 2015 have an exercise price of CHF 0.20. Hereof 106,500 options have a contractual life of 0.6 years and 349,400 options have a contractual life of 1.6 years.

Based on the actual Target achievement determined for the first Tranche of this program (relating to the 2014 Performance Period), 89,400 share options were issued in March 2015.

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 11 April 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 end of period	
		HY1 2015	2014
Cashcloud AG	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.

The shareholdings at the time of initial listing (8 June 2015) at General Standard at Frankfurt stock Exchange were as follows:

SPP Capital AG:	33.3%
Cybernet Capital Limited:	19.9%
FORESIGHT FOUNDATION:	18.6%
Freefloat (<5% shareholdings):	28.2%

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 30 June 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:

	HY1 2015	HY1 2014
	CHF '000	CHF '000
Short-term employee benefits:	76.1	84.7
Share-based payment awards:	25.3	24.3
	----------	----------
Total	101.4	109.0
	========	========

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

at end of period	HY1 2015	HY1 2014
	%	%
control the voting shares by the directors	18.6	26.3

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 and borrowings from / trade accounts payables to related parties	
	HY1 2015	2014
	CHF '000	CHF '000
a) The parent	-	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	0.0	0.0
d) Other related parties	1,872.3	384.2
	----------	----------
Total	1,872.3	997.7
	========	========

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

	receivables from related parties	
	HY1 2014	2014
	CHF '000	CHF '000
a) The parent	-	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	0.0	0.0
d) Other related parties	0.0	0.9
	----------	----------
Total	0.0	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 IT and backoffice services	
	HY1 2015	HY1 2014
	CHF '000	CHF '000
a) The parent	-	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	0.0	0.0
d) Other related parties	293.3	44.5
	----------	----------
Total	293.3	44.5
	========	========

	Interest Expenses	
	HY1 2015	HY1 2014
	CHF '000	CHF '000
a) The parent	-	6.7
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	15.7	0.0
	----------	----------
Total	15.7	6.7
	========	========

There have not accoutred interest income from related parties in the respective periods.

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	
	HY1 2015	2014
	CHF '000	CHF '000
Cash and cash equivalents	520.0	1,580.5
Trade and other receivables	70.3	63.9
Deposits	13.6	11.9
	----------	----------
Total financial assets	603.9	1,656.3
	========	========

Non-derivative financial liabilities

	Financial liabilities at amortized cost	
	HY1 2015	2014
	CHF '000	CHF '000
Trade accounts payable	337.3	244.5
Loans and borrowings	1,735.2	997.7
Other current liabilities	38.5	26.8
	----------	----------
Total financial liabilities	2,111.0	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:

	Total (group)	
	HY1 2015	2014
	CHF '000	CHF '000
net foreign currency financial assets/liabilities		
CHF	0.0	0.0
EUR	19.4	209.8
RON	0.0	0.0
Other	0.0	0.0
	----------	----------
Total	19.4	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 board organizes funding rounds through 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:

- 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.
- The Tranche 1 of the employee stock options programme has been fully exercised (106.500) by mid of August 2015. Deliverance of the stocks is outstanding.

Cashcloud AG, Basel

26 August 2015