

**HIPAY GROUP**  
6 Place du Colonel Bourgoïn 75012 Paris

**FINANCIAL STATEMENTS 2015**  
**December 31st, 2015**

Public limited company with capital of € 54,504,715  
6 place Colonel Bourgoïn – 75012 Paris  
810 246 421 R.C.S. Paris  
[www.HiPay.com](http://www.HiPay.com)

**Balance sheet - Assets**  
(in Euros)

Assets - in euros	31 Dec. 2015 (10 months)		
	Gross	Amort. and deprec.	Net
Licences, patents and software	50,000	-	50,000
Goodwill	-	-	-
Intangible assets in progress			
Intangible fixed assets	50,000	-	50,000
Property, plant and equipment	-	-	-
Other property, plant and equipment	-	-	-
Tangible assets	-	-	-
Affiliates	70,963,000	-	70,963,000
Receivables related to affiliates	-	-	-
Deposits and sureties	-	-	-
Own shares	357,378	-	357,378
Other financial assets	200,019	-	200,019
Financial assets	71,520,396	-	71,520,396
<b>Total fixed assets</b>	<b>71,570,396</b>	<b>-</b>	<b>71,570,396</b>
Trade receivables and similar accounts	308,608	-	308,608
Other receivables	283,389	-	283,389
Receivables	591,997	-	591,997
Short-term investment securities	-	-	-
Cash at bank and in hand	51,634	-	51,634
Cash and cash equivalents	51,634	-	51,634
Prepaid charges	-	-	-
Deferred charges	-	-	-
Unrealized foreign exchange losses	-	-	-
<b>Total current assets</b>	<b>643,631</b>	<b>-</b>	<b>643,631</b>
<b>Total assets</b>	<b>72,214,027</b>	<b>-</b>	<b>72,214,027</b>

**Balance sheet - Liabilities**  
(in Euros)

LIABILITES in euros	31 Dec. 2015 (10 months)
Share capital	54,504,715
Issue, merger and acquisition premiums	15,495,285
Retained earnings	-
Reserves	-
Profit or loss for the financial year	- 1,153,079
Tax-regulated provisions	-
<b>Shareholders' equity</b>	<b>68,846,921</b>
<b>Provisions for risks and expenses</b>	<b>-</b>
<b>Borrowings from credit institutions</b>	<b>-</b>
Trade payables and similar accounts	1,133,868
Tax and social liabilities	374,674
Debts on fixed assets	-
Other liabilities	1,858,564
<b>Debts</b>	<b>3,367,106</b>
Unrealized exchange gains	-
Accruals and deferred income	-
<b>Total liabilities</b>	<b>72,214,027</b>

**Income statement**  
(in Euros)

In Euros	2015 (10 months)
Turnover	286,517
Reversal of provisions and reclassification of expenses	-
Other income	2
<b>Operating income</b>	<b>286,519</b>
Other purchases and external charges	1,520,836
Taxes, levies and similar payments	7,642
Wages and salaries	421,764
Social security charges	355,139
Depreciation on fixed assets	-
Provisions and impairment	-
Other expenses	20,003
<b>Operating expenses</b>	<b>2,325,384</b>
<b>Operating result</b>	<b>- 2,038,865</b>
<b>Financial income</b>	<b>1,012,358</b>
Financial charges	126,571
Interest and similar expenses	-
Provisions and impairment	-
<b>Financial expenses</b>	<b>126,571</b>
<b>Financial net income</b>	<b>885,786</b>
Income from disposal of assets	-
From management operations	-
Reversals of provisions	-
<b>Extraordinary income</b>	<b>-</b>
Book value of transferred assets	-
From management operations	-
Amortization and provisions	-
<b>Extraordinary expenses</b>	<b>-</b>
<b>Extraordinary net income</b>	<b>-</b>
<b>Net income before tax</b>	<b>- 1,153,079</b>
Tax on profit	
<b>Profit for the Year</b>	<b>- 1,153,079</b>

<b>HIPAY GROUP</b> - Note on the financial statements -
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**SUMMARY**

- NOTE 1:       FRAMEWORK
  
- NOTE 2:       SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR
  
- NOTE 3:       ACCOUNTING PRINCIPLES AND VALUATION METHODS
  
- NOTE 4:       INFORMATION ON BALANCE SHEET ITEMS
  
- NOTE 5:       INFORMATION ON INCOME STATEMENT ITEMS
  
- NOTE 6:       OTHER INFORMATION

## **1 - FRAMEWORK**

The company HiPay Group SA is a company domiciled in France.

The company's financial statements are drawn up in accordance with the provisions of Regulation 2014-13 of France's national accounting standards body (Autorité des Normes Comptables) approved by Ministerial Decree of September 8<sup>th</sup> 2014 relating to the general chart of accounts (PCG).

## **2 - SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

HiPay Group was created on March 16<sup>th</sup>, 2015 as a public limited company in order to regroup all the "payment" activities formerly included in HiMedia Group.

This is the first financial year which exceptionally covers a period of 10 months.

During the Mixed General Meeting as of June 15<sup>th</sup> 2015, the shareholders approved the contribution of 5,482,599 shares of Hi-Media Porte-Monnaie Electronique (HPME) and found, in compensation for the contribution, an increase in capital of the company. This increase amounts to a total of €69,963,000 through the issuance of 54,467,715 common shares of the Company at a unit price of about €1.2843 (1 euro nominal value and approximately 0.2843 euro issue premium).

On July 24<sup>th</sup>, 2015, HiPay Group shares were subject to a shares consolidation: 1 new share with a nominal value of € 11 was allocated for 11 old shares with a nominal value of €1 each.

HiPay Group is the holding company of the group, composed by the following entities:

- Hi-Media Porte-Monnaie Electronique, limited company under the Belgian law, with a capital of €54,823,000 whose registered office is located Avenue des Volontaires, 19 Bruxelles 1160 (Belgium), identified under the number BCE0897928802 (« HPME SA »);
- HiPay SAS, joint-stock company under the French law, with a capital of €1,149,669 whose registered office is located 6 Place du Colonel Bourgoïn, 75012 Paris, identified under the number 390 334 225 RCS Paris (« HiPay SAS »);
- HiPay Mobile España SL, *sociedad limitada* under the Spanish law with a capital of €5,003,006 whose registered office is located Calle Orense 6, 1°-3ª, 28020 Madrid (Spain), identified under the number B/84935618 (« HiPay Mobile Espana SL »);
- HiPay Payments do Brasil LTDA, *sociedade limitada* under the Brazilian law, with a capital of R\$140,000 whose registered office is located Av. Rio Branco 99 – 21° andar, 20040-004 Rio de Janeiro (Brazil), registered with *Cadastro Nacional das Pessoas Jurídicas* under the number 14,645,018/0001-55 (« HiPay Payments do Brasil »); and
- HiPay Portugal Lda, *sociedade por quotas* under the Portuguese law, with a capital of €125,000 whose registered office is located Rua Alexandre Herculano, no. 9, 4th floor, 1150-005 Lisbonne (Portugal), identified under the number 513318089 (« HiPay Portugal »).

## **3 - ACCOUNTING PRINCIPLES AND METHODS**

### **3.1 INTANGIBLE ASSETS**

Software and licenses acquired by the company are recorded in the balance sheet at their acquisition costs and amortized over their estimated useful life, between 3 and 5 years.

Brands acquired by the Company are recorded in the balance sheet at their acquisition value. They are not amortized. They are depreciated if an impairment risk is identified.

### 3.2 FINANCIAL ASSETS

The gross value of subsidiaries' shares is either their acquisition cost or the amount of capital called when they were created.

A provision for impairment of securities and current accounts can be established when their present value at the year-end becomes lower than their book value.

For the entities of HiPay Group, the present value is calculated using the discounted cash flow method based on the Group's 4-years forecasts and a residual value discounted to infinity. The cash flow was discounted using a discount rate of 9 % and a perpetual growth rate of 2%.

### 3.3 VALUATION OF RECEIVABLES AND PAYABLES

Receivables and payables are recognized at their nominal value and are depreciated if a risk of total or partial non-recovery is identified.

### 3.4 PROVISIONS

Provisions are recognized in accordance with the provisions of CRC No. 2000-06 on liabilities. They are recognized when the Company has a current legal or constructive obligation arising from a past event, that the obligation can be reliably estimated and that it is likely that a disbursement of funds without economic benefits in return will be necessary to settle the obligation.

### 3.5 INCOME AND EXPENDITURE FOR THE YEAR

Income and expenditure for the year are recognized in accordance with the principle of cut-off.

## 4 – INFORMATION ON BALANCE SHEET ITEMS

### 4.1 INTANGIBLE ASSETS

The breakdown of variations in gross values is as follows:

In Euros	Opening	Increase	Decrease	Closing
Licences, patents and software		50,000		50,000
<b>TOTAL</b>	-	<b>50,000</b>	-	<b>50,000</b>

Intangible asset is only comprised of HiPay's brand and associated rights.

### 4.2 FINANCIAL INVESTMENTS

The breakdown of variations in gross values is as follows:

In Euros	Opening	Increase	Decrease	Closing
Affiliates		70,963,000	-	70,963,000
Own shares		840,090	482,713	357,378
Other financial assets		200,019		200,019
<b>TOTAL</b>	-	<b>72,003,109</b>	<b>482,713</b>	<b>71,520,397</b>

Other financial assets relate to "minority" investments in companies in payment business.

No provision for depreciation and amortization has been recognized on financial assets as of December 31<sup>st</sup>, 2015.

As of December 31<sup>st</sup>, 2015, portfolio of own shares was composed of 40,565 shares valued at €8.81 per share. Each share was purchased within the framework of the liquidity contract.

#### 4.3 TRADE RECEIVABLES AND SIMILAR ACCOUNTS

The breakdown of trade receivables and similar accounts is as follows:

In euros	< 1 year	> 1 year	Closing
Customers	308,608	-	308,608
Total Customers before depreciation	308,608	-	308,608
Depreciation of trade receivables	-	-	-
<b>Net receivables</b>	<b>308,608</b>	<b>-</b>	<b>308,608</b>

The receivables are only comprised of group receivables.

Receivables from associated undertakings are as follows:

In euros	France	Belgium	Spain	Portugal	Total
HiPay Mobile España SL			20,961		20,961
HiPay Portugal				20,961	20,961
HiPay SAS	189,493				189,493
HPME		77,193			77,193
<b>TOTAL</b>	<b>189,493</b>	<b>77,193</b>	<b>20,961</b>	<b>20,961</b>	<b>308,608</b>

#### 4.4 OTHER RECEIVABLES

In euros	< 1 year	> 1 year	A la clôture
Govt, taxes - VAT	283,389		283,389
<b>TOTAL</b>	<b>283,389</b>		<b>283,389</b>

Other receivables relate to deductible VAT.

#### 4.5 CASH AT BANK AND IN HAND

The cash position as of December 31<sup>st</sup>, 2015 amounts to € 51,634.

#### 4.6 PREPAYMENTS AND ACCRUED INCOME

None

#### 4.7 PREPAYMENTS

None



#### 4.8 SHAREHOLDERS' EQUITY

The following changes were recorded in equity during the year:

In euros	Opening	Increase	Decrease	Closing
Share capital		54,504,715	-	54,504,715
Issue premium		15,495,285	-	15,495,285
Retained earnings				-
Reserves				-
Profit or loss for the financial year		- 1,153,079	-	- 1,153,079
<b>TOTAL</b>		<b>68,846,921</b>	<b>-</b>	<b>68,846,921</b>

The increase during the year is due to the events described in note 2.

The breakdown of share capital is as follows:

	Number	Nominal value	Share capital
Shares at the beginning of the year	-	-	-
News share	4,954,974	11	54,504,715
<b>Shares at the year-end</b>	<b>4,954,974</b>	<b>11</b>	<b>54,504,715</b>

The share capital of € 54,504,715 is fully paid up.

On July 24<sup>th</sup>, 2015, HiPay Group shares were subject to a shares consolidation: 1 new share with a nominal value of €11 was allocated for 11 old shares with a nominal value of €1 each.

#### 4.9 PROVISIONS FOR RISKS AND CHARGES

None

#### 4.10 OTHER FINANCIAL BORROWINGS AND LOANS

None

#### 4.11 TRADE PAYABLES AND SIMILAR ACCOUNTS

The breakdown of trade payables and similar accounts is as follows:

In Euros	< 1 year	> 1 year	Closing
Trade payables	618,791		618,791
Accrued invoices	515,077		515,077
<b>TOTAL</b>	<b>1,133,868</b>		<b>1,133,868</b>

Trade payables include a debt of €283,283 to HIPAY SAS.

#### 4.12 TAX AND SOCIAL SECURITY LIABILITIES

The breakdown of tax and social security liabilities is as follows:

in Euros	< 1 year	>1 year	Closing
Social security liabilities	336,747		336,747
Tax liabilities	37,928		37,928
<b>TOTAL</b>	<b>374,674</b>		<b>374,674</b>

#### 4.13 OTHER LIABILITIES

Current account with HiPay SAS amounts to €1,858,564.

#### 4.14 PREPAID INCOME

None

### 5- INFORMATION ON INCOME STATEMENT ITEMS

#### 5.1 OPERATING INCOME

Breakdown of net turnover by geographical market:

In Euros	31/12/2015	
	France	Overseas
Turnover	110,453	176,064
<b>Total</b>	<b>110,453</b>	<b>176,064</b>

#### 5.2 REVERSAL OF PROVISIONS AND RECLASSIFICATION OF EXPENSES

None

#### 5.3 FINANCIAL INCOME AND EXPENSES

The financial result as of December 31<sup>st</sup>, 2015 shows a profit of €885,787.

The breakdown is as follows:

In euros	Financial income	Financial expenses
Dividends	1,000,000	
Own share disposal result	12,358	126,571
<b>Total</b>	<b>1,012,358</b>	<b>126,571</b>

#### 5.4 EXTRAORDINARY RESULT

None

#### 5.5 TAX

Tax payable is calculated for the period from March 16<sup>th</sup> to December 31<sup>st</sup> 2015 and the breakdown is as follows:

In euros as at 31/12/2015	Profit before tax and minority interest	Tax payable	Net profit before minority interest
Operating profit	-2,038,865		- 2,038,865
Financial profit or loss	885,786		885,786
Extraordinary profit or loss			
<b>Total</b>	<b>- 1,153,079</b>		<b>- 1,153,079</b>

Cumulated losses as of December 31st, 2015 amount to €1.2 million.

### **6 – OTHER INFORMATION**

#### 6.1 COMMITMENTS RECEIVED

None

#### 6.2 GIVEN COMMITMENTS

None

#### 6.3 EMPLOYEE BENEFIT

None

#### 6.4 WORKFORCE

There are 3 employees at the year end.

#### 6.5 ENVIRONMENTAL ASPECTS

Pursuant to CNC recommendation No. 2003-02 of 21 October 2003, the Company has not recognized any environment-related expenses on December 31<sup>st</sup>, 2015, and given the nature of its activity, does not face any environmental risks.

#### 6.6 EVENTS OCCURRING AFTER THE BALANCE-SHEET DATE

None

#### 6.7 DIRECTORS' COMPENSATION

The remuneration disclosed relates to the Managing director and the Chairman of the Board. It amounts to €299k as of December 31<sup>st</sup>, 2015.

#### 6.8 ENDORSEMENTS, GUARANTEES GIVEN AND LOANS AND ADVANCES

None

## 6.9 TABLE OF SUBSIDIARIES AND AFFILIATES

Corporate name	Address	Operating currency	Share capital	Equity excluding net income and other than capital	% direct holding	Securities		Revenue excluding taxes of the last FY	Income of the last FY	Dividends received during the FY	Date of creation / acquisition
						(1)					
			(1)	(1)		Gross value	Net value	(1)	(1)	(1)	
HPME SA	Av. des volontaires, 19 1160 Bruxelles	EUR	54,823	833	100%	70,963	70,963	7,989	683	1,000	08.05.08

(1) in thousands of Euros