



BEING AGILE – CREATING VALUE

WIRECARD AG INTERIM REPORT AS AT MARCH 31, 2015

KEY FIGURES

WIRECARD GROUP	Q1 2015	Q1 2014
Revenues	159.413	126.231 kEUR
EBITDA	46.034	35.038 kEUR
EBIT	33.410	26.227 kEUR
Earnings per share (undiluted)	0,23	0,18 EUR
Shareholders' equity	1.111.765	995.143 kEUR
Total assets	2.069.655	1.738.818 kEUR
Cash flow on ordinary transactions (adjusted)	46.228	25.023 kEUR
Employees (average)	1.978	1.482
of which part time	220	165

SEGMENTS	Q1 2015	Q1 2014
Payment Processing & Risk Management	Revenues 113.718	88.243 kEUR
	EBITDA 37.459	27.018 kEUR
Acquiring & Issuing	Revenues 58.013	48.274 kEUR
	EBITDA 8.490	7.956 kEUR
Call Center & Communication Services	Revenues 1.541	1.266 kEUR
	EBITDA 64	65 kEUR
Consolidation	Revenues -13.858	-11.553 kEUR
	EBITDA 21	-1 kEUR
Total	Revenues 159.413	126.231 kEUR
	EBITDA 46.034	35.038 kEUR

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HIGHLIGHTS Q1/2015

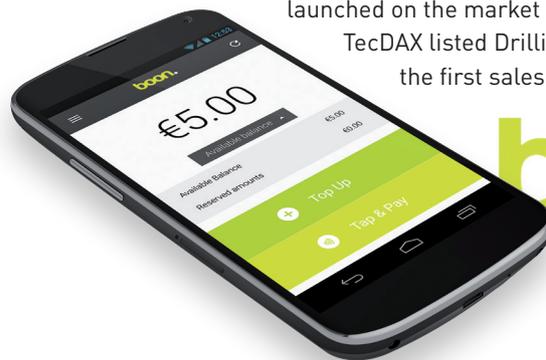


Wirecard is launching a payment wearable based on host card emulation (HCE) technology, as well as a Payment Software Development Kit (SDK) for wearables, which simplify the integration of payment functions into wearable electronics such as wristbands, smartwatches or intelligent clothing.

Wirecard and Bank Mega are supporting Carrefour Indonesia with innovative NFC-enabled point-of-sale terminals and integrated payment processing. Customers of the globally active chain of department stores can now make contactless payments across the whole of Indonesia with an NFC-based credit or debit card.

Wirecard is redefining smartphone payments: Wirecard will showcase an HCE app for mobile payment at the Mobile World Congress in Barcelona. The application is based on the new Wirecard payment brand "boon" which will be launched on the market in summer 2015.

TecDAX listed Drillisch AG will be the first sales partner.



boon.

Triumph International AG, one of the world's largest manufacturers of underwear and bodywear, will continue to place its trust in the integrated payment services offered by Wirecard AG as it expands its online shops to include Denmark and Sweden. Triumph already relies on Wirecard solutions for its online shops in Germany, Finland, France, Great Britain, Austria and the Netherlands.

Vietnam Eximbank is deploying the white label solution for mPOS from Wirecard. The new service to accept card transactions via smartphones or tablets will be called "Eximbank's mPOS". It enables small and medium-sized enterprises to flexibly offer MasterCard, Visa or JCB card payments anytime and anywhere.

Wirecard is supporting the Croatian software company Five by Five with mPOS technology for the "AgentCASH" mobile card reader. The white label program from Wirecard is what lies behind the AgentCASH system. This allows retailers to accept debit and credit card payments via smartphones or tablets with iOS or Android operating systems.

Wirecard has taken over the acquiring customer portfolio of Lufthansa AirPlus Servicekarten GmbH, Germany's leading supplier of payment and settlement solutions for business travel. Contracts for Visa and MasterCard acquiring services that



were primarily offered by AirPlus in the past under the "Acceptance" brand will be transferred without any additional integration costs for customers to Wirecard in the first half of 2015.

Wirecard presented a PCI DSS-compliant industry solution for the online travel market at ITB Berlin 2015 – the world's leading travel and tourism trade show. By expanding its tokenisation service, Wirecard can guarantee secure card payment processing.

Wirecard has gained a new partner for the Wirecard Checkout Portal in opentabs, a provider of innovative applications for the hospitality sector. The app of the same name "opentabs" connects the establishment directly with the guest, allowing them to both order and make cashless payments via their smartphone.



I. Condensed Group Management Report

1. GROUP STRUCTURE, ORGANISATION AND EMPLOYEES

Group

Wirecard AG is a global technology group that supports companies in accepting electronic payments from all sales channels. As a leading independent supplier, the Wirecard Group offers outsourcing and white label solutions for electronic payments. A global platform bundles international payment acceptances and methods with supplementary fraud prevention solutions. With regard to issuing own payment instruments in the form of cards or mobile payment solutions, the Wirecard Group provides companies with an end-to-end infrastructure, including the requisite licences for card and account products.

As of 31 March 2015, the Wirecard Group comprised numerous domestic and foreign subsidiaries. The Group parent company Wirecard AG, headquartered in Aschheim near Munich, assumes strategic corporate planning and the central tasks of Human Resources, Treasury, Controlling, Accounting, Legal, Risk Management, M&A and Financial Controlling, Corporate Communications and Investor Relations, Strategic Alliances and Business Development, and Facility Management. The holding Company also manages the acquisition and management of participating interests. The Management Board of Wirecard AG is responsible for the management of the Group.

Subsidiaries

The Wirecard Group comprises various subsidiaries, which carry out the entire operating business. They are positioned as software and IT specialists for outsourcing and white label solutions in payment processing and for the distribution of issuing products.

Locations of the most important subsidiaries



Europe

The headquarters of Wirecard AG in Aschheim near Munich (Germany) are also the head office of Wirecard Bank AG, Wirecard Technologies GmbH, Wirecard Acquiring & Issuing GmbH, Wirecard Sales International GmbH, Wirecard Retail Services GmbH and Click2Pay GmbH. Wirecard Communication Services GmbH is headquartered in Leipzig (Germany).

Wirecard Technologies GmbH develops and operates the software platform that forms the central element of our portfolio of products and services, as well as Wirecard Group's internal business processes.

Wirecard Retail Services GmbH complements the range of services of the sister companies with the sale and operation of point of sale (POS) payment terminals. This provides our customers with

the option of not only accepting payments for their Internet-based and mail-order services but also processing electronic payments made at their POS outlets through Wirecard.

Wirecard Communication Services GmbH bundles expertise in virtual and bricks and mortar call centre solutions into a hybrid structure. The resulting flexibility enables dynamic response to the changing requirements of Internet-based business models. The services provided by Wirecard Communication Services GmbH are aimed mainly at business and private customers of the Wirecard Group, and especially those of Wirecard Bank AG.

The subsidiaries Wirecard Payment Solutions Holdings Ltd., Wirecard UK & Ireland Ltd. and Her-view Ltd., all with head offices in Dublin (Ireland), as well as Wirecard Central Eastern Europe GmbH based in Klagenfurt (Austria) provide sales and processing services for the Group's core business, namely Payment Processing & Risk Management. Click2Pay GmbH operates wallet products.

Wirecard Card Solutions Ltd., based in Newcastle (United Kingdom), is a specialist in the issuing of prepaid credit cards and operates under an e-money license from the UK's Financial Conduct Authority (FCA).

Wirecard Acquiring & Issuing GmbH and Wirecard Sales International GmbH, both headquartered in Aschheim (Germany) act as intermediate holding companies for subsidiaries within the Group and have no operating activities.

Gibraltar-based Wirecard (Gibraltar) Ltd. is currently in liquidation.

The Turkish company Mikro Ödeme Sistemleri İletişim San.ve Tic. A.Ş. (renamed as Wirecard Ödeme ve Elektronik Para Hizmetleri A.Ş. with effect from 22 April 2015), headquartered in Istanbul, is considered, through its rolled-out brand 3pay, to be one of the leading payment providers in Turkey. Its range of services stretch from mobile payment/direct carrier billing services through to its own prepaid card platform. The company's customers and partners include all of the Turkish mobile communications companies, as well as broad-reaching partnerships in the field of games publishing and social networks. Turkey is considered one of the most dynamic growth markets in the MENA region with regards to electronic payments, e-commerce and prepaid products.

Asia Pacific (APAC)

In order to optimise the organisational structure following acquisitions by Wirecard AG in Asia, Wirecard Asia Holding Pte. Ltd., headquartered in Singapore, was founded as a subsidiary of Wirecard Sales International GmbH (Aschheim). Payment Link Pte. Ltd. (Singapore) and Korvac Payment Services (S) Pte. Ltd. (Singapore) were incorporated into Systems@Work Pte. Ltd. (Singapore) with effect from 1 January 2015. Systems@Work Pte. Ltd. was renamed with effect from 22 January 2015 as Wirecard Singapore Pte. Ltd., still headquartered in Singapore.

Wirecard Singapore Pte. Ltd. (before Systems@Work Pte. Ltd.) headquartered in Singapore, is ranked with its subsidiaries and the brand TeleMoney as one of the leading technical payment service providers for retailers and banks in the East Asia region. The Group includes the subsidiary Systems@Work (M) SDN BHD, Kuala Lumpur (Malaysia) and, as a result of the incorporation described above, also Wirecard Payment Solutions Malaysia SDN BHD, Kuala Lumpur (Malaysia). The group operates, amongst other things, one of the largest payment networks for local contactless payment cards in Singapore. Moreover, the company is one of the leading domestic acquiring processors and also distributes local prepaid cards. The Malaysian subsidiary is a well-established provider of payment, network operation and technology services, mainly for banks and financial service providers.

Trans Infotech Pte. Ltd., Singapore, ranks among the leading providers in the payment services sector for banks in Vietnam, Cambodia and Laos. Furthermore Trans Infotech acts as a technology partner in the area of payment, network operation and technology services for banks, transportation businesses and retail companies in Singapore and the Philippines.

PT Prima Vista Solusi, with its headquarters in Jakarta (Indonesia), is a leading provider of payment transaction, network operation and technology services for banks and retail companies in Indonesia.

PT Aprisma Indonesia, headquartered in Jakarta (Indonesia), ranks as one of the leading providers of payment services in the region. The core products that run on the transaction-based software platform comprise solutions from the areas of online and mobile banking, mobile handset-based tokenisation instruments to protect mobile and online transactions, and B2B and B2C-oriented online payment solutions.

Wirecard Myanmar Ltd., headquartered in Yangon (Myanmar) provides processing services to local financial institutions.

On 23 February 2015 Wirecard completed the acquisition of certain assets of Visa Processing Services (VPS), headquartered in Singapore, and all shares in Visa Processing Services (India) Private Limited (renaming expected in the first half of fiscal 2015) headquartered in Mumbai (India). Wirecard. Wirecard expands its global processing business with a customer-base of 14 financial institutions and more than three million cardholders amongst more than 70 card programs.

GFG Group Limited, headquartered in Auckland (New Zealand), as well as a subsidiary in Melbourne (Australia). The GFG Group is a leading provider of innovative electronic payment solutions and services.

Middle East and Africa (MEA)

Wirecard Processing FZ-LLC, with its headquarters in Dubai (United Arab Emirates), specialises in services for electronic payment processing, credit card acceptance and the issue of debit and credit cards, and has a regional portfolio of customers.

cardSystems Middle East FZ-LLC, with its headquarters in Dubai (United Arab Emirates), focuses on the sale of affiliate products and offers acquiring and other payment services, as well as associated value added services, that are sourced from, amongst others Wirecard Processing.

The Group's entry into the South African market was marked by the acquisition of Amara Technology Africa Proprietary Limited, including a subsidiary headquartered in Cape Town, in December 2014. Amara provides acquiring and issuing processing services, arranges card acceptance services and manages prepaid card programs for numerous financial institutions in Africa. In addition, the provision of point-of-sale and e-commerce payment processing and the issuing of payment cards for local retailers, airlines, resorts and governmental organisations represent an important part of its business.

An overview of the scope of consolidation is provided in the Notes to the consolidated financial statements.

Management and Supervisory Boards

The Management Board of Wirecard AG remained unchanged as of 31 March 2015, consisting of three members:

- Dr. Markus Braun, CEO, CTO
- Burkhard Ley, CFO
- Jan Marsalek, COO

There were no changes to Wirecard AG's Supervisory Board. The Supervisory Board comprised the following members as of 31 March 2015:

- Wulf Matthias, Chairman
- Alfons Henseler, Deputy Chairman
- Stefan Klestil, Member

The remuneration scheme for the Management and Supervisory Boards consists of fixed and variable components. Further information can be found in the Corporate Governance Report.

Employees

Personal responsibility, motivation, commitment and the will to achieve mutual success characterise the global Wirecard team.

The Wirecard Group employs a multinational team. The Wirecard Group employed an average of 1.978 employees (Q1 2014: 1.482), excluding members of the Management Board of Wirecard AG and trainees, 220 of whom (Q1 2014: 165) were employed part-time.

Wirecard has employees from around 60 different nations throughout the world. As a young, innovative and interculturally broad-minded company, Wirecard integrates employees into decision-making processes and promotes a team approach with the objective of developing ideas and advancing innovations. Our Company is characterised by flat hierarchies and an open, respectful working environment based on mutual appreciation.

The mix of being a dynamically growing company albeit with the solid structure of an international TecDAX Group makes us a particularly popular employer as a German global player.

2. BUSINESS ACTIVITIES AND PRODUCTS

Business activities

Financial technology for more than 19,000 customers

Overview

As one of the world's leading technology companies for multi-functional payment solutions, Wirecard relies on developing its own innovations. Alongside customer-specific solutions, the Wirecard Group also offers a diverse range of software, payment and banking products for omni-channel commerce.

Wirecard supports companies in the development of international payment strategies for all sales channels. A global multi-channel platform provides international payment acceptances and methods together with corresponding fraud-prevention solutions.

For the issuing of their own payment instruments in the form of cards or mobile payment solutions, Wirecard provides companies with an end-to-end infrastructure, including the requisite issuing licences for card and account products.

Business model

The Wirecard Group's business model is based mainly on transaction-based fees for the use of software or services. End-to-end solutions along the entire value chain are offered both for payment and acquiring services and for issuing solutions. The flexible combination of our technology and services portfolio, as well as banking services, is what makes Wirecard unique for customers from all sectors.

USPs

Wirecard's unique selling points include its combination of software technology and banking products, the global orientation of the payment platform, and innovative solutions that allow online payments to be processed efficiently and securely for customers.

The major share of Group revenue is generated on the basis of business relations with providers of merchandise or services on the Internet, who outsource their payment processes to Wirecard AG. As a result, conventional services for the settlement and risk analysis of payment transactions,

as performed by a payment services provider, and credit card acceptance performed by Wirecard Bank AG, are closely interlinked.

Core sectors

The Wirecard Group's operating activities in its core business are structured according to three key target industries and are addressed by means of cross-platform, industry-specific solutions and services, as well as various integration options:

- Consumer goods This includes retailers who sell physical products to their target group (B2C or B2B). This customer segment comprises companies of various dimensions, from e-commerce start-ups through to major international corporate groups. They include Internet pure players, multichannel, teleshopping and/or purely bricks and mortar retailers. The industry segments are highly varied: from traditional industries such as clothing, shoes, sports equipment, books/DVDs, entertainment systems, computer/IT peripherals, furniture/fittings, tickets, cosmetics and so on, through to multi-platform structures and marketplaces.

- Digital goods This sector comprises business models such as Internet portals, download sites, app software companies, career portals, Internet telephony and lotteries such as sports betting or poker.

- Travel and mobility The customer portfolio in this sector primarily comprises airlines, hotel chains, travel portals, tour operators, travel agents, car rental companies, ferries and cruise lines, as well as transport and logistics companies.

Reporting segments

Wirecard AG reports on its business development in three segments.

Payment Processing & Risk Management (PP&RM)

The largest segment in the Wirecard Group is **Payment Processing & Risk Management (PP&RM)**. It accounts for all products and services for electronic payment processing and risk management.

Branches and companies of the Wirecard Group at locations outside Germany serve primarily to promote regional sales and localisation of the products and services of the Group as a whole.

The business activities of the companies included in the Payment Processing & Risk Management reporting segment exclusively comprise products and services that are involved with acceptance or transactions and the downstream processing of electronic payments and associated processes.

Wirecard offers its customers access to a large number of payment and risk management methods through a uniform technical platform that spans its various products and services.

Acquiring & Issuing (A&I)

The **Acquiring & Issuing (A&I)** segment completes and extends the value chain of the Wirecard Group. In the Acquiring area, retailers are offered settlement services for credit card sales for online and terminal payments.

In addition, retailers can process their payment transactions in numerous currencies via accounts kept with Wirecard Bank AG.

In the Issuing area, prepaid cards are issued to private and business customers. Private customers are additionally offered current accounts combined with prepaid cards and EC/Maestro cards.

Call Center & Communication Services (CC&CS)

The complete scope of the value added services offered by our call centre activities is reported in the **Call Center & Communication Services (CC&CS)** segment, which also includes other products such as aftersales service to our customers and mailing activities as sub-categories.

Products and solutions

Multi-Channel Payment Gateway - global payment processing

The Multi-Channel Payment Gateway, which is linked to more than 200 international payment networks (banks, payment solutions, card networks), provides payment and acquiring acceptance via the Wirecard Bank and global banking partners, including integrated risk and fraud management systems.

Other solutions, for example country-specific payment and debit systems as well as industry-specific access solutions such as BSP (Billing and Settlement Plan in the airline sector), or the encryption of payment data during payment transfers (tokenisation), can also be provided. In addition, Wirecard offers call centre services (24/7) with trained native speakers in 16 languages.

Thanks to modular, service-oriented software architecture, Wirecard can flexibly adapt its business processes to fit the market conditions at any time and hence respond quickly to new customer requirements. In particular, the omni-channel approach will be rigorously implemented into the platform. Transactions will be processed via the same platform irrespective of the location of the payment (retail store, Internet shop, mobile application, telephone, e-mail, etc.) and made available to the retailer via a consolidated reporting and reconciliation system. It will thus be easier for retailers to automate their back-office processes for all of their sales channels and design them more efficiently. The Internet-based platform architecture means it is possible to carry out individual work processes centrally at a single location or, alternatively, to distribute them across the various subsidiaries and process them at different locations around the world.

Payment acceptance solutions – payment acceptance/credit card acquiring

Wirecard supports all sales channels with payment acceptance for credit cards and alternative payment solutions (multi-brand), technical transaction processing and settlement in several currencies, and offers mPOS and in-app payment software solutions, the corresponding POS terminal infrastructure, as well as numerous other services.

In addition to Principal Membership with Visa and MasterCard, acquiring licence agreements are also in place with JCB, American Express, Discover/Diners, UnionPay and UATP. Banking services such as foreign exchange management supplement the outsourcing of financial processes.

Risk/fraud management solutions – risk management

Wide-ranging tools are available to implement risk management technologies in order to minimise the scope for fraud and prevent fraud (risk/fraud management). The Fraud Prevention Suite (FPS) draws on rule-based decision-making logic (rule engine) and offers extensive reports including, for example, what share of transactions has been rejected, and why. In addition, FPS analyses whether exclusively fraudulent transactions have been rejected. Age verification, KYC identification (know your customer), analysis via device fingerprinting, hotlists and much more are included in the risk management strategies. An international network of service providers specialised in creditworthiness checks can be additionally included, depending on the retailer's business model.

Issuing solutions

Issuing solutions – card-based solutions

The range of products and services includes the management of card accounts and the processing of card transactions (issuing processing), as well as the issuing of various types of cards including PIN management, mostly Visa and MasterCard. The card can be provided in all kinds of forms:

- EMV chip cards for contact applications
- Dual interface cards for contact or contactless applications
- Stickers for contactless applications
- Virtual cards for applications in e-commerce
- Cloud-based payment/HCE, on the SIM card or in embedded secure elements for contactless payment at the POS

On the basis of the functionality available through the white-label platform, Wirecard offers numerous standard solutions for retailers, telecommunications companies and banks. These are available in the corresponding corporate design of the business customer or as Wirecard's own brand.

- Procurement cards
- Payment solutions for suppliers based on virtual single-use cards (SCP – Supplier and Commission Payments)
- Salary cards
- General-purpose reloadable cards
- Corporate expense cards
- Premium cards

Issuing solutions – mobile payment solutions

The Wirecard white label platform – which complies with national and regional regulations for the issuing of Visa or MasterCard products – enables the management of accounts for open and closed loop payments on a deposit, direct booking and credit basis. Customer registration and legitimisation processes (KYC) are processed automatically via the platform. Peer-to-peer money transfers and numerous top-up methods are supported. The platform provides user interfaces for administrative functions (e.g. callcentres) and for consumers that feature the customer's corporate design. Consumers can access their wallet via the Internet as well as via their mobile phones in the form of smartphone applications. In addition, the platform supports eWallet payments on the Internet, in-app payments via smartphones and via Near Field Communication (NFC) as well as quick response code (QR code) transmission technologies/payments at the POS.

Value added services/Card linked offers/Coupons and loyalty

The couponing and loyalty area comprises new value added services that Wirecard makes possible by automatically linking them to a transaction, without the need for an amendment to the retailer's system. Fully in line with the trend towards converging sales channels and payment systems, various services associated with payouts and vouchers are also offered in the mobile advertising area. This enables customers to participate, for example, in loyalty campaigns across sales channels with a payment method that only needs to be registered once. The Integrated Couponing & Loyalty System (ICLS) supports various different types of campaign and redemption mechanisms here, such as target campaigns, stamp cards, coupons and cash-back. In the couponing and loyalty area, other value added services are currently being developed that will enable specific groups of customers to be targeted on the basis of their purchasing behaviour.

WIRECARD PLATFORM

END-TO-END SERVICES FOR ALL INDUSTRY VERTICALS

- Online, PoS, Mobile, Mail order, Telephone order (Moto)
- White-Label, Co-Branded, Wirecard-Branded

RISK MANAGEMENT

- 360° risk management
- Automated fraud recognition
- Address verification
- Credit rating agency gateway
- Device fingerprinting
- Real-time rule-engine
- Bespoke decision logic
- Score cards
- Hotlists (black/white/grey)
- Connection to sanction lists and other relevant databases to combat money laundering and funding of terrorism
- Online and offline customer legitimisation processes (know your customer; KYC) in accordance with national regulations

MULTI-CHANNEL PAYMENT GATEWAY

- More than 200 international payment networks (banks, payment solutions and card networks)
- All globally relevant payment solutions
- Tokenisation of sensitive payment data
- Industry-specific software solutions
- Real-time reporting and business intelligence tools across all sales channels (POS, e-Com, m-Com, etc.)
- Subscription management
- Billing and settlement plan (BSP)
- Automated dispute management
- White-label user and system interfaces
- One platform/interface for payments at POS, unattended, e-Commerce, m-Commerce/ carrier billing
- Automated merchant self-sign-up solution

PAYMENT ACCEPTANCE SOLUTIONS

- Card acquiring/processing
- Card acceptance for Visa, MasterCard, JCB, American Express, Discover/Diners, Union Pay
- Payment acceptance of alternative payment solutions/processing
- Processing in all globally relevant currencies
- Settlement in 25 currencies
- Terminal software for payment and value-added services
- Terminal management solutions
- Biometric and „mini ATM“ solutions for emerging markets
- International white-label programme for mobile point of sale (mPOS) solutions

VALUE-ADDED SERVICES

Transaction-independent coupon management system | Connection to third party loyalty systems

White-label merchant self-service platform for campaign management | Loyalty and couponing services

SERVICES

Card personalisation | Multilingual service team with vast expertise in providing support for financial products, available 24/7

Case management | Payment guarantee | Banking services for business and private customers | Currency management

Banking services for business and private customers | Consolidated settlement and treasury services

ISSUING SOLUTIONS

Standard issuing solutions

- Processing of card transactions
- Tokenisation of credit card data
- Issuing licences for Visa and MasterCard
- e-money licence for SEPA countries
- Open and closed loop cards
- PIN management
- Multi-channel self-service user registration and data management
- Various types of account (prepaid, decoupled debit/credit)
- Comprehensive application program interfaces (APIs) for flexible integration in the customer system
- Credit facility management

Card-based issuing solutions

- Multiple card types (credit, debit and prepaid cards) in various forms
- Plastic cards with magnetic strips
- EMV cards for chip and PIN payments
- Dual interface cards for chip and PIN and contactless payments
- Sticker for contactless payments
- Virtual cards for use in e-Commerce
- Mobile cards for contactless payments in high-street retail and for in-app payments
- 3D Secure Service
- One-time use cards
- Combo and partner cards
- e-Wallet payments online

Issuing solutions for mobile payments

- SP-TSM gateway to all major SE-TSMs
- E2E HCE solution for mobile cards
- Wallet solutions
- Direct charging-on of card costs
- Standard white-label mobile apps and responsive online UI
- Storage of encrypted card data via cloud-based payment/HCE on SIM card or in an embedded secure element for contactless payments at the POS
- In-app payments on smart-phones (NFC, QR code)
- Payment at the POS
- Card creation and provision in real time
- Various top-up methods via alternative payment processes and automatic top-up
- Full integration in all Wirecard issuing standard products, such as corporate expense cards, premium cards, payout cards, gift cards, etc.

MOBILE

Mobile solutions

- P2P funds transfer function/international money remittance
- In-app payments
- Credit on demand
- Microcredits
- Personal finance
- Integration of HCE wearables software development kit (SDK)
- Payment SDK for iOS and Android
- Mobile payments (including wallets and payment apps)
- Platform-based (white-label) wallet solution
- Mobile banking

Omnichannel loyalty and couponing system with integrated processing of issuing and acquiring transactions in real time
Connected POS platform with transaction data analysis at item level | Contextual and financial offers

Payment terminal infrastructure service | Credit risk and fraud management support | BIN sponsorship
Card programme management | Merchant support | Consultancy on global payment strategies
Merchant and customer promotions for payment and value added services through own outbound callcenter

3. GENERAL CONDITIONS AND BUSINESS PERFORMANCE

Macroeconomic conditions

The International Monetary Fund (IMF) forecast global economic growth of 3.5 percent for 2015. In its forecast published in January 2015, the European Commission expects economic growth in the eurozone of 1.3 percent. The European Commission forecasts growth of 1.7 percent in the European Union in 2015.

In April, the IMF forecast economic growth of 3.0 percent for Singapore in 2015. According to the latest IMF forecast, the Asia-5 states (Indonesia, Malaysia, the Philippines, Thailand and Vietnam) are predicted to experience growth of 5.2 percent.

As a result of the acquisitions made in previous years primarily in East Asia and the Company's entry into Australia and New Zealand, as well as Turkey and South Africa, a part of the overall development of Wirecard must also be considered from a global perspective in the future. The long-term trend in the market environment is, however, less dependent on macroeconomic (GDP) factors and more on the dynamic development of e-commerce and the use of Internet technologies in all areas of life. The American marketing research company eMarketer predicts that the growth in the global e-commerce market over the next two years (2015/2016) will be between 13 and 15 percent.

The growth of e-commerce in Europe is important for the future development of Wirecard AG in the 2015 fiscal year. Based on an aggregation of forecasts for Europe published by market research institutions such as eMarketer, Forrester Research, Phocuswright, IMRG, the German Retail Trade Association (HDE) and others, Wirecard AG anticipates that the European e-commerce market will grow by around 12 percent in 2015 – calculated across all sectors.

Business performance in the period under review

With over 19.000 existing customers, Wirecard AG achieved its targets in the first quarter of 2015. New customer trends were very positive in all target sectors for the Wirecard Group. In the Company's core business, it was possible to expand cooperation with numerous existing customers. Supplementing existing payment methods and risk management solutions provides a good example of how existing business relationships can be expanded and innovative Wirecard solutions integrated.

The trend toward internationalisation continued in the core e-commerce business. New technologies such as NFC (near field communication) or host card emulation (HCE) are increasingly gaining importance and are already compatible with the multi-channel platform offered by Wirecard.

Wirecard offers a fully automated solution for the rapid configuration and acceptance of all common international payment methods with the Wirecard Checkout Portal, enabling small and medium-sized retailers to also participate in international e-commerce. The entire setup process is completed online without any change in media. The portal offers a plug-in tool that enables online card payments and payment options to be tailored according to standardised customer requirements. Wirecard has been able to gain another partner for the Wirecard Checkout Portal in opentabs GmbH, a provider of innovative applications for the hospitality sector. The app of the same name "opentabs" connects the establishment directly with their guests, allowing them to both order and make cashless payments via their smartphone.

In the quarter under review, a PCI DSS-compliant industry solution for the online travel market was presented. By expanding its tokenisation service, Wirecard is able to offer secure card payment processing. The dynamic use of data in the form of the token is now possible through every step of the booking process.

Wirecard's key unique selling points include its combination of software technology and banking products, the global orientation of the payment platform, and innovative solutions that allow electronic payments to be processed efficiently and securely.

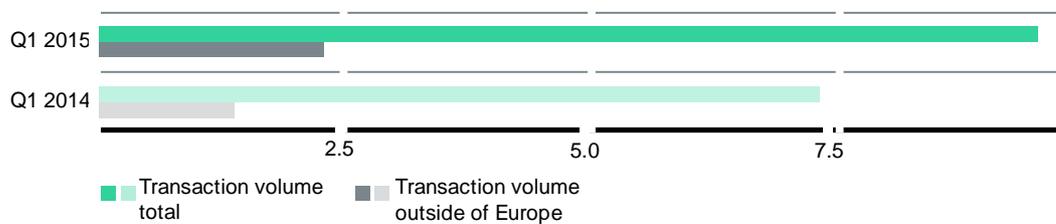
The major share of Group sales revenues is generated on the basis of business relations with providers of merchandise or services on the Internet who outsource their payment processes to Wirecard AG. This means that conventional services for the settlement and risk analysis of payment transactions performed by a payment services provider and credit card acceptance (acquiring) performed by Wirecard Bank AG are closely linked.

Inherent to the technical platform are scaling effects due to the growing share of business customers who increase transaction volumes through acquiring related bank services, as well as new products.

Fee income from the core business of Wirecard AG, namely the acceptance and issuing of means of payment along with associated value added services, is generally proportionate to the transaction volumes processed. Transaction volumes in the quarter under review amounted to EUR 9.5

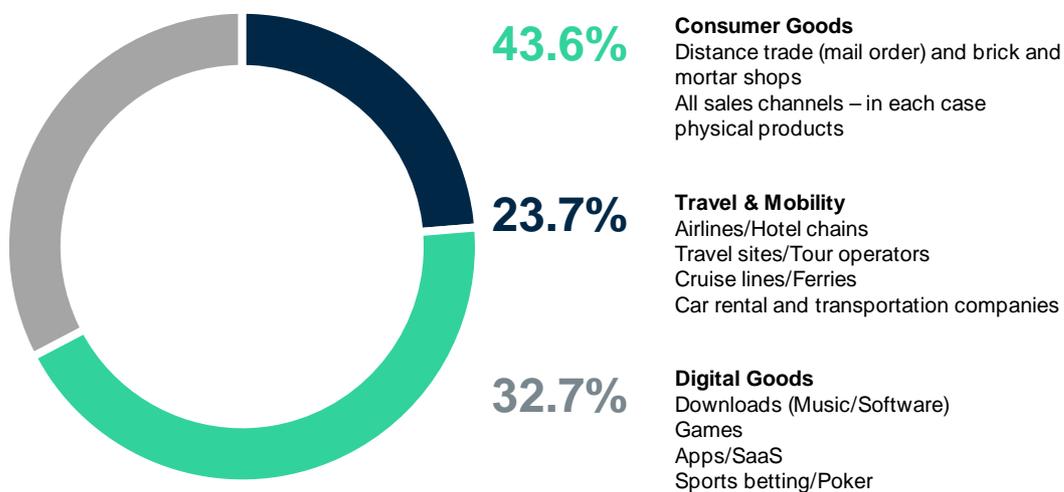
billion (Q1 2014: EUR 7.3 billion), reflecting 30.1 percent growth. As companies outside of the Asian region were consolidated for the first time in New Zealand and South Africa in 2014, Wirecard will report the share of the transaction volume outside of Europe in the future. In the first quarter of 2015, this share of the overall transaction volume was 24.2 percent (Q1 2014: 19.2 percent) at EUR 2.3 billion (Q1 2014: EUR 1.4 billion).

Transaction volumes Q1 2015/Q1 2014 (in EUR billion)



The distribution across target sectors was as follows at the end of the quarter under review:

Transaction volumes Q1 2015



Target sectors

With direct sales distributed across the Company's target sectors – and thanks to its technological expertise and broad spectrum of services – Wirecard AG continued its operational growth in the first quarter of 2015, while at the same time further broadening its customer base and extending its international network of cooperation and distribution partners.

A good example here is Triumph International AG, one of the world's largest manufacturers of lingerie and underwear. After Germany, Finland, France, Great Britain, Austria and the Netherlands, the company is also relying on integrated payment services offered by Wirecard AG as it expands its online shops to include Denmark and Sweden.

The centralisation of cash-free payment transactions from a variety of distribution and procurement channels on one single platform is a unique selling point of the Wirecard Group. In addition to new business from taking over payment processing, risk management and credit card acceptance in combination with ancillary and downstream banking services, significant cross-selling opportunities exist in business with existing customers that will contribute to consistent growth as business relationships expand.

Business performance in Asia

Business with existing and new customers also developed very successfully in Asia in the first quarter of 2015. The spectrum of services in Asia now ranges from payment transactions, network operating and technology services through multi-channel payment solutions to contactless and mobile payment transaction solutions, as well as issuing processing (technical processing of card transactions). The positive trend in our business is also characterised by technology transfers that enable our new subsidiaries in south-east Asia to operate with an expanded portfolio of solutions in the Asian markets. The successful first quarter of 2015 in Asia was due to large POS and mPOS projects successfully introduced by Asian subsidiaries of Wirecard AG in cooperation with partner banks and/or large retail companies.

The Wirecard Group has, via its subsidiary Trans Infotech Pte. Ltd. (Singapore) been working with Vietnam Export Import Commercial Joint Stock Bank (Eximbank) in the area of mPOS since the beginning of the new reporting year. The new service to accept card transactions via smartphones or tablets is called "Eximbank's mPOS". It enables small and medium-sized enterprises to flexibly offer MasterCard, Visa or JCB card payments anytime and anywhere. As one of the world's leading suppliers of white label solutions for electronic payment transactions, Wirecard is able to cover

the entire mPOS process. The new product “Eximbank’s mPOS” is designed for mobile companies such as insurance agents, delivery services, electricity or water companies, taxis or fast food restaurants.

Furthermore, it was also possible to announce a cooperation between Wirecard, Bank Mega and Carrefour Indonesia in January 2015. The Indonesian subsidiary of Wirecard AG, PT Prima Vista Solusi, and Bank Mega are supporting the retail company with innovative point-of-sale (POS) terminals and integrated payment processing. Carrefour Indonesia operates around 100 department stores in 13 provinces across the country. Customers of the Carrefour chain of department stores have been able to make contactless payments for their purchases across the whole of Indonesia with an NFC-based credit or debit card since January. Wirecard provides the complete technical infrastructure, as well as payment processing via the Payment Gateway. Bank Mega is acting as the acquirer for credit card acceptance.

Business performance in Acquiring

Wirecard Bank generates most of its revenues within the Group through the sales structures of its sister companies. This comprises banking services for companies via card acceptance contracts, business accounts and foreign currency accounts.

Foreign exchange management services are also increasing for airlines and e-commerce providers who book incoming payments in various currencies as a result of their international business. They are offered a secure calculation basis, whether for settlement of merchandise and services in a foreign currency or when receiving a foreign currency from concluded transactions.

In the year under review, the acquiring volumes increased in line with the growing core business of payment processing.

Business performance in Issuing

Revenues in the Issuing business area comprises B2B product lines such as the Supplier and Commission Payments solution, as well as B2C prepaid card products.

During the period under review, Wirecard Card Solutions Ltd. acquired numerous new customers for the issuing of debit cards, gift and voucher cards for retailers and various payment cards for MasterCard. In addition, the Vodafone Group, Orange and E-Plus utilise Wirecard Card Solutions as an issuer as part of their mobile payment initiatives.

Wirecard AG is expanding its global card processing business with the cooperation agreement concluded with Visa Inc. at the end of 2014, the acquisition of assets from Visa Processing Services (VPS) (Singapore) in February 2015 and the acquisition of all shares in Visa Processing Service (India) Pte. Ltd. (expected to be renamed by the end of the first half of 2015), headquartered in Mumbai (India), and is strengthening its engagement in the global growth markets for prepaid cards, especially those in Southeast Asia and Latin America. Visa Processing Service provides card issuing banks with a comprehensive range of technical solutions for gift cards, general purpose reloadable (GPR) cards, single or multi-currency travel cards and international money remittance.

Business performance in the mobile payment business area

Products and solutions in the mobile payment business area continue to attract growing interest from the public. In the past few months, Wirecard AG was able to further expand the development and launch of products and solutions in the mobile payment, mPOS and couponing & loyalty business areas. These new products can be used to make secure payments via mobile devices and offer users a constantly growing number of value added services.

Near field technology (NFC) is now supported as the global transmission standard by all large device manufacturers. This has created the prerequisites for trend-setting investment decisions that will be made by the trade and the financial industry in the mobile payment area.

Alongside NFC and QR code, Wirecard is one of the first payment companies worldwide to have integrated Bluetooth low energy (BLE) under the name "Bluetooth BLE Smart Payment", as well as host card emulation (HCE), as additional payment technologies to their existing mobile wallet platform. BLE facilitates data transmission over distances of up to ten metres. In combination with microtransmitters, so-called beacons, this innovative technology makes location-based services available. HCE makes it possible to carry out secure, NFC-based transactions for payments and services via mobile apps, regardless of whether a physical secure element (SE) is available on the mobile phone. All data generated during a transaction is thus no longer saved onto a hardware element, but rather stored on a secure centralised server. These technologies enable telecommunications companies, financial service providers, banks or even retailers to quickly access the mobile payment market.

In the quarter under review, Wirecard presented the new Wirecard payment brand “boon” that will be available from summer of 2015. The HCE app “boon” combines payment functionalities, loyalty and couponing and numerous services in the area of personal finance. The app communicates with point-of-sale terminals via near field communication (NFC). Variety is the key to Wirecard's marketing strategy: the payment app “boon” will be offered as a co-branding solution in collaboration with sales and cooperation partners. In this way, Wirecard will provide, for example, telecommunications providers, banks or retailers with direct access to markets through a mobile payment solution. This solution will be available quickly thanks to the host card emulation (HCE) software technology. Drillisch AG, a TecDAX listed company, will be the first partner to market the mobile payment solution for Android smartphones.

After Wirecard presented a payment wearable and a corresponding Software Development Kit for wearables based on HCE at the start of the year, it was possible to announce the first collaboration partner in the smartphone manufacturer Kairos Watches after the end of the reporting period. The manufacturer of hybrid mechanical smartwatches and T-bands will utilise the Payment Software Development Kit from Wirecard in the future. By integrating the Wirecard payment interface, Kairos will be able to offer NFC-based, contactless payment transactions and value added services worldwide.

In the area of mPOS, Wirecard was able to announce a partnership with the Croatian company Five by Five Ltd. A new mPOS solution is being launched with immediate effect in Europe with “AgentCASH”. Five by Five will initially offer the product in Croatia and later in other European countries. The white label program from Wirecard is what lies behind the AgentCASH system. This allows retailers to accept debit and credit card payments via smartphones or tablets with iOS or Android operating systems – anywhere and at any time. The target group for AgentCASH includes small and medium-sized enterprises, retailers and service providers.

Business performance in Call Centre & Communication Services

Wirecard Communication Services GmbH concentrates primarily on providing services to the Wirecard Group.

The hybrid call centre structure, in other words, the bundling of virtual and bricks and mortar call centres, also enables third-party customers to benefit from “premium expert services” in the following segments:

- Financial Services
- First & second level user helpdesk (specifically in the field of console, PC and mobile games, as well as commercial software, security and navigation)
- Mail order/direct response TV (DRTV) and targeted customer service (outbound)
- Market research and opinion polling/webhosting
- Telecommunications (customer service & support, back-office services)

In the first three months of the year, Wirecard Communication Services GmbH further expanded its customer relationships. As part of agreements with telecommunications service providers, the call centre is currently rendering services for E-Plus, Deutsche Telekom, Telefónica Germany, the Vodafone Group and Orange.

4. RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Wirecard AG generally publishes its figures in thousands of euros (kEUR). As a result of rounding, it is possible that the individual figures do not add up exactly to form the totals stated and that the figures and percentages do not give an exact representation of the absolute values to which they relate.

Financial performance

In the first quarter 2015, Wirecard AG achieved further significant growth in both revenue and operating profit.

Revenue trends

In the first quarter 2015, consolidated revenues grew by 26.3 percent from kEUR 126,231 to kEUR 159,413.

Revenue generated in the first quarter 2015 in the core segment of Payment Processing & Risk Management, arising from risk management services and the processing of online payment transactions, increased by 28.9 percent from kEUR 88,243 to kEUR 113,718.

The share of the total consolidated revenue accounted for by the Acquiring & Issuing segment grew by 20.2 percent in the first quarter 2015 to reach kEUR 58,013 (Q1 2014: kEUR 48,274), of which the share accounted for by Issuing amounted to kEUR 11,217 in the first quarter 2015 (Q1 2014: kEUR 9,875).

Revenue from Acquiring & Issuing in the first quarter 2015 primarily comprised commissions, interest, financial investments and revenue from processing payments, as well as exchange rate gains from processing transactions in foreign currencies. This entails the investment of customer deposits by the Wirecard Bank and Wirecard Card Solutions (31 March 2015: kEUR 423,605; 31 March 2014: kEUR 304,368) exclusively in sight deposits, overnight deposits, fixed-term deposits as well as the base liquidity in variable-rate bearer bonds and borrower's note loans of selected issuers with a minimum (A-) investment-grade rating, partially with a minimum interest rate. In addition, the Group prepares its own risk valuation for counterparties.

The interest income generated by the Acquiring & Issuing segment in the first quarter 2015 totalled kEUR 951 (Q1 2014: kEUR 810) and is recognised as revenue. Accordingly, it is not included in the Group's financial result but is reported here also as revenue. It comprises interest income on the investments of own as well as customer deposits (deposits and acquiring money) with external banks.

The Call Centre & Communication Services segment generated revenues of kEUR 1,541 in the period under review, compared with kEUR 1,266 in the first quarter 2014.

Trends in key expense items

The item other own work capitalised primarily comprises the continued development of the core system for payment processing activities as well as investments in mobile payment projects. In this regard, own work is only capitalised if it is subject to mandatory capitalisation in accordance with IFRS accounting principles. Capitalisations amounted to a total of kEUR 5,871 in the first quarter 2015 (Q1 2014: kEUR 5,506). It is corporate policy to value assets conservatively and to capitalise them only if this is required in terms of international accounting standards.

The Group's cost of materials increased in the 2014 fiscal year to kEUR 87,767, compared to kEUR 72,031 in the previous year. The cost of materials mainly comprises charges by the credit card issuing banks (interchange), charges by credit card companies (for example, MasterCard and Visa) and transaction costs, as well as transaction-related charges to third-party providers (for example, in the areas of Risk Management and Acquiring). Expenses for payment guarantees and factoring are included in the area of Risk Management. The area of Acquiring also includes commission costs for external sales.

In the Acquiring & Issuing segment, the cost of materials in the business areas of Acquiring, Issuing and Payment primarily comprises, alongside the interchange fee, processing costs for external service providers, production, personalisation and transaction costs for prepaid cards and the payment transactions effected with them, and account management and transaction charges for keeping customer accounts.

Group gross profit (revenue including other own work capitalised less cost of materials) increased by 29.8 percent to kEUR 77,517 in the first quarter 2015 (Q1 2014: kEUR 59,705).

Group personnel expenses rose to kEUR 20,711 in the first quarter 2015, up by 42.0 percent year on year (Q1 2014: kEUR 14,587). The consolidated personnel expense ratio increased by 1.4 percentage points year on year to 13.0 percent. The growth in personnel expenses is due to corporate acquisitions and new appointments in connection with mobile payment projects, which also render this item difficult to compare with previous years.

Other operating expenses mainly comprise the cost of legal advice, expenses related to the preparation of financial statements, business equipment and leasing, office costs, sales and marketing expenses, and personnel-related expenses. These also include costs for external employees and consultants, especially those employed in mobile payment projects. These amounted to kEUR 13,874 within the Wirecard Group in the first quarter 2015 (Q1 2014: kEUR 12,050), which corresponds to 8.7 percent of revenue (Q1 2014: 9.5 percent). This also includes costs for the further development of the multi-channel platform and mobile payment projects.

Amortisation and depreciation was split into two positions. It was split so that the amortisation and depreciation on assets, resulting from the M&A-related purchase price allocation (PPA), have been reported separately. In the first quarter 2015, amortisation and depreciation adjusted for M&A amounted to kEUR 7,295 (Q1 2014: kEUR 5,067). The amortisation and depreciation of assets, which result from the purchase price allocation (PPA), stood at kEUR 5,329 (Q1 2014: kEUR 3,744) in the first quarter 2015 and were reported separately. As a result of the high level of M&A activity by the company, this differentiation makes it easier to compare this item. Amortisation and depreciation rose year on year in the first quarter 2015, mainly due to investments realised in property, plant and equipment, mobile payment projects and as a result of the acquisitions of companies and assets.

Other operating revenue primarily arises from various smaller items, including income from Income from reversal of valuation allowances applied to receivables, income from revaluation of receivables and income from offset benefits in kind and amounted to kEUR 3,103 at a Group level in the first quarter 2015, compared with kEUR 1,970 in the previous year.

EBITDA trends

The pleasing growth in earnings is due to the increase in transaction volume processed by the Wirecard Group, scaling effects from the transaction-oriented business model and from the increased use of our banking services.

Consolidated earnings before interest, tax, depreciation and amortisation (EBITDA) grew in the first quarter 2015 by 31,4 percent, from kEUR 35,038 in the previous year to kEUR 46,034. The EBITDA margin amounted to 28.9 percent in the first quarter 2015 (Q1 2014: 27.8 percent).

The EBITDA of the Payment Processing & Risk Management segment stood at kEUR 37,459 in the first quarter 2015 and grew by 38.6 percent (Q1 2014: kEUR 27,018). The share of the EBITDA accounted for by the Acquiring & Issuing segment grew in the first quarter 2015 to reach kEUR 8,490 (Q1 2014: kEUR 7,956), of which the share of the EBITDA accounted for by Issuing in first quarter 2015 amounted to kEUR 2,905 (Q1 2014: kEUR 2,867).

This development was at the expected level. At the start of 2015, the Group forecast that it would achieve earnings before interest, tax, depreciation and amortisation (EBITDA) of between EUR 210 million and EUR 230 million in the 2015 fiscal year.

Financial result

The financial result amounted to kEUR – 1,085 in the first quarter 2015 (Q1 2014: kEUR – 1,136). Group financial expenses stood at kEUR 1,931 in the first quarter 2015 (Q1 2014: kEUR 1,752) and resulted primarily from the accounting-related discounting or compounding of non-current liabilities and receivables particularly in relation to the earnouts for corporate acquisitions, the syndicated loans taken out for corporate acquisitions and the revaluation of financial assets. The Group's financial result does not include interest income generated by the Wirecard Bank and Wirecard Card Solutions Ltd., which must be reported as revenue in accordance with IFRS accounting principles.

Taxes

Owing to the international orientation of the business, the cash tax rate (excluding deferred taxes) amounted to 10.5 percent in the first quarter 2015 (Q1 2014: 15.6 percent). Including deferred taxes, the tax rate came to 11.5 percent (Q1 2014: 15.7 percent).

Earnings after tax

Earnings after tax in the first quarter 2015 increased by 35.2 percent year on year, rising from kEUR 21,145 to kEUR 28,596.

Earnings per share

The average number of issued shares on an undiluted basis amounted to 123,490,586 shares in the first quarter 2015 (Q1 2014: 116,398,301 shares). Basic (undiluted) earnings per share stood at EUR 0.23 in the first quarter 2015 (Q1 2014: EUR 0.18).

Financial position and net assets

Principles and objectives of financial management

The primary objectives of financial management are to secure a comfortable liquidity situation at all times and maintain operational control of financial flows. The Treasury department is responsible for monitoring currency risks. Following individual inspection, risks are contained by the additional deployment of financial derivatives. As in the previous year, currency options were deployed as financial derivatives to hedge revenues in foreign currencies in the period under review. It has been stipulated throughout the Group that financial derivatives should not be deployed for speculative purposes (see Management report, III. Forecast and report on opportunities and risks, Chapter 2.8 Financial risks).

Capital and financing analysis

Wirecard AG reports equity of kEUR 1,111,765 (31 December 2014: kEUR 1,072,886). Due to the nature of our business, the highest liabilities lie with retailers in the area of credit card acquiring and customer deposits in the banking business. These have a substantial effect on the equity ratio. The commercial banks that granted Wirecard AG loans as of the 31 March 2015 amounting to kEUR 130,992 at interest rates of between 1.16 and 3.95 percent did not take these items into account in their equity capital calculations due to the circumstances of the business model for the credit agreement concluded in 2013. According to Wirecard AG, this calculation reflects a true and fair view of the Company's actual position. These banks determine Wirecard AG's equity ratio by dividing the amount of liable equity capital by total assets. Liable equity capital is determined by subtracting deferred tax assets and 50 percent of goodwill from equity as reported in the balance sheet. Any receivables due from shareholders or planned dividend payments must also be deducted. Total assets are identified by subtracting the customer deposits of Wirecard Bank and Wirecard Card Solutions Ltd., the acquiring funds of Wirecard Bank (31 March 2015: kEUR 234,155; 31 December 2014: kEUR 240,212) and the reduction in equity from the audited total assets, while leasing liabilities are added again to these total assets. This calculation gives an equity ratio of 76.5 percent for Wirecard AG (31 December 2014: 76.5 percent).

Investment analysis

The criteria for investment decisions in the Wirecard Group generally comprise the capital employed, the securing of a comfortable level of cash and cash equivalents, the results of an in-depth analysis of both potential risks and the opportunity/risk profile and the type of financing (purchase or leasing).

Depending on the type and size of the investments, the temporal course of the return on investment is taken fully into account. In the period under review, investments were essentially utilised for strategic and M&A transactions totalling kEUR 13,142 and in fixed deposits in the amount of kEUR 10,000. Investments in externally developed software amounted to kEUR 3,278 and investments in internally developed software totalled kEUR 5,871.

Liquidity analysis

Current customer deposits are reported on the equity and liabilities side of the Wirecard consolidated financial statements as other liabilities (customer deposits). These customer funds are comparable in economic terms with short-term (bank) account loans or overdraft facilities. Separate accounts have been set up for customer deposits on the assets side of the balance sheet (as of 31 March 2015 in the amount of kEUR 423,605; 31 March 2014: kEUR 304,368). These may not be used for any other business purposes. Given the total amount of the customer deposits, securities (so-called collared floaters and current interest-bearing securities) with a nominal value of kEUR 166,596 (31 March 2014: kEUR 165,873) are held, and deposits with the central bank, and sight and short-term time deposits with banks are maintained in an amount of kEUR 266,197 (31 March 2014: kEUR 144,382). These are reported in the Wirecard Group under the balance sheet items of "cash and cash equivalents", "non-current financial and other assets" and "current interest-bearing securities". They are not included in the financial resource fund. This amounted to kEUR 441,919 as of 31 March 2015 (31 March 2014: kEUR 476,985).

As far as the liquidity analysis is concerned, it should also be noted that liquidity is influenced by balance sheet date effects because of the Company's particular business model. The liquidity which Wirecard receives from its retailers' credit card revenues and which it will pay out to the same retailers in future is available to the Group for a transitional period. It should be noted in this context especially that a very sharp increase in the operational cash flow in the fourth quarter, which is mainly due to delayed payouts on account of the public holidays, is expected to be offset by a countervailing cash flow trend in the following year.

To enhance transparency and illustrate this influence on cash flow, Wirecard AG, in addition to its usual presentation of cash flows from operating activities, reports a further cash flow statement that eliminates items that are of a merely transitory nature. This supplementary information helps to identify and convey the cash-relevant portion of the Company's earnings.

The cash flow from operating activities (adjusted) amounting to kEUR 46,228 clearly shows that Wirecard AG had a comfortable volume of own liquidity to meet its payment obligations at all times.

Interest-bearing liabilities are mostly non-current and were utilised for realised M&A transactions. The Group's interest-bearing borrowings from banks increased by kEUR 32,633 to kEUR 130,992 (31 December 2014: kEUR 98,359). Wirecard AG has EUR 382 million of lending commitments (31 December 2014: EUR 382 million). Along with the loans recognised in the balance sheet, additional credit lines from commercial banks amounting to EUR 251 million are consequently available (31 December 2014: EUR 283 million). Lines for guarantee credit facilities are also available in an amount of EUR 24.5 million (31 December 2014: EUR 24.5 million), of which an unchanged amount of EUR 17 million has been utilised.

Net assets

Assets reported in the balance sheet of Wirecard AG increased by kEUR 74,496 in the first quarter 2015, rising from kEUR 1,995,159 to kEUR 2,069,655. In the period under review, both non-current and current assets grew, with the latter increasing from kEUR 1,183,013 to kEUR 1,230,212. In addition, the changes are also partially due to operating business growth, which is primarily as a result of the consolidation of the assets and liabilities acquired as part of the acquisition in the year under review. This has caused various balance sheet items to increase substantially. As a result, comparisons can only be made to a limited extent. This comprises particularly the asset items of "intangible assets", "goodwill" and "customer relationships", as well as the "receivables" and "cash and cash equivalents" items, and, on the equity and liabilities side of the balance sheet, the item "trade payables".

In addition to the assets reported in the balance sheet, the Wirecard Group also has unreported intangible assets, such as software components, customer relationships, human and supplier capital, amongst others.

5. RESEARCH AND DEVELOPMENT

The area of research and development (R&D) is at the core of the Wirecard technology Group's activities. As a result of its software engineering achievements in this area, Wirecard is able to offer new and innovative solutions and services on both established and new markets – new both in term of their geographical location and area of application.

Due to the global presence of the Wirecard Group and its coverage of a number of different retail segments, Wirecard possesses a deep understanding of the market environment and its dynamics. Local presence, above all in strategic growth markets, is a decisive factor in understanding the specific characteristics of regional markets. In particular, this not only enables trends to be identified at an early stage but also makes it possible to actively support and shape them on the market.

Based on the Company's modular and scalable platform, Wirecard AG offers its customers innovative solutions along the entire payment value chain that can be adapted flexibly to meet specific requirements. The use of suitable new technologies and agile development methods ensure that resources can be efficiently and effectively deployed in a highly dynamic market environment.

The individual expenditure items are included in the personnel expenditure of the respective areas (Payment & Risk, Issuing Services, etc), among both advisory costs and intangible assets.

6. REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

Events of particular importance

Announcements pursuant to Section 15 of the German Securities Trading Act (WpHG)

Wirecard AG published its preliminary results for the first quarter (Q1/2015) with an ad hoc announcement on 27 April 2015. At the same time, the forecast for earnings before interest, tax, depreciation and amortisation (EBITDA) for the 2015 fiscal year in the range of EUR 210 million to EUR 230 million was also confirmed.

MB Beteiligungsgesellschaft mbH announced on 7 May 2015 that it had acquired 150,000 shares in Wirecard AG at a price of EUR 35.63 each with an ad hoc announcement about dealings by management personnel in accordance with Section 15a of the German Securities Trading Act (WpHG).

Announcements pursuant to Section 25a (1) and Section 26 (1) of the German Securities Trading Act (WpHG)

(made by the Group after the end of the period under review)

Date of Publication	Reportings of the company after the end of the period
2 April 2015	Correction of voting rights notification published on 7 November 2014*. Threshold of 3 percent exceeded on 15 September 2014 Standard Life Investments Limited, Edinburgh, Great Britain: 3.03 percent
2 April 2015	Notification that voting rights decreased below threshold of 5 percent on 25 March 2015: The Capital Group Companies, Inc., USA: 4.96 percent

Details can be found on the website: ir.wirecard.com

* Standard Life Investments Limited, Edinburgh, Great Britain informed us on 30 March 2015 in accordance with Section 21 (1) of the WpHG that their voting rights in Wirecard AG, Aschheim (Munich) had exceeded the threshold of 3% on 15 September 2014 and stood at 3.03% (3,740,142 voting rights). See the website ir.wirecard.com

Impact on net assets, financial position and results of operations

From the end of the reporting period until the publication of the report for the first quarter of 2015, there were no events that had an influence on the results of operations, financial position and net assets.

7. REPORT ON OPPORTUNITIES AND RISKS

For the Wirecard Group, the deliberate assumption of calculable risks and the consistent exploitation of the opportunities associated with these risks form the basis for its business practices as part of the scope of value-based corporate management. With these strategies in mind, the Wirecard Group has implemented a risk management system that lays the foundations for risk-oriented and earnings-oriented corporate governance.

In the interests of securing the Company's success on a long-term and sustainable basis, it is thus indispensable to identify, analyse, assess and document critical trends and emerging risks at an early stage. Where it makes economic sense, the aim is to adopt corrective countermeasures. In principle, it is possible to limit, reduce, transfer or accept risks in order to optimise the Company's risk position relative to its earnings. The implementation and effectiveness of any approved countermeasures are continuously reviewed.

In order to minimise the financial impact of any potential loss, Wirecard takes out insurance policies – insofar as they are available and economically justifiable. The Wirecard Group continuously monitors the level of cover that they provide.

Equally, it is a Company-wide policy to identify, evaluate and exploit opportunities in order to sustain growth trends and secure the Group's earnings growth. Moreover, this analysis also reveals those risks that would result from a failure to exploit any opportunities that arise.

As no changes have occurred during the intervening period, please refer to the risk report contained in the 2014 annual report for more details. We note that no going concern risks currently relate to the Group.

8. OUTLOOK

Following the positive start to the current fiscal year, continued dynamic growth of the company is expected during the course of the year. The continued strong growth of the e-commerce market offers significant potential for the growth of the company. As a result of the integration of Internet technologies into all sales channels, whether online, mobile or bricks and mortar, there has been an increasingly strong changeover to real time payment solutions. Wirecard benefits disproportionately from this development thanks to its many years of experience as a supplier of Internet technology.

We anticipate that we will also achieve our goal this year of growing our e-commerce core business at a significantly stronger rate than the market. Against a background of increasing internationalisation and the accompanying level of complexity, both existing and new customers will benefit from the secure and innovative payment solutions offered via the Wirecard platform, as well as from the easy integration of risk management, value added services and end-to-end services. A clear trend can be seen in the acquisition of new customers, with a greater number of traditional bricks and mortar retailers joining purely online suppliers and start-ups in placing their trust in solutions offered by Wirecard for the implementation of their e-commerce strategies.

We are continuing our strategy based principally on organic growth in connection with acquisitions, increasingly on a global level, so that in the medium term we will have a global network of service and technical facilities at our disposal

The Management Board of Wirecard AG is optimistic about the company's business performance this year and confirms its expectations for 2015 of achieving an EBITDA of between EUR 210 million and EUR 230 million.

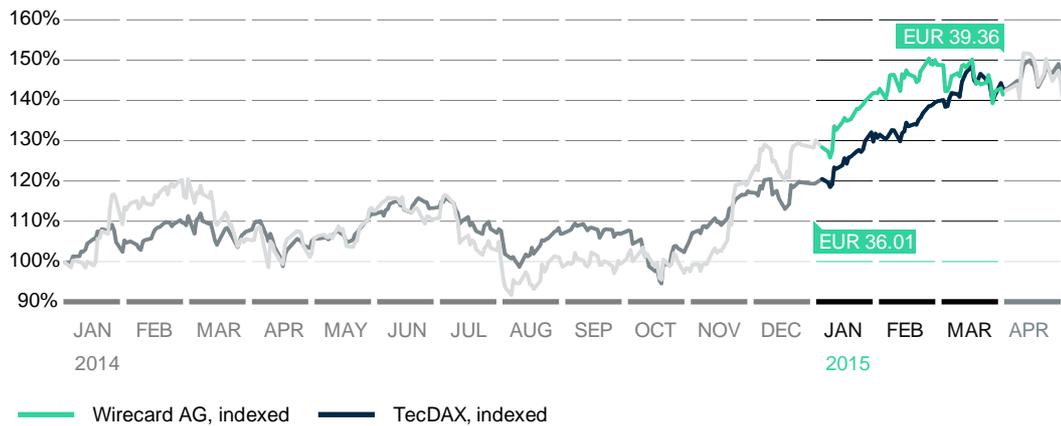
Aschheim (Munich), 12 May 2015

Wirecard AG

Management Board

9. WIRECARD STOCK

The leading German DAX index started the stock market year 2015 with growth of 22 percent in the first quarter. The DAX closed on the reporting date of 31 March 2015 at 11,966 points. In the first quarter of the year, the TecDAX grew in value by 17.8 percent and closed the quarter at 1,615 points. Wirecard shares closed at EUR 38.86 on the last trading day of the quarter and thus rose by 6.5 percent. The lowest daily closing rate for the shares was recorded on 6 January 2015 at a price of EUR 35.52. On 24 February 2015, the Wirecard shares achieved a peak price of EUR 41.67.



Over the course of the quarter, a total of around 27 million Wirecard shares were traded on the electronic XETRA trading platform, which corresponds to an average trading volume of about 425 thousand shares per day.

Key figures 3M 2015

		3M 2015	3M 2014
Number of all shares - all dividend-entitled		123,490,586	123,490,586
Share capital	kEUR	123,491	123,491
Market capitalization (31 March.)	EUR billion	4.80	3.72
Share price(31 March.)	EUR	38.86	30.12
High for the year as of 31 March	EUR	41.67	33.99
Low for the year as of 31 March	EUR	35.52	28.39

Price data: XETRA closing prices

Investor Relations

The Management Board and the Investor Relations department of Wirecard AG are in constant contact with institutional investors in one-on-one meetings, roadshows and investor conferences. At the end of the period under review, a total of 19 analysts from renowned banks were closely observing the Wirecard share.

The Management and Supervisory Boards of Wirecard AG undertake to comply with the principles of the German Corporate Governance Code and endorse the principles of transparent and sustainable corporate governance. Special measures in this regard are the listing on the Prime Standard and reporting according to IAS/IFRS.

Further information is available online at: ir.wirecard.com

Basic information on Wirecard stock

Year established:	1999	
Market segment:	Prime Standard	
Index:	TecDAX	
Type of equity:	No-par-value common bearer shares	
Stock exchange ticker:	WDI; Reuters: WDIG.DE; Bloomberg: WDI GY	
WKN:	747206	
ISIN:	DE0007472060	
Authorised capital, in number of shares:	123,490,586	
Group accounting category:	exempting consolidated financial statements in accordance with IAS/IFRS	
End of fiscal year:	31 December	
Total capital stock as of 31 March 2015	kEUR 123,491	
Beginning of stock market listing:	25 October 2000	
Management Board:	Dr. Markus Braun	CEO, CTO
	Burkhard Ley	CFO
	Jan Marsalek	COO
Supervisory Board:	Wulf Matthias	Chairman
	Alfons W. Henseler	Deputy Chairman
	Stefan Klestil	Member
Shareholder structure* as of 31 March 2015		
Shareholders holding more than 3% of voting rights*	6.0% MB Beteiligungsgesellschaft mbH	
	94.0% free float (according to Deutsche Börse's definition) of which	
	6.27% Jupiter Asset Management Ltd. (UK)	
	5.04% The Capital Group Companies (US)	
	4.94% Alken Luxembourg S.A. (LU)	
	3.15% T. Rowe Price Group, Inc. (US)	
	3.03% Standard Life Investment Limited (UK)	

*Interests (rounded) according to last notification by investors (Section 26a WpHG)

Consolidated balance sheet – assets

in kEUR	31.03.2015	31.12.2014
ASSETS		
I. Non-current assets		
1. Intangible assets		
Goodwill	223,545	218,202
Customer relationships	347,150	341,365
Internally-generated intangible assets	65,892	62,173
Other intangible assets	49,194	49,229
	685,781	670,969
2. Property, plant and equipment		
Other property, plant and equipment	25,705	16,292
3. Financial and other assets / interest-bearing securities	127,000	123,991
4. Tax credits		
Deferred tax assets	957	894
Total non-current assets	839,443	812,145
II. Current assets		
1. Inventories and work in progress	5,084	3,313
2. Trade and other receivables	371,881	354,602
3. Tax credits		
Tax refund entitlements	8,664	7,103
4. Interest-bearing securities and fixed deposits	136,237	122,919
5. Cash and cash equivalents	708,346	695,076
Total current assets	1,230,212	1,183,013
Total assets	2,069,655	1,995,159

Consolidated balance sheet – equity and liabilities

in kEUR	31.03.2015	31.12.2014
EQUITY AND LIABILITIES		
I. Equity attributable to Wirecard AG shareholders		
1. Subscribed capital	123,491	123,491
2. Capital reserve	493,073	493,073
3. Retained earnings	481,840	453,244
4. Currency translation reserve	13,361	3,078
Total equity	1,111,765	1,072,886
II. Liabilities		
1. Non-current liabilities		
Non-current interest-bearing liabilities	124,172	89,329
Other non-current liabilities	32,834	29,257
Deferred tax liabilities	30,500	28,721
	187,505	147,307
2. Current liabilities		
Trade payables	282,562	298,367
Interest-bearing liabilities	6,821	9,030
Other provisions	1,046	1,284
Other current liabilities	47,140	60,053
Customer deposits from banking operations	423,605	396,733
Tax provisions	9,211	9,498
	770,385	774,966
Total liabilities	957,890	922,273
Total equity and liabilities	2,069,655	1,995,159

Consolidated income statement

in kEUR	01.01.2015 – 31.03.2015	01.01.2014 – 31.03.2014
Revenues	159,413	126,231
Own work capitalised	5,871	5,506
Cost of materials	87,767	72,031
Gross profit	77,517	59,705
Personnel expenses	20,711	14,587
Other operating expenses	13,874	12,050
Other operating income	3,103	1,970
EBITDA	46,034	35,038
Amortisation and depreciation adjusted (M&A adjusted)	7,295	5,067
EBIT adjusted*	38,739	29,971
PPA incurred amortisation	5,329	3,744
EBIT	33,410	26,227
Financial result	-1,085	-1,136
Other financial income	846	615
Financial expenses	1,931	1,752
Earnings before tax **	32,325	25,090
Income tax expense	3,729	3,945
Earnings after tax **	28,596	21,145
Earnings per share (basic) in EUR	0.23	0.18
Earnings per share (diluted) in EUR	0.23	0.18
Average shares in issue (basic)	123,490,586	116,398,301
Average shares in issue (diluted)	123,590,243	116,496,363

* Adjusted by PPA incurred amortisation

** Attributable entirely to the shareholders of the parent company

Consolidated statement of comprehensive income

in kEUR	01.01.2015 – 31.03.2015	01.01.2014 – 31.03.2014
Earnings after tax	28,596	21,145
Other items to be reclassified to profit or loss		
Change in offset item from currency translation of foreign subsidiaries	10,283	2,975
Recycled to income statement	0	0
Change in amount reported in equity (currency translation)	10,283	2,975
Consolidated comprehensive income	38,879	24,120

Consolidated statement of changes in equity

	Subscribed capital Nominal value/number of shares issued kEUR / in '000 shares	Capital- reserves kEUR	Retained- earnings kEUR	Translation- reserve kEUR	Total consolidated equity kEUR
Balance as of 31 December 2013	112,292	141,683	360,134	-5,698	608,411
Earnings after tax			21,145		21,145
Currency translation differences				2,975	2,975
Comprehensive income	0	0	21,145	2,975	24,120
Dividends paid			0		0
Capital increase	11,198	351,413			362,611
Balance as of 31 March 2014	134,689	493,096	381,280	-2,723	995,143
Balance as of 31 December 2014	123,491	493,073	453,244	3,078	1,072,886
Earnings after tax			28,596		28,596
Currency translation differences				10,283	10,283
Comprehensive income	0	0	28,596	10,283	38,879
Capital increase					0
Dividends paid			0		0
Balance as of 31 March 2015	123,491	493,073	481,840	13,361	1,111,765

Notes on equity under (3.)

Consolidated cash flow statement

in kEUR	01.01.2015 – 31.03.2015	01.01.2014 – 31.03.2014
Earnings after tax	28,596	21,145
Financial result	1,085	1,136
Income tax expenses	3,729	3,945
Gain/loss from disposal of non-current assets	243	0
Amortisation/depreciation	12,624	8,811
Change from currency exchange-rate differences	-3,470	-118
Change in inventories	-1,772	1,376
Change in trade and other receivables	-11,545	-23,424
Change in trade payables	-14,739	-21,263
Change in other assets and liabilities	-10,544	-3,016
Net cash outflow arising from income taxes	-4,229	-2,240
Interest paid excluding interest on loans	-113	-97
Interest received	506	258
Cash flow from operating activities	373	-13,485
Cash outflows for investments in intangible assets and property, plant and equipment	-12,579	-12,297
Cash inflows from sale of intangible assets and property, plant and equipment	3	0
Cash outflows for investments in financial assets and interest-bearing securities	-10,000	-18
Cash inflows from repayment of loans extended	0	0
Cash outflows for acquisition of consolidated companies less acquired cash	-13,142	-40,771
Cash inflows from the sale of companies and interests in consolidated companies	0	0
Cash flow from investing activities	-35,719	-53,086
Cash outflows for previous years' acquisitions of companies	-11,394	0
Redemption of lease liabilities	-1,255	-1,146
Cash inflows from issuing of shares	0	366,746
Cash outflows for expenses from issuing of shares	0	-5,679
Cash inflows from drawing down of financial liabilities	35,000	0
Cash outflows for expenses for drawing down of financial liabilities	-361	-305
Cash outflows for repayment of financial liabilities	-1,427	-126,250
Dividends paid	0	0
Interest paid on loans and finance leases	-348	-863
Cash flow from financing activities	20,215	232,503
Net change in cash and cash equivalents	-15,130	165,933
Exchange-rate-related changes to cash and cash equivalents	922	-20
Cash and cash equivalents at start of period	456,127	311,073
Cash and cash equivalents at end of period	441,919	476,985

Consolidated cash flow from operating activities (adjusted)

in kEUR	01.01.2015 – 31.03.2015	01.01.2014 – 31.03.2014
Earnings after tax	28,596	21,145
Financial result	1,085	1,136
Income tax expenses	3,729	3,945
Gain/loss from disposal of non-current assets	243	0
Amortisation/depreciation	12,624	8,811
Change from currency exchange-rate differences	2,284	347
Change in inventories	-1,772	1,376
Change in trade and other receivables	10,423	-1,045
Change in trade payables	3,420	-5,602
Change in other assets and liabilities	-10,570	-3,013
Net cash outflow arising from income taxes	-4,229	-2,240
Interest paid excluding interest on loans	-113	-97
Interest received	506	258
Cash flow from operating activities (adjusted)	46,228	25,023

As a consequence of the business model, trade receivables and other receivables include transaction volumes from the Acquiring business as receivables due from credit card organisations and banks. At the same time, these business transactions give rise to liabilities to retailers, amounting to the transaction volume (less our commissions and charges). Receivables and liabilities (less our commissions and charges) are transitory in nature and subject to substantial fluctuations from one balance sheet date to another.

In view of this situation, Wirecard AG has decided to present a further statement in addition to the usual statement of cash flows from business activities in order to eliminate those items that are merely transitory in nature. This also eliminates the capital gains taxes on dividends that are refunded in the following year. This is intended to facilitate the identification and reporting of the cash-relevant portion of the company's results.

Explanatory notes

1. Disclosures relating to the Company and the valuation principles applied

1.1 Business activities and legal background

Wirecard AG, Einsteinring 35, 85609 Aschheim (hereafter referred to as “Wirecard”, the “Group” or the “Company”) was founded on 6 May 1999. The name of the Company was changed from InfoGenie Europe AG to Wire Card AG when it was entered in the commercial register on 14 March 2005 and to Wirecard AG when it was entered in the commercial register on 19 June 2006.

In order to optimise the organisational structure Payment Link Pte. Ltd. (Singapore) and Korvac Payment Services (S) Pte. Ltd. (Singapore) were incorporated into Systems@Work Pte. Ltd. (Singapore) with effect from 1 January 2015. Systems@Work Pte. Ltd. was renamed with effect from 22 January 2015 as Wirecard Singapore Pte. Ltd., still headquartered in Singapore. The Group includes the subsidiary Systems@Work (M) SDN BHD, Kuala Lumpur (Malaysia) and, as a result of the incorporation described above, also Wirecard Payment Solutions Malaysia Sdn Bhd, Kuala Lumpur (Malaysia).

On 23 February 2015, the acquisition of assets from Visa Processing Services (VPS) (Singapore) and the acquisition of all shares in Visa Processing Services (India) Pte. Ltd. (expected to be renamed by the end of the first half of 2015), headquartered in Mumbai (India), were concluded. Therefore, Wirecard has expanded its global card processing business to include business relationships with 14 financial institutions in seven countries and more than three million customer accounts distributed across over 70 card programmes.

Scope of consolidation

A total of 32 subsidiaries were fully consolidated as of 31 March 2015. As of 31 March 2014, this figure totalled 30 companies.

Subsidiaries of Wirecard AG

	Share- holdings
Wirecard Technologies GmbH, Aschheim (Germany)	100%
Wirecard Communication Services GmbH, Leipzig (Germany)	100%
Wirecard Retail Services GmbH, Aschheim (Germany)	100%
cardSystems Middle East FZ-LLC, Dubai (United Arab Emirates)	100%
GFG Group Ltd, Auckland (New Zealand)	100%
GFG Group (Aust) Pty Ltd, Melbourne (Australia)	100%
Amara Technology Africa Proprietary Ltd., Cape Town (South Africa)	100%
Amara Tech ProprietaryLtd, Cape Town (South Africa)	100%
Click2Pay GmbH, Aschheim (Germany)	100%
Wirecard (Gibraltar) Ltd. (Gibraltar)	100%
Wirecard Sales International GmbH, Aschheim (Germany)	100%
Wirecard Payment Solutions Holdings Ltd., Dublin (Ireland)	100%
Wirecard UK and Ireland Ltd., Dublin (Ireland)	100%
Herview Ltd., Dublin (Ireland)	100%
Wirecard Central Eastern Europe GmbH, Klagenfurt (Austria)	100%
Wirecard Asia Holding Pte. Ltd., (Singapore)	100%
Wirecard Singapore Pte. Ltd. (Singapore) (before: Systems@Work Pte. Ltd.)	100%
Systems@Work (M) SDN BHD, Kuala Lumpur (Malaysia)	100%
Wirecard Payment Solutions Malaysia SDN BHD, Kuala Lumpur (Malaysia) (before: Korvac (M) SDN BHD)	100%
PT Prima Vista Solusi, Jakarta (Indonesia)	100%
Trans Infotech Pte. Ltd. (Singapore)	100%
Trans Infotech (Laos) Ltd. (Laos)	100%
Trans Infotech (Vietnam) Ltd (Vietnam)	100%
Card Techno Pte. Ltd. (Singapore)	100%
PT Aprisma Indonesia (Indonesia)	100%
Wirecard Myanmar Ltd., Yangon (Myanmar)	100%
Visa Processing Service (India) Pte. Ltd., Mumbai (India)*	100%
Wirecard Processing FZ LLC, Dubai (United Arab Emirates)	100%
Wirecard Acquiring & Issuing GmbH, Aschheim (Germany)	100%
Wirecard Bank AG, Aschheim (Germany)	100%
Wirecard Card Solutions Ltd., Newcastle (United Kingdom)	100%
Wirecard Ödeme ve Elektronik Para Hizmetleri A.Ş., Istanbul (Turkey) (before: Mikro Ödeme Sistemleri İletişim San.ve Tic. A.Ş.)	100%

* expected to be renamed by the end of the first half of 2015

Uniform accounting and valuation methods apply to the scope of consolidated subsidiaries. The shareholdings and quotas of voting rights of the subsidiaries are identical.

The Company has complied with the IAS/IFRS requirements concerning the mandatory inclusion of all domestic and foreign subsidiaries that are controlled by the parent company.

Business combinations in the fiscal year

Visa Processing Services (India) Private Limited

Wirecard AG and Visa Inc. concluded a cooperation agreement on 17 November 2014 for the issue of prepaid cards and have thus reaffirmed their joint commitment to the global growth markets for prepaid cards, especially those in Southeast Asia and Latin America. The closing was carried out on 23 February 2015. As part of their partnership, Wirecard and Visa Inc. have concluded a contract in which Wirecard has acquired certain assets in Visa Processing Services Pte. Ltd. (VPS), with headquarters in Singapore, as well as all shares in Visa Processing Services (India) Pte. Ltd. for USD 16 million.

Visa Processing Services has business relationships with 14 financial institutions in seven countries and more than three million customer accounts distributed across over 70 card programmes. VPS provides card issuing banks with a comprehensive range of solutions for gift cards, general purpose reloadable (GPR) cards, single or multi-currency travel cards and international money remittance. Wirecard will support the increasing global demand for prepaid cards with a wide-range of products, including innovative mobile and contactless payment solutions, card-based solutions for the distribution of government benefits and for consumers without access or with only limited access to financial institutions. As part of the relationship, Wirecard will provide outsourcing services to Visa for the provision of specific prepaid processing services in support of Visa's clients. In addition, Wirecard has joined the Visa Issuer Processing Program that has been designed to match financial institutions with leading issuers and processors of prepaid cards to help support and promote the growth of prepaid programmes globally. As a result of the short period before preparation of the Group's consolidated interim financial statements, the amounts recognised are not final. Non-separable assets, such as the specialist knowledge and contacts held by the employees and management, as well as the synergy effects within the Wirecard Group, are recognised in goodwill. The assets and liabilities are currently as follows:

Acquisition of Visa Processing Service (India) Pte. Ltd.

in kEUR	Fair value
Cash and cash equivalents	1,020
Goodwill	8,149
Customer relationships	4,754
Property, plant and equipment	935
Trade and other receivables	206
Deferred tax liabilities	849
Current liabilities	53
Purchase price	14,162

1.2 Principles and assumptions used in preparing the financial statements

Principles

The financial statements as of 31 March 2015 were prepared in accordance with IAS 34 (Interim Financial Reporting) with consideration to the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) as adopted by the EU. The notes of the financial statements as of 31 December 2014 also apply accordingly to the present financial statements and should be taken into consideration in connection with the interim financial statements. Any variations from the above are explained below.

Presentation

The presentation of the Group's balance sheet, cash flow statement and segment reporting was effected in accordance with the consolidated financial statements as of 31 December 2014. The income statement has been restructured. In the income statement, a subtotal is now given for EBITDA and amortisation and depreciation has been split so that the amortisation of assets, which result from the purchase price allocation (PPA), is presented separately.

Wirecard AG generally publishes its figures in thousands of euros (kEUR). The use of rounding means it is possible that some figures do not add up exactly to form the totals stated and that the figures and percentages do not exactly reflect the absolute values on which they are based.

Accounting and valuation methods

In the course of preparing the financial statements as of 31 March 2015, the same accounting and valuation principles were used as for the last consolidated financial statements (31 December 2014) and for the previous-year period (1 January 2014 through 31 March 2014) if no other information is provided in this report. For more details please refer to the Annual Report as of 31 December 2014.

2. Notes to the consolidated balance sheet – assets

2.1 Intangible assets

Intangible assets comprise goodwill, internally generated intangible assets, other intangible assets and customer relationships.

Goodwill and customer relationships

The balance sheet items of goodwill and customer relationships are exclusively attributable to acquired companies, parts of companies or customer relationships. New organically acquired customer relationships at Wirecard are not capitalised. As part of corporate acquisitions, a purchase price allocation is carried out in accordance with IFRS 3, which identifies and evaluates all assets irrespective of whether they are reported on the balance sheet for the acquired entity or not. In general, the acquisitions made by Wirecard focused on acquiring regional customer relationships in order to expand the Company's market position. Therefore, these customer relationships represent a significant part of the assets of the acquired entity. The assessment of whether these assets are classified as customer relationships in the sense of IAS 18.16 or reported on the balance sheet under goodwill is based on experience of which future economic benefits are derived from these relationships by Wirecard. If they are classified as customer relationships, they are mostly amortised over 10-20 years. If they are classified as goodwill, the assets are not amortised.

In accordance with the Group's accounting policies, goodwill and customer relationships are assessed at least once a year (most recently on 31 December 2014) or in the event of possible impairments in accordance with the Group's accounting policies. The Company determines these values using valuation methods based on discounted cash flows.

In the first quarter 2015, goodwill changed due to the first-time consolidation of Visa Processing Services Pte. Ltd. by kEUR 8,149. After additional currency-related adjustments to valuations as of the balance sheet date, goodwill amounted to kEUR 223,545 (31 December 2014: kEUR 218,202) and is reported in the following cash-generating units:

Goodwill

in kEUR	31.03.2015	31.12.2014
Payment Processing & Risk Management	174,743	170,051
Acquiring & Issuing	47,507	47,507
Call Center & Communication Services	288	288
Total	222,538	217,846
Less: impairment losses	0	0
A&I goodwill adjustment due to currency fluctuations	1,006	356
	223,545	218,202

The increase in the item customer relationships of kEUR 5,786 in the period under review is connected with first-time consolidations in the fiscal year and the further expansion of strategic customer relationships. As a rule, amortisation starts together with the flow of benefits and is performed over the expected useful life.

For information on changes to goodwill and customer relationships, please refer to section 1.1 “Business combinations in the fiscal year” and to the statement of changes in non-current assets in the 2014 Annual Report.

Internally generated intangible assets

During the first quarter 2015, as expected, this item increased by kEUR 3,719 to kEUR 65,892 (31 December 2014: kEUR 62,173). The newly consolidated corporate entities also contributed to an increase in this item. This relates to software for the payment platform and mobile payment projects.

Other intangible assets

Besides software for individual workstations, other intangible assets relate to software acquired for and used by the “Payment Processing & Risk Management” and “Acquiring & Issuing” segments. In the period under review, this item changed mainly due to the first consolidation of the acquired companies from kEUR 49,229 to kEUR 49,194.

2.2 Property, plant and equipment

Other property, plant and equipment

The main increases in this item are due to investments in the expansion of the computer centres and also to the first-time consolidation of the companies acquired.

Any gains and losses from the disposal of fixed assets are reported as other operating income and expenses respectively. Maintenance and minor repairs are charged to profit or loss as incurred.

Financing and leases

The carrying amount of technical equipment and operating and office equipment held as part of finance leases as of 31 March 2015 totalled kEUR 11,649 (31 December 2014: kEUR 5,257). The leased items serve as security for the respective obligations from the finance leasing agreements.

2.3 Financial and other assets / interest bearing securities

Financial and other assets and interest bearing securities as of 31 March 2015 totalled kEUR 127,000 (31 December 2014: kEUR 123,991). The securities partially comprise a derivative component. These embedded derivatives are generally measured at fair value with changes in their fair value being recognised in profit or loss. As it is impossible to separately measure the embedded derivative, the entire financial instrument is to be measured at fair value through profit or loss, as long as fair value can be calculated reliably. The embedded derivative part of the hybrid financial instrument is sufficiently significant to render it impossible to reliably determine the fair value of the total financial instrument, which means the hybrid financial instrument is to be measured at cost less potential impairment.

This item also comprises medium-term financing agreements for, amongst others, sales partners (31 March 2015: kEUR 40,305; 31 December 2014: kEUR 40,116). Furthermore, this balance sheet item also contains various interest-bearing securities which are held to improve interest income and whose interest rates mainly depend on money market rates. In part, minimum and maximum interest rates are agreed (collared floaters). On the balance sheet date, the interest-bearing securities totalled kEUR 50,201 (31 December 2014: kEUR 49,078).

2.4 Tax credits

Deferred tax assets

Tax credits/deferred tax assets refer to loss carryforwards and temporary differences between the tax balance sheet figures and Group earnings in accordance with IFRS. Deferred tax assets are recognised in accordance with IAS 12.15-45. The Company utilises the balance sheet oriented liability method of accounting for deferred tax assets in accordance with IAS 12. Under the liability method, deferred taxes are determined according to the temporary differences

between the carrying amounts of asset and liability items in the consolidated balance sheet and the tax balance sheet, as well as taking account of the tax rates in effect at the time the aforesaid differences are reversed. Deferred tax assets are accounted for to the extent that taxable earnings are considered likely to be available (IAS 12.24).

Based on tax assessments up to 31 December 2014, tax notices issued up to the assessment year 2013 and the consolidated taxable earnings in the first quarter 2015, the deferred tax assets as of 31 March 2015 amounted to kEUR 957 following a valuation adjustment (31 December 2014: kEUR 894).

2.5 Inventories and work in progress

As of 31 March 2015, the reported inventories and work in progress amounted to kEUR 5,084 (31 December 2014: kEUR 3,313) and relate to merchandise such as terminals and debit cards, which are kept for, amongst other things, payments using mobile phones. Their value was measured in accordance with IAS 2.

Inventories and work in progress are measured at whichever is the lower of either their cost (of acquisition or manufacture) and their net realisable value. No value deductions were made in the year under review or in the previous period. There were also no value reversals.

2.6 Trade and other receivables

The transaction volume of the Wirecard Group is also reported under the item trade receivables as a receivable from credit card organisations and banks. At the same time, these business operations give rise to liabilities to our retailers, amounting to the transaction volume less charges.

Receivables and liabilities (less commissions and charges) are to a considerable extent transitory in nature and subject to substantial fluctuations from one balance sheet date to another. The increase as of 31 March 2015 is mainly due to an increase in receivables in the Acquiring area as of that date, in addition to organic growth. Moreover, software projects and cooperations with other acquiring partners in the Asian region led to an increase in receivables year-on-year for accounting reasons. In addition, comparability is restricted due to the new companies.

Here, only our charges included in the sales revenues have an impact on profit or loss and not the entire receivable amount.

2.7 Tax credits

As of 31 March 2015, tax credits comprised tax reimbursement claims of kEUR 6,950 (31 December 2014: kEUR 6,415) and VAT reimbursement claims of kEUR 1,714 (31 December 2014: kEUR 688).

2.8 Interest-bearing securities and fixed-term deposits

Apart from investing in various interest-bearing securities, the Wirecard Group has also invested in fixed-term deposits in order to improve its interest income. All investments were only concluded with banks or counterparties that meet the creditworthiness requirements from the Group's own risk evaluation and – to the extent that external ratings are available – are assessed as having a minimum creditworthiness risk by renowned ratings agencies. Fixed-term deposits with a term of more than three months are reported under "Interest-bearing securities and fixed-term deposits", which reduces the cash and cash equivalents position. Fixed-term deposits of kEUR 6,144 (previous year: kEUR 6,124) have been placed as collateral for credit card business for the duration of the business relationship. Fixed-term deposits with a term of up to three months are reported under "Cash and cash equivalents".

2.9 Cash and cash equivalents

The cash and cash equivalents item (31 March 2015: kEUR 708,346; 31 December 2014: kEUR 695,076) includes cash in hand and bank balances (demand deposits, fixed-term deposits with a term of up to three months and overnight (call money) deposits). These also include resources from current customer deposits of Wirecard Bank AG and Wirecard Card Solutions Ltd. which are not placed in interest-bearing securities (31 March 2015: kEUR 266,197; 31 December 2014: kEUR 237,766) and funds derived from the Acquiring business of Wirecard Bank AG. To improve its interest income, Wirecard Bank AG invested some of the customer deposits in various short, medium and long-term interest bearing securities (so-called collared floaters and interest-bearing securities). These are reported under non-current financial and other assets and other current interest-bearing securities. Excluding the purchase of these securities and the fixed-term deposits with a term of more than three months across the whole Group, cash and cash equivalents would have been kEUR 186,599 higher (31 December 2014: kEUR 172,155).

It should also be noted that as a result of delayed payments due to public holidays at the end of the fiscal year, the level of cash and cash equivalents was very high due to these effects at the balance sheet date.

3. Notes on consolidated balance sheet equity and liabilities

As regards the development of Group equity for the first quarter 2015, further particulars in addition to the following explanations are provided in the table “Consolidated statement of changes in equity”.

3.1 Subscribed capital

Subscribed capital increased by kEUR 11,198 following the capital increase performed on 26 February 2014. As of 31 March 2015, it totalled kEUR 123,491 (31 December 2014: kEUR 123,491) and comprised 123,490,586 (31 December 2014: 123,490,586) no-par value shares with a notional interest in the common stock of EUR 1.00 per share.

Authorised capital

According to the resolution made by the Annual General Meeting on 26 June 2012, the Management Board was authorised, with the approval of the Supervisory Board, to increase the share capital until 25 June 2017, once or on several occasions, up to a maximum total of kEUR 30,000 against cash and/or non-cash capital contributions (including so-called “mixed non-cash capital contributions”) by issuing up to 30 million new no-par-value bearer shares (Authorized Capital 2012/I) and hence determine the point at which profit participation begins, which will differ from that stipulated by legislation and will have retroactive effect on the prior fiscal year, insofar as no resolution has been passed to date regarding the profits from that year.

Authorised capital (Authorized Capital 2012/I) of kEUR 18,802 (31 December 2014: kEUR 18,802) existed on the balance sheet date.

Contingent capital

As no conversions were performed in the first quarter 2015, conditional capital (Conditional Capital 2004/I) did not change in the period under review and continues to stand at kEUR 689 (31 December 2014: kEUR 689).

In addition, the Annual General Meeting on 26 June 2012 authorised the Management Board, with the consent of the Supervisory Board, to issue holders by 25 June 2017, once or on several occasions, bearer bonds with warrants and/or convertible bonds with a total nominal amount of up to kEUR 300,000, and to grant the holders or creditors of bonds with warrants option rights or the holders or creditors of convertible bonds conversion rights to new bearer shares of the Company with a proportionate amount in the share capital of up to kEUR 25,000, according to the details in the terms for the bonds with warrants or the convertible bonds.

Purchase of treasury shares

Through a resolution passed at the Annual General Meeting on 17 June 2010, the Management Board is authorised to acquire up to 10 percent of the capital stock of Wirecard AG existing at the time of the resolution. This authorisation is valid until 16 June 2015.

Until 31 March 2015, the Management Board did not make use of its authority to acquire and utilise treasury shares in accordance with Section 71(1) No. 8 of the AktG.

3.2 Capital reserve

The capital reserve as of 31 March 2015 remained unchanged in comparison to the 31 December 2014 at kEUR 493,073.

3.3 Retained earnings

A proposal will be made at the 2015 General Meeting to pay a dividend of EUR 0.13 per share to the shareholders, which corresponds to a total amount of kEUR 16,054.

3.4 Translation reserve

The foreign currency translation reserve changed in the first quarter 2015 due to exchange rate factors and with no impact on profit or loss from kEUR 3,078 as at 31 December 2014 to kEUR 13,361. This change is due to a greater amount of M&A transactions, resulting in a higher total level of net assets denominated in foreign currencies. The fluctuation in the exchange rates for some local currencies also bolstered this effect. With regard to the foreign currency translation reserve, reference is made to details in 2.1 Principles and assumptions used in preparing the financial statements in the annual report 2014.

3.5 Non-current liabilities

Non-current liabilities are split into non-current interest-bearing liabilities, other non-current liabilities and deferred tax liabilities.

Non-current interest-bearing liabilities

Interest-bearing liabilities related to recent acquisitions. Following the long-standing practice of financing strategy and the agreement with the funding banks, parts of the purchase prices for the various acquisitions in the amount of kEUR 34,843 that were originally paid for in cash in the second half of 2014 and the first quarter of 2015 were refinanced with borrowed capital. The long term part of the interest-bearing debt increased accordingly from kEUR 89,329 as of 31 December 2014 to kEUR 124,172.

Other non-current liabilities

Other non-current liabilities as of 31 March 2015 mostly comprise the non-current portion of earnout components from corporate acquisitions to the amount of kEUR 23,777 (31 December 2014: kEUR 23,045). Furthermore, this item included leasing liabilities to the amount of kEUR 7,612 as of 31 March 2015 (31 December 2014: kEUR 2,771) and (convertible) bonds to the amount of kEUR 134 (31 December 2014: kEUR 134).

The earnout components and current purchase price liabilities to the amount of kEUR 18,521 (31 December 2014: kEUR 29,479) that are due in the period of one year are carried under current liabilities.

Deferred tax liabilities

Deferred tax liabilities, amounting to kEUR 30,500 (31 December 2014: kEUR 28,721) related to temporary differences between the tax accounts and the consolidated financial statements according to IFRS and are reported under non-current liabilities. This item increased due to the first-time consolidation of the new corporate entities.

3.6 Current liabilities

Current liabilities are classified into trade payables, interest-bearing liabilities, other provisions, customer deposits from banking operations of Wirecard Bank AG and Wirecard Card Solutions Ltd., other liabilities and tax provisions.

Trade payables

Trade payables are owed chiefly to retailers/online traders. Liabilities denominated in foreign currencies were revalued at kEUR -36 (31 December 2014: kEUR -11) at the exchange rate prevailing on the balance sheet date, with an impact on expenses. Trade payables decreased from kEUR 298,367 as of 31 December 2014 to kEUR 282,562. Alongside an increase due to the first-time consolidation of new companies, organic growth and higher transaction volumes had a significant effect on the general increase of this item. Due to the delays to outgoing payments because of the holidays at the end of the 2014 fiscal year, these other effects were offset and trade payables decreased as expected in the first quarter.

Interest-bearing liabilities

Interest-bearing liabilities of kEUR 6,821 (31 December 2014: kEUR 9,030) mainly comprise loans that are due in 2015.

Other provisions

Provisions are short-term in nature and will be utilised prospectively within the following year. The costs of preparing and auditing the financial statements of kEUR 608 (31 December 2014: kEUR 733) comprise the largest item among the other current provisions totalling kEUR 1,046 (31 December 2014: kEUR 1,284).

Other liabilities

Other liabilities to the amount of kEUR 47,140 (31 December 2014: kEUR 60,053) comprised deferred liabilities to the amount of kEUR 8,613 (31 December 2014: kEUR 12,674), the current portion of lease liabilities to the amount of kEUR 5,208 (31 December 2014: kEUR 3,819) and current purchase price liabilities from variable remuneration for M&A transactions to the amount of kEUR 18,521 (31 December 2014: kEUR 29,479). In addition, this item includes liabilities from payment transactions, wages and salaries, social security and similar.

Customer deposits from banking operations

This item includes customer deposits to the amount of kEUR 423,605 (31 December 2014: kEUR 396,733) with Wirecard Bank AG and Wirecard Card Solutions Ltd..

The increase in deposits is due to various factors including seasonal fluctuations relating to prepaid card usage and the payment of acquiring funds to customer accounts.

Tax provisions

Tax provisions as at 31 March 2015 related mainly to provisions formed for corporation taxes on income for Wirecard (Gibraltar) Ltd. (kEUR 3,672; 31 December 2014: kEUR 3,672), PT Aprisma Indonesia (kEUR 884; 31 December 2014: kEUR 950) and Wirecard UK & Ireland Ltd. (kEUR 3,227; 31 December 2014: kEUR 1,452).

4. Notes to the consolidated income statement

4.1 Revenues

Consolidated revenue for the Group (kEUR 159,413) in the first quarter 2015 were generated in the “Call Center & Communication Services” and “Payment Processing & Risk Management” segments, as well as from proceeds generated from commission payments in the “Acquiring & Issuing” segment. In addition, interest generated by the “Acquiring & Issuing” segment in the period under review (kEUR 951) is reported under revenues in accordance with IAS 18.5(a). A detailed breakdown of revenues is shown under the segment reporting.

4.2 Cost of materials

The cost of materials mainly comprises charges by the credit card issuing banks (interchange), fees to credit card companies (for example, MasterCard and Visa), transaction costs as well as transaction-related charges to third-party providers (for example, in the area of Risk Management and Acquiring). Expenses for payment guarantees and purchases of receivables are also included in the area of Risk Management, while commission costs for external sales are included in Acquiring.

In the Acquiring & Issuing segment, the cost of materials relating to the areas of acquiring, issuing and payment transactions primarily comprises, besides interchanges, the processing costs of external service providers, production, personalisation and transaction costs for prepaid cards and the payment transactions realised with them, as well as account management and transaction charges for managing customer accounts.

4.3 Personnel expenses

Personnel expenses in the first quarter 2015 totalled kEUR 20,711 (Q1 2014: kEUR 14,587), comprising salaries amounting to kEUR 18,093 (Q1 2014: kEUR 12,934) and social security contributions to the amount of kEUR 2,618 (Q1 2014: kEUR 1,654).

In the first quarter 2015, the Wirecard Group employed an average of 1,978 employees (Q1 2014: 1,482) (excluding the Management Board and apprentices), of whom 220 (Q1 2014: 165) worked on a part-time basis.

The increase in personnel expenses is also due to the acquisitions made in this year and the last year, which also restrict the comparability of this item.

These employees were engaged in the following functions:

Employees

	Q1 2015	Q1 2014
Sales	247	177
Administration	238	199
Customer service	581	484
Research/Development and IT	912	622
Total	1,978	1,482
of which part-time	220	165

4.4 Other operating income

Other operating income of kEUR 3,103 (Q1 2014: kEUR 1,970) arises from various smaller items, including income from the release of provisions, income from the revaluation of receivables and income from offset benefits in kind.

4.5 Other operating expenses

The breakdown of other operating expenses is as follows:

Other operating expenses

in kEUR	Q1 2015	Q1 2014
Legal and financial statement costs	1,387	868
Consulting expenses and consulting-related expenses	2,198	3,276
Office expenses	1,897	1,673
Equipment and leasing	1,332	987
Sales and marketing	2,607	1,787
Other	4,454	3,459
Total	13,874	12,050

4.6 Amortisation and depreciation

Amortisation and depreciation was split into two positions. It was split so that the amortisation and depreciation on assets, resulting from the M&A-related purchase price allocation (PPA), have been reported separately. In the first quarter 2015, amortisation and depreciation adjusted for M&A amounted to kEUR 7,295 (Q1 2014: kEUR 5,067). The amortisation and depreciation of assets, which result from the purchase price allocation (PPA), stood at kEUR 5,329 (Q1 2014: kEUR 3,744) in the first quarter 2015 and were reported separately. As a result of the high level of M&A activity by the company, this differentiation makes it easier to compare this item.

4.7 Financial result

The financial result stood at kEUR -1,085 in the period under review (Q1 2014: kEUR -1,136). Expenses to the amount of kEUR 1,931 (Q1 2014: kEUR 1,752) included interest to the amount of kEUR 1,724 (Q1 2014: kEUR 1,655). This was only cash-relevant to the amount of kEUR 738 (Q1 2014: kEUR 1,264). The remaining interest expenses are based on imputed interest, which needs to be taken into account, in particular, for the non-current earnout liabilities. Furthermore, the financial expenses included amortisation of financial investments to the amount of kEUR 168 (Q1 2014: kEUR 95) and currency-related expenses of kEUR 39 (Q1 2014: kEUR 1), which were offset by currency-related income to the amount of kEUR 89. In addition, income of kEUR 654 (Q1 2014: kEUR 456) from interest and kEUR 103 (Q1 2014: kEUR 150) from securities and loans resulted in a reported financial income of kEUR 846 (Q1 2014: kEUR 615). Interest income in the Acquiring & Issuing segment to the amount of kEUR 951 (Q1 2014: kEUR 810) is not reported under the financial result in accordance with IAS 18.5 (a) but under revenues.

4.8 Income tax expense and deferred taxes

The consolidated income statement in the first quarter 2015 includes income tax expenses of 3,729. Essentially, these related to the income tax burdens determined for the Group member companies on the basis of the tax calculations for the first quarter 2015. In addition, these related to the change in deferred tax liabilities and deferred tax assets in the amount of kEUR 1,716.

The cash-relevant tax rate (excluding deferred taxes) amounted to 10.5 percent (Q1 2014: 15.6 percent). Including deferred taxes, the tax rate was 11.5 percent (Q1 2014: 15.7 percent).

5. Notes to the consolidated cash flow statement

The Group's cash flow statement is prepared in accordance with IAS 7 (Statement of Cash Flows). It discloses the cash flows in order to show the source and application of cash and cash equivalents. In doing so, it distinguishes between changes in cash flows from operating, investing and financing activities. The statement of cash flows was restructured this year in order to further enhance transparency. It starts with earnings after interest and tax. A new structure has also been prepared within operating cash flow accordingly. The previous year's figures have been restated to make them comparable.

Method used to measure cash and cash equivalents

For purposes of the cash flow statement, a cash position is used that consists of cash and cash equivalents. Cash includes cash in hand and demand deposits.

Cash equivalents comprise current, extremely liquid financial investments that can be converted at any time at short notice into certain amounts of cash and are only subject to negligible fluctuations in value.

As of 31 March 2015 and 31 March 2014, the Company held both cash and cash equivalents.

Reconciliation to cash and cash equivalents according to IAS 7.45

The balance of financial resources at the end of the period includes cash in hand and bank balances disclosed under cash and cash equivalents (31 March 2015: kEUR 708,346; 31 March 2014: kEUR 621,960), less current (immediately due and payable) liabilities to banks (31 March 2015: kEUR -231; 31 March 2014: kEUR -593), disclosed under current, interest-bearing liabilities. In addition, financial resources corresponding to current customer deposits from banking operations (31 March 2015: kEUR -266,197; 31 March 2014: kEUR -144,382) were deducted or reported as a reduction on the balance of financial resources in the consolidated cash flow statement according to IAS 7.22.

Current customer deposits are reported on the equity and liabilities side of the Wirecard consolidated financial statements as other liabilities (customer deposits). These customer funds are comparable in economic terms with short-term (bank) account loans or overdraft facilities. On the assets side, separate accounts have been set up for these funds, which may not be used for any other business purposes. Given these circumstances, securities (so-called collared floaters and short-term and medium-term interest-bearing securities) to the total amount of the customer deposits with a nominal value of kEUR 166,596 (31 March 2014: kEUR 165,873), deposits with the central bank and demand and short-term fixed deposits with banks are held in an amount of kEUR 266,197 (31 March 2014: kEUR 144,382). These are reported in the Wirecard Group under the balance sheet items of "cash and cash equivalents", "non-current financial and other assets" and "current interest-bearing securities".

First-time consolidations resulted in an increase in cash and cash equivalents of kEUR 1,020 (Q1 2014: kEUR 5,106).

Cash flows arising from business transactions denominated in foreign currencies are reported in the functional currency of the company by translating the foreign currency amount into the functional currency at the exchange rate between the functional currency and the foreign currency prevailing on the payment dates.

Cash flows from foreign subsidiaries are translated into the functional currency with the exchange rate between the functional currency and the foreign currency prevailing on the payment date.

Cash and cash equivalents

in kEUR	31.03.2015	31.03.2014
Cash and cash equivalents	708,346	621,960
Current interest-bearing liabilities	-6,821	-13,249
of which current bank borrowings	-231	-593
	708,116	621,367
of which current customer deposits from banking operations	-266,197	-144,382
of which, Acquiring deposits in Wirecard Bank AG	-234,155	-172,203
Cash and cash equivalents at end of period	441,919	476,985

5.1 Cash flow from operating activities

Due to the special system used in Acquiring, which is heavily characterised by balance sheet date effects inherent in the business model, Wirecard decided to present a further statement on cash flows from operating activities in addition to the usual presentation of cash flows from operating activities to eliminate those items that are merely transitory in nature. These supplements help to identify and present the cash-relevant portion of the Company earnings.

The cash flow from operating activities is determined according to the indirect method by initially adjusting Group earnings to eliminate non-cash transactions, accruals or provisions relating to past or future cash receipts or payments as well as income and expense items to be allocated to the areas of investments or finance. Taking the changes to the net current assets into account results in the inflow/outflow of funds from business operations. The inflow/outflow of funds from operating activities is determined by including the interest and tax payments.

The principal reasons for the changes in relation to the previous year are as follows:

The unadjusted cash flow from operating activities in the first quarter 2015 changed from kEUR -13,485 in the previous year to kEUR 373, mainly due to the special system used in Acquiring, which is impacted by cut-off date effects of a transitory nature inherent in the business model of the Company. It should be especially noted in this context that a very sharp increase in the operational cash flow in the fourth quarter, which is mainly due to delayed payouts on account of the public holidays, is expected to be offset by a countervailing cash flow trend in 2015. The cash flow from operating activities (adjusted) stood at kEUR 46,228 (Q1 2014: kEUR 25,023). In line with the business model, the transaction volumes generated by business in Acquiring were reported under trade receivables as receivables from credit card organisations, acquiring-partners and banks. At the same time, these business transactions give rise to liabilities to retailers, amounting to the transaction volume (less our commissions and charges). Receivables and liabilities (less commissions and charges) are mostly transitory in nature and subject to substantial fluctuations from one balance sheet date to another.

Interest received/paid in accordance with IAS 7.31

Interest received in the first quarter 2015 amounted to kEUR 506 (Q1 2014: kEUR 258). Interest excluding loan interest paid in the first quarter 2015 came to kEUR -113 (Q1 2014: kEUR -97) and is reported under cash flow from operating activities.

The respective cash flows from such interest received and interest paid were each classified as operating activities.

Interest paid on loans in the first quarter 2015 came to kEUR -348 (Q1 2014: kEUR -863) and was included in the cash flow from financing activities.

Cash flows from income taxes in accordance with IAS 7.35 and 7.36

The cash-effective balance of income taxes (cash flow from income taxes) in the first quarter 2015 totalled kEUR -4,229 (Q1 2014: kEUR -2,240) and was constantly classified as operating activities.

5.2 Cash flow from investing activities

The cash flow from investing activities is the result of the inflow of funds from non-current assets (excluding deferred taxes) and the outflow of funds for investments in non-current assets (excluding deferred taxes). The cash flow from investing activities totalled kEUR -35,719 (Q1 2014: kEUR -53,086). It concerns among the investments in strategic transactions/ M&A in the amount of kEUR -13.142 (Q1 2014: kEUR -40.789) in the main the cash paid for the investments in financial assets and interest-bearing securities in the amount of kEUR -10,000 (Q1 2014: kEUR -18).

This mainly affects:

Substantial cash outflows for investments

in kEUR	Q1 2015	Q1 2014
Strategic transactions/M&A	13,142	40,789
Internally-generated intangible assets	5,871	5,506
Interest bearing securities and fixed deposit	10,000	18
Other intangible assets (software)	3,278	5,433
Property, plant and equipment	3,430	1,358

Disclosures pursuant to IAS 7.40 are as follows:

Investments to acquire companies

in kEUR	Q1 2015	Q1 2014
Purchase prices paid	14,162	45,877
Acquired cash and cash equivalents	1,020	5,106
Net investment	13,142	40,771

5.3 Cash flow from financing activities

In the present report, interest paid and interest received is reported separately. In the process, interest directly related to financing is assigned to the cash flow from financing activities and all other to cash flow from operating activities.

Cash flow from financing activities in the first quarter 2015 concerns cash inflow from drawing on financial liabilities to the amount of kEUR 35,000 (Q1 2014: kEUR 0) due to the made acquisitions and the cash outflow for the redemption of financial liabilities to the amount of kEUR -1,427 (Q1 2014: kEUR -126,250). In addition, financing was carried out as part of finance leases, which resulted in a net cash flow of kEUR -1,255 (Q1 2014: kEUR -1,146). Cash flow from financing activities also reports outgoing cash flows for the acquisition of companies in previous years in an amount of kEUR -11,394 (Q1 2014: kEUR 0).

5.4 Cash and cash equivalents at end of period

After taking into account these reported cash inflows and cash outflows (Q1 2015: kEUR -15,130; Q1 2014: kEUR 165,933), exchange rate related changes (Q1 2015: kEUR 922; Q1 2014: kEUR -20) and cash and cash equivalents at the start of the period (Q1 2015: kEUR 456,127; Q1 2014: kEUR 311,073), cash and cash equivalents at the end of the period amounted to kEUR 441,919 (31 March 2014: kEUR 476,985).

6. Other notes

6.1 Segment reporting

Reportable segments are determined in accordance with internal reporting. Apart from sales revenue, operating earnings before interest, tax, depreciation and amortisation (EBITDA) is also used as an internal measurement criterion, which is why EBITDA is also reported by segment. The settlement of services between the segments is made on the basis of third-party comparisons. For internal reporting to the main decision-makers, balance-sheet items, interest and taxes are not reported at segment level.

Revenues fall into the following operating segments: “Payment Processing & Risk Management”, “Acquiring & Issuing” and “Call Centre & Communication Services”. The “Acquiring & Issuing” segment comprises all of the business areas of Wirecard Bank AG, Wirecard Acquiring & Issuing GmbH and Wirecard Card Solutions Ltd.

Payment Processing & Risk Management (PP&RM) is the largest segment for the Wirecard Group. It accounts for all products and services for electronic payment processing and risk management.

The **Acquiring & Issuing (A&I)** segment completes and extends the value chain of the Wirecard Group with the financial services provided via Wirecard Bank AG, Wirecard Card Solutions Ltd., Wirecard Ödeme ve Elektronik Para Hizmetleri A.Ş., Istanbul (Turkey) (before: Mikro Ödeme Sistemleri İletişim San.ve Tic. A.Ş.) and the financial services offered by Wirecard Acquiring & Issuing GmbH. In the Acquiring area, retailers are offered settlement services for credit card sales for online and terminal payments.

In addition, retailers can process their payment transactions in numerous currencies via accounts kept with Wirecard Bank AG.

In the Issuing area, prepaid cards are issued to private and business customers. Private customers are additionally offered current accounts combined with prepaid cards and EC/Maestro cards.

Call Centre & Communication Services (CC&CS) is the segment in which we report the complete value-added scope of our call centre activities, with other products such as after-sales service to our customers and mailing activities included as sub-categories.

In addition, information is provided on geographical regions according to production locations. These are split into three regions. The “Europe” segment contains Wirecard Payment Solutions Holdings Ltd., Dublin (Ireland) along with its subsidiaries, Wirecard Card Solutions Ltd., Newcastle (United Kingdom), Wirecard (Gibraltar) Ltd., Wirecard Central Eastern Europe GmbH, Klagenfurt (Austria) and Wirecard Ödeme ve Elektronik Para Hizmetleri A.Ş., Istanbul (Turkey) (before: Mikro Ödeme Sistemleri İletişim San.ve Tic. A.Ş.). The segment “Other foreign countries” includes the companies cardSystems Middle East FZ-LLC, Dubai (United Arab Emirates), Wirecard Processing FZ LLC, Dubai (United Arab Emirates), Wirecard Asia Pte. Ltd. (Singapore) and Systems@Work Pte. Ltd (Singapore) with its respective subsidiaries, PT Prima Vista Solusi (Indonesia), Trans Infotech Pte. Ltd. (Singapore) with its subsidiaries, PT Aprisma Indonesia (Indonesia), GFG Group Limited (New Zealand), Amara Technology Africa Proprietary Limited (South Africa) and PaymentLink Pte. Ltd. (Singapore) with its subsidiaries included as sub-categories. The segment “Germany” includes all other companies within the Wirecard Group.

As part of the homogenisation of the Wirecard Group’s various technical platforms, various retailers and retailers that were previously included in the Europe region now use Asian platforms, which has had a corresponding impact on the geographic distribution. Consolidating and centralising technical functions on platforms at locations in Europe and Asia serves to boost internal efficiency, harmonise the product landscape for all of the subsidiaries and to optimise the processing time for regional payment transactions.

Revenues by operating divisions

in kEUR	Q1 2015	Q1 2014
Payment Processing & Risk Management (PP&RM)	113,718	88,243
Acquiring & Issuing (A&I)	58,013	48,274
Call Center & Communication Services (CC&CS)	1,541	1,266
	173,271	137,783
Consolidation PP&RM	-11,428	-9,896
Consolidation A&I	-1,436	-876
Consolidation CC&CS	-994	-780
Total	159,413	126,231

EBITDA by operating divisions

in kEUR	Q1 2015	Q1 2014
Payment Processing & Risk Management	37,459	27,018
Acquiring & Issuing	8,490	7,956
Call Center & Communication Services	64	65
	46,013	35,039
Consolidations	21	-1
Total	46,034	35,038

Regional revenue breakdown

in kEUR	Q1 2015	Q1 2014
Germany	70,754	63,302
Europe	48,272	39,894
Other countries	48,250	27,819
	167,277	131,015
Consolidation Germany	-3,601	-985
Consolidation Europe	-3,592	-3,192
Consolidation Other countries	-671	-607
Total	159,413	126,231

EBITDA by regions

in kEUR	Q1 2015	Q1 2014
Germany	12,161	11,128
Europe	16,626	15,554
Other countries	17,226	8,357
	46,013	35,038
Consolidations	21	0
Total	46,034	35,038

6.2 Obligations from leasing agreements

The companies in the Wirecard Group have entered into leasing agreements for, amongst other things, IT components, terminals and vehicles. The payment obligations for these financial leasing agreements to the amount of kEUR 12,280 are recognised under other current and non-current liabilities. The obligations from operating leases as of 31 March 2015 stood at kEUR 1,306.

7. Additional mandatory disclosures

7.1 Management Board

The Management Board of Wirecard AG was made up of the following members.

Dr. Markus Braun, commercial computer scientist, member of the Management Board since 1 October 2004
CEO, CTO

Burkhard Ley, banker, member of the Management Board since 1 January 2006
CFO
Other Supervisory Board mandates: Backbone Technology AG, Hamburg (Germany)

Jan Marsalek, computer scientist, member of the Management Board since 1 February 2010
COO

7.2 Supervisory Board

The Supervisory Board of Wirecard AG was made up of the following members:

Wulf Matthias (Chairman), Senior Advisor of M.M. Warburg &Co, Hamburg

Other Supervisory Board mandates or mandates on other boards:

- Wirecard Bank AG, Aschheim (Germany)
- Deufol S.E., Hofheim (Germany)

Alfons W. Henseler (Deputy Chairman), self-employed management consultant

Other Supervisory Board mandates or mandates on other boards:

- Wirecard Bank AG, Aschheim (Germany)
- Diamos AG, Sulzbach (Germany)

Stefan Klestil, Managing Partner of Belview Partners GmbH

Other Supervisory Board mandates or mandates on other boards:

- Wirecard Bank AG, Aschheim (Germany)
- İyzi Teknoloji ve Ödeme Sistemleri A.S., Istanbul (Turkey)
- Holvi Payment Services Oy, Helsinki (Finland)

7.3 Events after the balance sheet date

Events after the balance-sheet date that provide additional information on the Company's situation as of the balance sheet date (events that must be taken into account) have been included in the consolidated financial statements. Events not to be taken into account after the balance sheet date are reported in the Notes if material in nature. No corresponding events occurred.

Aschheim, 12 May 2015

Wirecard AG



Dr. Markus Braun



Burkhard Ley



Jan Marsalek