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Interim Financial Report as at  
June 30, 2020



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INTERIM FINANCIAL STATEMENT OF FINLAB AG (IFRS)  
AS AT JUNE 30, 2020



## BALANCE SHEET AS AT JUNE 30, 2020 (IFRS) ASSETS

	in thousand EUR	
	6/30/2020	12/31/2019
A. Non-current assets		
I. Intangible assets	8	8
II. Property, plant and equipment	577	672
III. Financial assets	149,636	134,513
	150,221	135,193
B. Current assets		
I. Securities	83	79
II. Trade receivables	32	4
III. Receivables from associated companies	15	103
IV. Receivables from affiliated companies	2,540	2,841
V. Other assets	485	129
VI. Income tax receivables	685	685
VII. Cash at banks	5,656	6,753
	9,496	10,593
	159,717	145,786



## BALANCE SHEET AS AT JUNE 30, 2020 (IFRS) LIABILITIES

		in thousand EUR	
		6/30/2020	12/31/2019
A.	Equity		
I.	Subscribed capital	5,323	5,323
II.	Capital reserve	48,057	48,057
III.	Retained earnings	83,060	80,497
IV.	Revaluation reserve	20,028	8,893
		156,469	142,771
B.	Non-current liabilities		
I.	Non-current provisions	62	62
II.	Other liabilities	587	701
III.	Deferred tax liabilities	1,646	1,355
		2,296	2,118
C.	Current liabilities		
I.	Provisions for taxation	214	134
II.	Other provisions	604	690
III.	Trade payables	106	43
IV.	Other liabilities	27	29
		952	897
		159,717	145,786



## INCOME STATEMENT (IFRS) JANUARY 1 TO JUNE 30, 2020

	in thousand EUR	
	1st half 2020	1st half 2019
Revenue	725	723
Income from investments	982	1,770
Other operating income	413	417
Total income	2,119	2,910
Cost of purchased services	-91	0
Personnel expenses	-702	-1,134
Non-personnel expenses	-822	-621
Operating result (EBIT)	505	1,155
Financial result	2,371	3,546
Earnings before taxes (EBT)	2,876	4,701
Taxes on income	-313	-101
Net result for the period	2,563	4,600
Average number of shares issued (undiluted)	5,323,170	5,238,670
Dilution effect arising from share options	148,533	219,592
Average number of shares issued (diluted)	5,471,703	5,458,262
Undiluted earnings per share in EUR	0,48	0,88
Diluted earnings per share in EUR	0,47	0,84
Changes to the revaluation reserve	11,135	-5,221
Overall result	13,698	-621



## STATEMENT OF CASH FLOWS (IFRS) JANUARY 1 TO JUNE 30, 2020

	in thousand EUR	
	1st half 2020	1st half 2019
Net result for the period	2,563	4,600
Income from the sale of securities and financial assets	-152	-274
Retirement of securities and financial assets	122	126
Write-ups of securities and financial assets	-4,148	-3,360
Write-downs of securities and financial assets	1,893	0
Amortization and depreciation of property, plant and equipment and intangible assets	101	14
Increase/decrease in provisions	-5	-71
Other non-cash expenses and income	292	362
Increase/decrease in receivables and other assets	-233	-1,178
Increase/decrease in payables and other liabilities	-53	-331
Cash flow from operating activities	378	-111
Outflow of funds for investments in property, plant and equipment and intangible assets	-6	-1
Payments for long-term loans	-545	-1,150
Outflow of funds for investments in financial assets	-975	-4,156
Proceeds from the sale of securities and financial assets	152	274
Cash flow from investing activities	-1,374	-5,033
Payments for leasing (redemption)	-101	0
Cash flow from financing activities	-101	0
Net change in cash and cash equivalents	-1,097	-5,144
Cash and cash equivalents at beginning of period	6,753	13,362
Cash and cash equivalents at end of period	5,656	8,219



STATEMENT OF CHANGES IN EQUITY (IFRS)  
JANUARY 1 TO JUNE 30, 2020

	Subscribed capital	Capital reserve	Retained earnings	Revaluation reserve	Total equity
in thousand EUR					
As at 01/01/2020	5,323	48,057	80,497	8,893	142,771
Changes in the revaluation reserve recognized in equity	-	-	-	11,135	11,135
Net result for the period	-	-	2,563	-	2,563
Overall result	-	-	2,563	11,135	13,698
As at 6/30/2020	5,323	48,057	83,060	20,028	156,469





## NOTES TO THE INTERIM FINANCIAL REPORT (IFRS) OF FINLAB AG AS AT JUNE 30, 2020

### INFORMATION ABOUT THE COMPANY

FinLab AG (hereinafter referred to as “FinLab” or the “Company”) is based in Grüneburgweg 18, Frankfurt am Main and is entered in the Commercial Register of the Local Court of Frankfurt am Main under HRB 58865.

The business activities of FinLab focus on the provision of venture capital for German fintech (financial technology) start-up companies. FinLab also invests globally in fintech companies within the context of venture rounds, mostly in the USA and in Asia.

FinLab is listed on the open market of the Frankfurt Stock Exchange with inclusion in the “Scale” Standard.

### BASIC PRINCIPLES

The unaudited, condensed interim financial statements as at June 30, 2020 were prepared in accordance with the International Financial Reporting Standards (IFRS), as applied in the EU, and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). IAS 34 (Interim Financial Reporting) was observed. The option to apply new standards prematurely has not been exercised.

The accounting and valuation methods underlying the 2019 annual financial statement were consistently applied to this interim financial statement.

The annual financial statement contains values which have been determined legitimately using estimates and assumptions. The estimates and assumptions used are based on historical experience and other factors such as planning and likely (from the current standpoint) expectations and forecasts of future events. The assumptions and estimates taken into consideration mainly relate to the determination of the recoverable amount in connection with impairment testing and the recognition and measurement of deferred taxes and provisions.

Significant adjustments to the reported assets and provisions may be required in the next financial year for the following items due to a revaluation:

	in thousand EUR	
	6/30/2020	12/31/2019
Financial assets	149,636	134,513
Securities held as current assets	83	79
Other liabilities	587	701
Other provisions	880	886



## NOTES TO THE INCOME STATEMENT

### Revenue

The reported revenue relates to the services provided by the company to subsidiaries and equity interests, particularly in the areas of management, accounting and marketing. There are no other significant categories of revenue.

### Income from investments

Income from investments is made up of the income and expenses from investments, in particular from dividends received.

### Other operating income

Other operating income mainly consists of the reversal of impairments amounting to EUR 230 thousand (previous year: EUR 230 thousand) and the charging-on of expenses amounting to EUR 113 thousand (previous year: EUR 92 thousand).

As in the previous year, there was no income from currency conversion.

### Personnel expenses

Personnel expenses include the remuneration for directors and employees.

The employees of the company are insured under the statutory pension scheme, whereby ongoing contribution payments are recorded as an expense at the time of payment. There are no further pension commitments.

	in thousand EUR	
	1st half 2020	1st half 2019
Wages and salaries	-529	-622
Social security contributions	-69	-74
Other personnel expenses	-104	-438
	-702	-1,134

Other personnel expenses of the prior year are mainly made up of the costs related to the valuation of the options issued under the stock option program.



### Non-personnel expenses

Non-personnel expenses consist of other operating expenses and depreciation and amortization of property, plant and equipment and intangible assets. The main items are as follows:

	in thousand EUR	
	1st half 2020	1st half 2019
Consulting and audit costs	-302	-131
Amortization and depreciation of property, plant and equipment and intangible assets	-101	-14
Occupancy costs	-70	-260
Banking and insurance fees	-58	-49
Costs of marketing and financial market information	-44	-39
Costs for communication and IT	-39	-34
Losses on receivables and write-downs	-24	-37
Travel and entertainment expenses	-17	-33
Vehicle costs	-16	-18
Office expenses	-2	-3
Other miscellaneous expenses	-149	-3
	<b>-822</b>	<b>-621</b>

Other expenses mainly include expenses from other cost transfers and expenses from other accounting periods.



## Financial result

The financial result is made up of:

	in thousand EUR	
	1st half 2020	1st half 2019
Income from the sale of securities and financial assets	152	274
Retirement of securities and financial assets	-122	-126
Write-ups and write-downs of securities and financial assets	2,256	3,360
Interest and similar income	91	57
Interest and similar expenses	-6	-19
	<u>2,371</u>	<u>3,546</u>

Income from the sale of securities and financial assets relates to the following:

	in thousand EUR	
	1st half 2020	1st half 2019
Non-current securities in the category “valued at fair value through profit or loss”	152	274
	<u>152</u>	<u>274</u>

The retirement of financial assets and securities relates to the following valuation categories:

	in thousand EUR	
	1st half 2020	1st half 2019
Non-current securities in the category “valued at fair value through profit or loss”	-122	-126
	<u>-122</u>	<u>-126</u>

Interest and similar income and expenses mainly relate to interest on loans, bank deposits and bank overdrafts.



## Tax on income

Tax on income relates to deferred taxes and the creation of provisions for tax on the financial year's result.

	in thousand EUR	
	1st half 2020	1st half 2019
Actual tax expense for the period	-202	-49
Deferred taxes	-111	-51
	-313	-101

## Earnings per share

Earnings per share based on the earnings attributable to shareholders from continuing operations are as follows:

	in thousand EUR	
	1st half 2020	1st half 2019
Average number of shares issued (undiluted)	5,323,170	5,238,670
Dilution effect arising from share options	148,533	219,592
Average number of shares issued (diluted)	5,471,703	5,458,262
Undiluted earnings per share in EUR	0.48	0.88
Diluted earnings per share in EUR	0.47	0.84



## NOTES TO THE BALANCE SHEET

### Intangible assets and property, plant and equipment

The composition of the development of intangible assets and property, plant and equipment is shown in the asset schedule, which is an attachment to the notes.

Intangible assets pertain mostly to capitalized expenses for the website of FinLab.

The useful life of intangible assets and property, plant and equipment ranges from 3 to 20 years. No groups have been created due to their subordinate importance.

No expenses were incurred for research and development, and these were therefore neither included in the costs nor capitalized.

Internally generated intangible assets were not capitalized.

### Financial assets

Financial assets include the following items:

	in thousand EUR	
	6/30/2020	12/31/2019
Shares in affiliated companies	12,852	12,852
Investments	105,056	100,298
Non-current securities	29,861	18,667
Loans	1,867	2,696
	<u>149,636</u>	<u>134,513</u>

The securities held as non-current assets relate to the following:

	in thousand EUR	
	6/30/2020	12/31/2019
Securities classified „valued at fair value through profit or loss“	0	122
Securities classified and measured at „fair value through other comprehensive income“ („FVOCI“)	29,861	18,545
	<u>29,861</u>	<u>18,667</u>



#### Deferred tax assets and liabilities

Deferred tax liabilities primarily result from differences in the valuation of financial assets and the discounting of non-current debt. A tax rate of 31.93% was taken into account.

#### Securities

The securities held as current assets are allocated to the categories “financial assets valued at fair value through profit or loss” and „fair value through other comprehensive income“ („FVOCI“) As at the reporting date, there are only holdings in the category “financial assets valued at fair value through profit or loss”.

#### Receivables and other assets

The receivables and other assets shown have a maturity of up to one year and are reported at their nominal amount.

The other assets and receivables relate to the following items:

	in thousand EUR	
	6/30/2020	12/31/2019
Receivables from loans	2,555	2,943
Receivables from sales tax	376	0
Receivables from income tax	685	685
Other	141	134
	<u>3,757</u>	<u>3,762</u>

#### Cash at banks

Cash at banks corresponds in full to cash and cash equivalents and mainly consists of current accounts, savings accounts and fixed-term deposits.



## Equity

### Subscribed capital

Based on the conditional capital (2014/II) resolved by the Annual General Meeting on 10 December 2014, 84,500 subscription shares were issued in 2019. The Supervisory Board therefore resolved on 15 October 2019 to increase the Company's share capital by EUR 84,500.00 from EUR 5,238,670.00 to EUR 5,323,170.00 by issuing 84,500 new registered no-par value shares against cash contributions. The subscribed capital amounts to EUR 5,323,170.00 and is fully paid up. It is divided into 5,323,170 registered ordinary shares. The shares are no-par value shares with a notional value of EUR 1.00 each.

The Annual General Meeting on June 15, 2018 resolved to increase the subscribed capital by June 14, 2023, with the consent of the Supervisory Board, by issuing new shares against cash or property, plant and equipment on one or more occasions up to a value of €2,494,335.00 (Authorized Capital 2018), whereby the subscription rights of shareholders can be excluded. The corresponding amendment to Section 5 (2) of the Articles of Association was entered in the Commercial Register on July 16, 2018.

The Annual General Meeting on December 10, 2014 resolved to increase the subscribed capital by November 30, 2019, with the consent of the Supervisory Board, by issuing new shares against cash or property, plant and equipment on one or more occasions up to a value of €2,269,335.00 (Authorized Capital 2014/I), whereby the subscription rights of shareholders can be excluded. The corresponding amendment to Section 5 (2) of the Articles of Association was recorded in the Commercial Register on December 30, 2014. After partial use, the authorized capital 2014 amounts to €1,569,335.00.

The subscribed capital of the Company was contingently increased by €1,815,000.00 by the Annual General Meeting of December 10, 2014 (Contingent Capital 2014/I). The subscribed capital of the Company was contingently increased by up to €453,867.00 by resolution of the Annual General Meeting of December 10, 2014 (Contingent Capital 2014/II). Based on the contingent capital increases, the Company has made partial use of the authorization to issue bonds with warrants and/or convertible bonds, profit participation bonds and/or participation rights with warrants and/or conversion rights or obligations. In fiscal year 2015, 315,000 share options were distributed to employees and members of the Board of Management.

In fiscal years 2015 to 2017, a total of 425,000 stock options were granted to the employees and members of the Board of Management of FinLab AG and 13,000 stock options to the employees and management of a subsidiary, which entitle each option right to purchase one share of the Company after a four-year waiting period.

In accordance with the agreement, 25,000 stock options were returned to FinLab AG in fiscal year 2017. In fiscal year 2019, 84,500 stock options were converted into shares and 100,000 stock options expired due to failure to achieve the performance target. This leaves a total of 228,500 options issued as of June 30, 2020.

### Capital reserve

The capital reserve contains the amount that will be received from the issue of shares in addition to the (accounting) par value (offering premium).

The capital reserve also includes the amounts resulting from the valuation of the share options issued.





## Retained earnings

Income retained in previous years and in the current year is shown under retained earnings. There are no legal reserves as defined in Section 150 Para. 2 of the German Stock Corporation Act (AktG) or other reserves covered by the Articles of Association.

## Reserve for the revaluation of financial instruments

The reserve for the revaluation of financial instruments includes the changes in value of the financial assets recognized in equity in the category „fair value through other comprehensive income“ („FVOCI“) and all adjustments of deferred taxes and provisions made in connection with the valuation of these assets.

During the reporting period, value adjustments to financial instruments were recorded in equity in the following amounts:

	in thousand EUR	
	1st half 2020	1st half 2019
Valuation and disposals of securities	11,496	-5,268
Deferred taxes	-181	47
	11,316	-5,221

## Provisions

Non-current provisions of EUR 32 thousand (12/31/2019: EUR 32 thousand) for the archiving of files and of EUR 30 thousand (12/31/2019: EUR 30 thousand) for decommissioning obligations and not discounted due to the minor effect.

Provisions for tax on income were made based on earnings for the financial year in the amount of EUR 80 thousand (previous year: EUR 0 thousand).

Other current provisions are made up as follows:

in thousand EUR	12/31/2019	Use	Reversal	Allocation	6/30/2020	Likelihood of use
Personnel	205	-148	-	78	136	Medium
Office expenses	134	-	-	-	134	Low
Audit costs	104	-50	-	25	79	Medium
Supervisory Board	45	-25	-15	30	35	High
Tax consultancy	72	-36	-	-	36	High
Outstanding invoices	129	-121	-	176	184	High
	690	-379	-15	309	604	



The personnel provisions relate to provisions for employee bonuses, holiday entitlement and contributions to the trade association.

#### Liabilities

Other liabilities relate to the following items:

	in thousand EUR	
	6/30/2020	12/31/2019
Wage and church tax	27	29
Leases	587	701
	614	730

## OTHER DISCLOSURES

### Notes to the Statement of Cash Flows

Cash flows are recognized in the statement of cash flows according to IAS 7 in order to provide information about the movement of the company's cash and cash equivalents. Cash flows are differentiated according to operating, investing and financing activities. The indirect presentation method is used.

During the reporting period, there were cash inflows from interest income in the amount of EUR 3 thousand (previous year: EUR 6 thousand) and cash outflows from interest expenses amounting to EUR 0 thousand (previous year: EUR 17 thousand). Like the prior year, dividends were not received.

Income taxes of EUR 122 thousand were paid (previous year: EUR 0 thousand).

Cash (cash and cash equivalents) consists of cash at bank.

### Notes to segment reporting

As the "chief operating decisions maker" in the sense of IFRS 8.7, the Executive Board of FinLab AG regularly reviews information about the development of the company at overall portfolio level. It also makes decisions regarding the allocation of resources at this level.

Information relating to accounting is therefore only available for the company as a whole and is not allocated to individual segments. FinLab is accordingly managed as a "single segment entity" (SSE), so that the financial and other effects of business activities can be identified on the basis of the elements in the financial statements.



Reporting on operating segments is therefore unnecessary.

The company's value is mainly determined on the basis of the market value of investments as reflected in equity according to IFRS. Equity according to IFRS is a key parameter for managing and monitoring the company.

FinLab operates in German-speaking countries and its income was generated in Germany.

Contingent liabilities and other financial obligations

The remaining payment obligations for agreed shareholdings not yet called in for shares in FinLab EOS VC Europe I amount to EUR 3,218 thousand (2019/12/31: EUR 3,695 thousand) as at the accounting date.

Leasing

In the first-time application of IFRS 16 „Leasing“ as of January 1, 2019, FinLab capitalized the long-term rights of use from an office rental agreement in the amount of €808 thousand and recognized depreciation (€202 thousand p.a.) in accordance with IAS 16 over the remaining term of the agreement of four years.

As of the balance sheet date, €505 thousand is therefore reported under the balance sheet item „Property, plant and equipment“ as rights of use from leases. The depreciation is recorded as depreciation of property, plant and equipment under expenses.

Expenses amounting to €6 thousand were recorded in the financial result for the financial year from the compounding of interest on lease liabilities, which results from the present values of future payment obligations. The annual rental payments amount to €101 thousand and reduced the leasing liabilities as of June 30, 2020 to €587 thousand.

Income of TEUR 69 was generated from the subleasing of offices.

All other rental agreements have a short-term residual term or are of subordinate value, so that no capitalisation took place.

Related Parties

As at June 30, 2020, LION CAPITAL AG, Kulmbach, held more than 25% of the company's shares. As at June 30, 2020, LION CAPITAL AG, Kulmbach is classified as an affiliated company within the meaning of Section 15 of the German Stock Corporation Act (AktG) with regard to other companies. The indirect owner in the meaning of Section 17 Para. 1 of the German Stock Corporation Act (AktG) is Mr. Bernd Förtsch, Kulmbach.

As he had a voting majority at the Annual Shareholders' Meeting on June 10, 2020, Mr. Bernd Förtsch was able to exert what amounted to a controlling influence over the company. Furthermore, it is expected that such a voting majority will be held at future annual shareholders' meetings, making FinLab a business controlled by Mr. Bernd Förtsch in accordance with Section 17 Para. 1 and 2 of the German Stock Corporation Act (AktG) as at June 30, 2020.

In the financial year, there were no corresponding business transactions to report.



The members of the company's Executive Board only received short-term remuneration during this financial year. The total amount was EUR 357 thousand (previous year: EUR 257 thousand).

Supervisory Board remuneration amounting to EUR 30 thousand (previous year: EUR 30 thousand) was to paid members of the Supervisory Board during the reporting year. As in the previous year, costs were reimbursed in the amount of less than EUR 1 thousand.

All transactions with related companies and individuals were carried out on conditions applicable to transactions with third parties.

As at the reporting date, FinLab directly or indirectly held 20 percent or more of the voting rights in the following companies:

Investments	Headquarters	Percentage holding
Heliad Management GmbH	Frankfurt am Main	100 %
Patriarch Multi-Manager GmbH	Frankfurt am Main	100 %
VCH Investment Group AG	Frankfurt am Main	100 %
FinLab Asset Management GmbH	Frankfurt am Main	100 %
Heliad Equity Partners GmbH & Co. KGaA	Frankfurt am Main	45.3 %
nextmarkets GmbH	Köln	31.4 %
Authada GmbH	Darmstadt	29.1%
Vaultoro Limited	London/UK	23.3%
Iconic Holding GmbH	Frankfurt am Main	22.1%
Fastbill GmbH	Frankfurt am Main	20.9%
CASHLINK Technologies GmbH	Frankfurt am Main	20.0%

#### Employees

Over the course of the year, FinLab employed 9 members of staff on average (previous year: 13).



## Executive Board and Supervisory Board

### Executive Board:

- Juan Rodriguez, member of the Executive Board, Bad Vilbel
- Stefan Schütze, member of the Executive Board, Frankfurt am Main

### Supervisory Board:

- Axel-Günter Benkner, independent management consultant, Nidderau, (Chairman of the Supervisory Board)
- Stefan Müller, fully authorized representative of Börsenmedien Aktiengesellschaft, Küps
- Dr. Friedrich Schmitz, entrepreneur, Munich

## Post-Balance Sheet Events

There have been no material events of special significance since the close of the fiscal year.

Frankfurt am Main, August 2019

The Executive Board



INTERIM FINANCIAL STATEMENT OF FINLAB AG (HGB)  
AS AT JUNE 30, 2020



## BALANCE SHEET AS AT JUNE 30, 2020 (HGB) ASSETS

	in thousand EUR	
	6/30/2020	12/31/2019
A. Fixed assets		
I. Intangible assets		
Concessions, industrial property rights acquired for a consideration, and similar rights and values as well as licenses to such rights and values	8	8
II. Property, plant and equipment		
1. Other equipment, furniture, fixtures and fittings	72	66
III. Financial assets		
1. Shares in affiliated companies	2,899	2,899
2. Loans to companies with which a participation relationship exists	1,450	1,439
3. Investments	24,214	21,710
4. Securities held for investment	19,202	19,325
	47,766	45,372
B. Current assets		
I. Receivables and other assets		
1. Trade receivables	32	4
2. Receivables from affiliated companies	2,540	2,841
3. Receivables from investments	432	1,360
4. Other assets	1,126	789
II. Securities	83	79
III. Cash, bank balances	5,656	6,753
	9,869	11,825
C. Accruals and prepayments	45	26
	57,760	57,297



**BALANCE SHEET AS AT JUNE 30, 2020 (HGB)**  
**LIABILITIES**

	in thousand EUR	
	6/30/2020	12/31/2019
<b>A. Equity</b>		
I. Subscribed capital	5,323	5,323
II. Capital reserve	47,131	47,131
III. Retained earnings	3,767	3,767
	427	56,221
<b>B. Provisions</b>		
1. Provisions for taxation	214	214
2. Other provisions	666	672
	881	886
<b>C. Liabilities</b>		
1. Trade payables	107	43
2. Other liabilities	27	146
	133	189
<b>D. Deferred income</b>	97	26
	57,760	57,297





## INCOME STATEMENT (HGB) JANUARY 1 TO JUNE 30, 2020

	in thousand EUR	
	1st half 2020	1st half 2019
1. Revenue	725	723
2. Other operating income	459	567
3. Cost of materials	-192	-188
Personnel expenses		
4. a) Wages and salaries	-634	-702
b) Social security contributions and expenses for pensions and other benefits	-81	-73
5. Amortization and depreciation of intangible assets and property, plant and equipment	-11	-14
6. Other operating expenses	-708	-421
7. Income from investments	982	1,770
8. Income from other securities and loans	0	24
9. Other interest and similar income	91	34
10. Write-downs of financial assets and securities classified as current assets	-2	-17
11. Taxes on income	-202	-49
12. Other taxes	-0	-0
13. Net result for the period	427	1,652



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