

Nine-Month Report 2019

(1 January to 30 September 2019)

capsensixx AG

Frankfurt am Main

1 Quarterly Management Statement as of 30 September 2019

1.1 Key Group figures

	01/01-30/09			
IFRS (in EUR million)	2019	2018	Change	%
Revenues, total	74.6	79.7	-5.1	-6%
Revenue shares in favor of third parties (performance fees)*	57.8	63.8	-6	-9%
Adjusted revenues excluding				
- performance fees*	16.8	16.0	+ 0.8	+ 5%
- EBITDA	4.9	6.5	-1.6	-25%
- Profit after tax	1.7	3.9	-2.2	-56%

* Revenues from performance fees are passed on to external asset managers in full by capsensixx, are recognized in cost of materials and therefore do not affect profit or loss.

1.2 Course of business

1.2.1 Stable business performance in 2019 + increased investments

The core business with the subsidiaries AXXION, Fund Management, Administration & Accounting and Oaklet, Capital Markets & Corporate Services segment showed stable or growing business development. Investments in the Digitization & IT Services segment with technology start-up coraixx were further intensified, creating the basis for the significant and profitable growth expected in the medium term. In addition, the first expansion stage at coraixx was achieved by creating the necessary structures and capacities for the expected projects.

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1.2.2 Slightly net-revenue improvement

Although at EUR 74.6 million, sales revenues under IFRS were below the previous year's level of EUR 79.7 million, net revenues after deduction of third-party commissions amounted to EUR 16.8 million, compared to just EUR 16 million slightly higher in the same period of the previous year.

1.2.3 Other operating income

Other operating income increased to approx. 0.7 million EUR (2018: EUR 0.6 million), an increase of approx. 13%.

1.2.4 Personnel and other operating expenses

Personnel expenses increased by EUR 1.1 million to EUR 6.4 million compared to the first nine months of 2018 (EUR 5.3 million) due to the recruitment of qualified employees.

At the same time, other operating expenses increased by EUR 1.3 million from EUR 4.9 million to EUR 6.2 million.

1.2.5 Operating result

In the first nine months of 2019, EBITDA fell by 25% to EUR 4.9 million compared to the same period in 2018 (EUR 6.5 million).

1.2.6 Consolidated profit before and after tax

Consolidated earnings before taxes for the first nine months of the 2019 financial year were EUR 2.6 million. Compared to the same period of the previous year (EUR 5.5 million), this represents a decrease of EUR 2.9 million or 52%.

Consolidated earnings after taxes for the first nine months of the financial year 2019 amounted to EUR 1.7 million (same period in the previous year: EUR 3.9 million). It therefore decreased by EUR 2.2 million (or 56%) compared to the first 9 months of 2018.

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1.3 IFRS consolidated income statement for the period from 1 January to 30 September 2019

in EUR	Nine months period ending	
	30. Sep. 2019 unaudited	30. Sep. 2018 unaudited
Revenues	74,563,099.64	79,725,683.44
Revenue shares in favor of third parties	-57,750,853.82	-63,771,267.59
Revenues adjusted by revenue shares in favor of third parties	16,812,245.82	15,954,415.85
Other operating income	726,184.47	641,301.15
Personnel expenses	-5,169,986.06	-4,215,250.37
Social security, pension and other benefits	-1,260,830.30	-1,100,040.07
Depreciation and amortization	-2,272,987.36	-1,027,212.65
Other operating expenses	-6,204,818.15	-4,800,465.20
Finance income	24,476.02	8,600.00
Other interest and similar income	51,174.11	73,420.86
Finance costs	-62,972.01	-12,929.21
Profit before tax	2,642,486.54	5,521,840.36
Taxation	-917,670.07	-1,631,018.65
Net Profit	1,724,816.47	3,890,821.71
- attributable to non-controlling interests	1,917,044.31	2,157,537.57
- attributable to shareholders of capsensixx AG	-192,227.84	1,733,284.14

1.4 IFRS consolidated balance sheet as of 30 September 2019

In EUR million	30/09/2019	31/12/2018
Cash	8.6	8.3
Equity	17.0	17.0
Total assets	35.0	31.5

1.5 Report on post-balance sheet date events

There were no events with a significant impact on the net assets, financial position and results of operations of capsensixx Group after the balance sheet date of 30 September 2019.

1.6 Outlook

The first nine months of the capsensixx Group's financial year 2019 show a largely stable operative development and at the same time high investments in future growth areas of the company. For the fourth quarter of 2019, the Management Board expects a slightly improved result despite the unchanged market environment. In the medium term, it is also expected that the high level of investment in all three segments and the development of new product and service offerings will also lead to sustainable increases in earnings.

1.7 Review and forward-looking statements

This interim management statement was not audited in accordance with Section 317 of the German Commercial Code (HGB) nor was it reviewed by an auditor. In addition, this interim management statement contains forward-looking statements based on management's current views with respect to future developments.

Such statements are subject to uncertainties and risks over which capsensixx AG has no control. If such uncertainties or risks materialize or if the assumptions on which these forward-looking statements are based prove to be inaccurate, the actual results may significantly deviate from those explicitly stated or implicitly contained within these statements. It is not the intention of capsensixx AG, nor does capsensixx AG accept any particular obligation to update any forward-looking statements to adapt them to events or development that take place after the date of this interim management statement.

Frankfurt, 20 November 2019

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Sven Ulbrich

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Fabian Föhre

2 Company profile

capsensixx manages, structures and executes financial products in various asset classes and product workflows in the financial sector for its customers (Financial Administration as a Service). The business model, which focuses on funds and alternative assets, is characterized by a high proportion of recurring income and profitable growth. The subsidiaries Axxion (capital management) and Oaklet (specialist for securitization and other financial services) have a very strong position on the German-speaking market in these two areas. The technology start-up coraixx is involved in digitizing financial receipts using artificial intelligence, thus expanding capsensixx' value chain and developing new areas of business and customer groups with high growth potential.

You can find more information at www.capsensixx.de

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