FIN LAB

Annual Financial Report
as at December 31, 2019

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REPORT FROM THE SUPERVISORY BOARD

Dear Shareholders,

This is a report of the Supervisory Board pertaining to the performance of its duties and the focus of its activities in the 2019 fiscal year.

COLLABORATION BETWEEN THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

The Supervisory Board advised the Company's Board of Management on a regular basis during the year under review and constantly supervised its management activities. The members of the Supervisory Board kept in regular contact with the members of the Board of Management, informed themselves about business developments and key events, and consulted with the members of the Board of Management.

The Chairman of the Supervisory Board discussed significant matters with the other members of the Supervisory Board and included them in the ongoing work of the Supervisory Board.

The Board of Management submitted timely, comprehensive reports to the Supervisory Board on a regular basis both in writing and orally on all important aspects of corporate planning and strategic and ongoing business performance. We always had ample opportunity to critically examine the reports, motions and proposed resolutions of the Board of Management in the plenum of the Supervisory Board and to make suggestions.

All matters requiring approval were submitted by the Board of Management to the Supervisory Board in good time. Approvals were granted after carrying out a thorough inspection of the documents and, if applicable, additional explanations by the Board of Management.

The opinion-forming and decision-making processes of the Board of Management and Supervisory Board were consensual, swift and effective, and in all cases based on proper information.

SUPERVISORY BOARD MEETINGS

The Supervisory Board of FinLab AG held five ordinary meetings in the 2019 fiscal year.

The reports of the Board of Management on the situation of the company, the economic environment, the development of sales and costs, as well as significant business events, transactions and participations were discussed at the meetings of the Supervisory Board.

In particular, the Supervisory Board dealt with the following topics:

MEETING OF MARCH 11, 2019

The first meeting of the year focused on the dismissal and appointment of the management of Heliad Management GmbH, which is a wholly-owned subsidiary of FinLab AG. Following extensive reporting by the Management Board, the Supervisory Board unanimously approved the personnel measures, which involved the Management Board of FinLab AG taking over the management of Heliad Management GmbH.

MEETING OF APRIL 10, 2019

At the balance sheet meeting on April 10, 2019, the audited and certified annual financial statements for the 2018 financial year and the report of the Supervisory Board to the Annual General Meeting for the 2018 financial year were approved after detailed examination and discussion with the auditors. Furthermore, the current business development was discussed and a date for the Annual General Meeting 2019 was set.

MEETING OF JUNE 25, 2019

This meeting was held after the Annual General Meeting. This year's Annual General Meeting was reflected upon and an update on the financial and earnings position of the company was given. In addition, follow-up financing was discussed. In particular, approval was given for the granting of interim financing to portfolio companies.

MEETING OF SEPTEMBER 11, 2019

At the meeting on 11 September 2019, which was held by way of a conference call, the Management Board provided an overview of the development of the investment portfolio and the financial and earnings position of the company. In addition, potential new investments and follow-up financing were discussed.

MEETING OF NOVEMBER 28, 2019

In this meeting the annual planning 2020 was discussed and adopted. Any new investments were also discussed and approved subject to final agreement with the targets in the annual planning and budget.

AUDIT OF ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements of FinLab AG for the 2019 fiscal year prepared by the Board of Management in February 2019 were audited by the auditing firm ifb Treuhand GmbH, Grünwald.

Preparation of a consolidated annual financial report of FinLab was waived in accordance with Section 293 Para. 1 German Commercial Code (HGB).

The auditor issued an unqualified audit opinion on the annual financial statements of FinLab AG.

The financial statement documents and the audit report of the auditor were presented to the Supervisory Board. They were thoroughly examined by the Supervisory Board at the meeting convened to review the accounts and discussed in the presence of the auditor, who reported on the results of his audit. At this meeting, detailed reports were also submitted by the auditor on the scope, focus and costs of the audit. The Supervisory Board confirmed the correctness of the audit and the audit report.

The Supervisory Board agreed with the auditor's findings and, in the course of its own- within the scope of the usual - review, determined that no objections were to be raised. They approved the annual financial statement of FinLab AG for fiscal year 2018, which was prepared by the Board of Management. Thus, the annual financial statements of FinLab AG were established in accordance with Section 172 of the German Stock Corporation Act (AktG).

AUDIT OF THE REPORT OF THE BOARD OF MANAGEMENT ON RELATIONSHIPS WITH AFFILIATED COMPANIES

The Report on Relationships with Affiliated Companies (Dependent Company Report) drawn up by the Board of Management pursuant to Section 312 of the German Stock Corporation Act (AktG) for the 2019 fiscal year was submitted to the Supervisory Board together with the audit report prepared by the auditor.

The auditor audited the dependency report and issued the following unqualified audit opinion pursuant to Section 313 of the German Stock Corporation Act (AktG):

> „Based on the result of our audit, objections within the meaning of sect. 313 Para. 4 of AktG cannot be raised against the report of the Board of Management regarding relationships with affiliated companies. We therefore submit the following unqualified audit opinion as per sect. 313 Para. 3 of AktG with respect to the report of the Board of Management regarding relationships with affiliated companies of FinLab for fiscal year 2018.“

Within the typical scope, the Supervisory Board examined the Dependency Report prepared by the Board of Management and the audit report prepared by the auditor. The Supervisory Board came to the conclusion that the audit report – as well as the audit conducted by the auditor himself – complied with the legal requirements. In particular, the Supervisory Board examined the Dependency Report for completeness and accuracy and also determined that the group of affiliated companies had been properly identified and that the necessary precautions had been taken to record the reportable transactions and measures. No objections to the Dependency Report became apparent in this review. After the final results of its review, the Supervisory Board raised no objections to the final declaration by the Board of Management and approved the result of the audit by the auditor.

MEMBERS OF THE SUPERVISORY BOARD

- Axel-Günter Benkner, Chairman of the Supervisory Board
- Dr. Friedrich Schmitz, Deputy Chairman of the Supervisory Board
- Stefan Müller, Member of the Supervisory Board

THANKS

The Supervisory Board wants to sincerely thank all employees of FinLab AG for their work and performance in the previous fiscal year.

Frankfurt am Main, in March 2020

For the Supervisory Board

Axel Benkner

(Chairman of the Supervisory Board)

ANNUAL FINANCIAL STATEMENTS (IFRS) OF FINLAB AG AS AT DECEMBER 31, 2019

BALANCE SHEET AS AT DECEMBER 31, 2019
ASSETS

in thousand EUR

		Notes	12/31/2019	12/31/2018
A.	Non-current assets			
I.	Intangible assets	5,1	8	9
II.	Property, plant and equipment	5,1	672	93
III.	Financial assets	5,2	134,513	91,514
			135,193	91,616
B.	Current assets			
I.	Securities	5,4	79	62
II.	Trade receivables	5,5	4	4
III.	Receivables from companies with an ownerhip structure	5,5	103	530
IV.	Receivables from affiliated companies	5,5	2,841	1,636
V.	Other assets	5,5	129	113
VI.	Income tax receivables	5,5	685	934
VII.	Bank balances	5,6	6,753	13,362
			10,593	16,641
			145,786	108,257

BALANCE SHEET AS AT DECEMBER 31, 2019
LIABILITIES

in thousand EUR

		Notes	12/31/2019	12/31/2018
A.	Equity			
I.	Subscribed capital	5.7	5.323	5,239
II.	Capital reserve	5.7	48,057	48,274
III.	Retained earnings	5.7	80,497	40,973
IV.	Revaluation reserve	5.7	8.893	11,782
			142,771	106,268
B.	Non-current liabilities			
I.	Long-term provisions	5.8	62	62
II.	Other liabilities	5.9	701	151
III.	Deferred tax liabilities	5.3	1,355	793
			2,118	1,006
C.	Current liabilities			
I.	Tax provisions	5.8	134	47
II.	Other provisions	5.8	690	544
III.	Liabilities to banks	5.9	0	3
IV.	Liabilities to affiliated companies	5.9	0	4
V.	Trade payables	5.9	43	278
V.I	Other liabilities	5.9	29	105
			897	982
			145,786	108,257

INCOME STATEMENT
JANUARY 1 TO DECEMBER 31, 2019

in thousand EUR

	Notes	2019	2018
Sales revenues	4.1	1,443	1,945
Income from investments	4.2	2,678	2,250
Other operating income	4.3	499	495
Total income		4,620	4,690
Personnel expenses	4.4	-892	-2,439
Non-personnel expenses	4.5	-1,542	-1,462
Operating income (EBIT)		2,186	789
Financial income	4.6	38,082	16,294
Earnings before taxes (EBT)		40,268	17,083
Taxes on income	4.7	-744	-167
Net result for the period		39,525	16,916
Number of shares issued		5,244,921	5,142,095
Dilution effect arising from share options	6.11	147,625	252,899
Number of shares issued (diluted)		5,392,546	5,394,894
Basic earnings per share in EUR		7.54	3.29
Diluted earnings per share in EUR		7.33	3.14

	Notes	2019	2018
Net result for the period		39,525	16,916
Changes to the revaluation reserve	5.7	-2,889	-20,585
Overall result		36,636	-3,669

STATEMENT OF CASH FLOWS
JANUARY 1 TO DECEMBER 31, 2019

in thousand EUR

	Notes	2019	2018
Net result for the period		39,525	16,916
Income from the sale of securities and financial assets	4.	-318	-10,144
Retirement of securities and financial assets	4.	149	6,340
Write-ups of securities and financial assets	4.	-45,538	-15,964
Write-downs of securities and financial assets	4.	7,738	3,502
Depreciation of property, plant and equipment and intangible assets	4.	229	26
Other cash income and expenses	4.	39	639
Increase/decrease in provisions	5.	233	-28
Increase/decrease in receivables and other assets	5.	-873	227
Increase/decrease in payables and other liabilities	5.	232	-20
Cash flow from operating activities		1,415	1,494
Proceeds from property, plant and equipment and intangible assets		-416	-34
Payments for loans of non-current assets		-1,400	-440
Payments for investments in financial assets		-6,730	-7,094
Payments for investments in securities held as current assets		320	0
Cash flow from investing activities		-8,226	2,574
Payments for leases		-202	0
Cost of the capital increase		-4	-6
Payments from capital increases		407	5,188
Cash flow from financing activities	5.	201	5,182
Net change in cash and cash equivalents		-6,609	9,250
Cash and cash equivalents at beginning of period		13,362	4,112
Cash and cash equivalents at end of period	5.	6,753	13,362

STATEMENT OF CHANGES IN EQUITY
JANUARY 1 TO DECEMBER 31, 2019

in thousand EUR	Subscribed capital	Capital reserve	Retained earnings	Revaluation reserve	Total equity
As at 01/01/2019	5,239	48,274	40,973	11,782	106,268
Changes without effect on the P&L from revaluation reserves	-	-	-	-2,889	-2,889
Net result for the period	-	-	39,525	-	39,525
Overall result	-	-	39,525	-2,889	36,636
Capital increase	84	318	-	-	402
Share option program	-	-535	-	-	-535
As at 12/31/2019	5,323	48,057	80,497	8,893	142,771
Notes	5,7	5,7	5,7	5,7	5,7

STATEMENT OF CHANGES IN EQUITY
JANUARY 1 TO DECEMBER 31, 2018

in thousand EUR	Subscribed capital	Capital reserve	Retained earnings	Revaluation reserve	Total equity
As at 01/01/2018	4,989	42,511	24,057	32,367	103,924
Changes without effect on the P&L from revaluation reserves	-	-	-	-20,585	-20,585
Net result for the period	-	-	16,916	-	16,916
Overall result	-	-	16,916	-20,585	-3,669
Capital increase	250	4,932	-	-	5,182
Share option program	-	831	-	-	831
As at 12/31/2018	5,239	48,274	40,973	11,782	106,268
Notes	5.7	5.7	5.7	5.7	5.7

NOTES TO THE ANNUAL FINANCIAL STATEMENT (IFRS)

1. INFORMATION ABOUT THE COMPANY

FinLab AG (hereinafter referred to as "FinLab" or the "Company") in based in Germany, with its office located at Grüneburgweg 18. 60322 Frankfurt am Main.

FinLab is registered in the commercial register of the local court of Frankfurt am Main under HRB 58865.

The statutory business purpose of FinLab is the acquisition, long-term holding, management and promotion of majority interests in companies as well as the acquisition, holding, management and promotion of minority interests, in particular in German and foreign companies in the financial services and media industries, as well as the provision of management, consultancy and other services, in particular for the investments entered into, unless special statutory permissions are required for this purpose.

FinLab is listed on the Open Market of the Frankfurt Stock Exchange and included in the "Scale" segment.

2. BASIC PRINCIPLES

The financial statements have been prepared in accordance with IAS 27, taking into account all published standards and interpretations adopted in the context of the EU endorsement procedure that were mandatory for the 2019 fiscal year. The option for early adoption of new standards has not been exercised.

FinLab AG is not legally required to prepare IFRS financial statements. The preparation and publication of the IFRS separate financial statements should give readers the opportunity to better assess the value of the company.

The annual financial statements are based on the principle of going concern.

The annual financial statements are presented in Euros (EUR), the functional currency of the Company.

Unless indicated otherwise, all amounts are rounded to thousands of Euros (T-EUR). Due to being shown in this way, rounding differences may result.

The fiscal year of the Company corresponds to the calendar year.

The financial statements include the statement of financial position, the statement of comprehensive income (consisting of the income statement and statement of other comprehensive income), the statement of changes in equity, the statement of cash flows and the notes. The income statement is prepared in accordance with the total cost method.

IFRS 16 Leases

FinLab has applied IFRS 16 Leases (as published by the IASB in January 2016) in this financial year, as its application is mandatory for financial years beginning on or after January 1, 2019. IFRS 16 introduces new or amended requirements regarding the accounting for leases. Significant accounting changes for lessees result from the fact that no distinction is made between operating and finance leases and that a right of use and a lease liability must be recognized at the beginning of all leases, with the exception of short-term leases and leases of minor value. In contrast to accounting by the lessee, the accounting requirements for the lessor have remained largely unchanged. Details are described in the section on leasing.

The following standards, amendments to standards and interpretations were mandatory on or after January 1, 2019:

Standard	Content and relevance for the statement
Amendments to IFRS 9	Provisions for pre-term payments with negative compensatory payment No impacts for FinLab
IFRIC 23	Uncertainty as regards taxes on profits No impacts for FinLab
IFRS 16 „Lease Relationsships“	Provision for illustrating each leasing relationship as a financing process in the lessee's balance sheet. Impacts for FinLab are descibed above.
Annual Improvements to IFRS Standards (2015-2017)	Amendments to IFRS 3, IAS 12 and IAS 23 No impacts for FinLab
Amendments to IAS 28	Long-term investments in affiliated companies and joint ventures No impacts for FinLab
Amendments to IAS 19	Accounting for an adjustment, curtailment or settlement of a defined benefit plan No impacts for FinLab

The following standards, amendments to standards, and interpretations have already been approved by the EU. Mandatory application is only expected in the future:

Standard	Content and relevance for the statement	Content and relevance for the statement
Amendments to References to the Conceptual Framework in IFRS Standards	Revision of definitions of assets and liabilities and new guidance on valuation and derecognition and disclosure No impacts for FinLab	1. January 2020
Amendments to IAS 1 and IAS 8	Unification of the definition of „essential“ No impacts for FinLab	1. January 2020
Amendments to IFRS 9 und IFRS 7	Interest Rate Benchmark Reform No impacts for FinLab	1. January 2020

The following standards, amendments to standards, and interpretations had not been approved by the EU upon preparation of the financial statement. The potential impacts of these yet to be approved standards on FinLab's financial statement are still being assessed.

Standard	Contents
IFRS 17	Insurance Contracts
Amendment to IFRS 3	Mergers, definition of business operationss
Amendments to IAS 1	Classification of liabilities as current or non-current

3. ACCOUNTING AND VALUATION PRINCIPLES

The significant accounting and valuation principles used to prepare these financial statements are presented below. Unless otherwise stated, the methods described have been applied consistently to the reporting periods presented.

3.1 Mergers and goodwill

Mergers are accounted for using the purchase method. The cost of an acquisition is measured as the sum of the transferred consideration, measured at fair value on the acquisition date. The non-controlling interests are measured at the proportionate share of the identifiable net assets of the acquired company. Any transaction costs are shown as expenses.

In the case of staged business mergers, the equity interest previously held by the acquiring company in the acquired company is recalculated at fair value as of the acquisition date and the resulting income or expense is recognized in the income statement.

If the measurement shows a surplus (i.e., the acquisition costs of the parent company's investment is greater than the proportionate revalued equity of the subsidiary), this surplus is recognized as goodwill pursuant to IFRS 3.41. Pursuant to IFRS 3.55, this goodwill is not amortized on a scheduled basis. Instead, an impairment test is required to be performed once a year pursuant to IAS 36 to determine the impairment requirement. Any impairment to be taken into account is determined by establishing the recoverable amount of the cash-generating unit allocated to the goodwill in question. If the recoverable amount of the cash-generating unit falls below the carrying amount of this unit, an impairment loss is recognized. If events or circumstances indicate a potential impairment, the impairment test is carried out more frequently.

In the case of mergers prior to January 1, 2010, the transaction costs directly associated with the acquisition were treated as part of the acquisition costs.

3.2 Intangible assets

Acquired intangible assets are capitalized in accordance with IAS 38 if it is probable that the use of the asset is associated with future economic benefits and if the cost of the asset can be measured reliably. Acquired intangible assets are measured at acquisition cost and amortized on a straight-line basis over the respective useful life. Any impairments which occur are recorded. In the income statement, they are listed under the depreciation of intangible assets and property, plant and equipment.

In the case of mergers, goodwill is calculated as an excess of the acquisition costs of the interest over the acquired share in the equity of the acquired company, applying the provisions of IFRS 3. The recoverability of goodwill is tested at least annually at the level of the cash-generating unit and, if impaired, is written down to the recoverable amount.

3.3 Property, plant and equipment

Property, plant and equipment is recognized at cost of acquisition or production less cumulative scheduled depreciation. Gains or losses from the disposal of fixed assets are included in other operating income or general and administrative expenses.

Scheduled straight-line depreciation is based on normal operational useful life.

3.4 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to scheduled amortization. They are tested annually for impairment and also when there are indications of impairment. Assets that are subject to scheduled amortization are tested for impairment whenever events or changes in circumstances occur, according to which the carrying amount may no longer be recoverable. An impairment loss is recognized at the carrying amount which exceeds the recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs to sell and the value in use.

In the event of any subsequent reversal of an impairment, the carrying amount of the asset is increased to the newly estimated recoverable amount. The increase in the carrying amount is limited to the amortized value that would result if no impairment loss had been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. A reversal of the impairing loss is not performed for recognized goodwill.

3.5 Financial Assets

Financial assets include loans and securities and investments classified as non-current assets. Investments include all shares in companies that are not recorded as securities. IFRS 9 requires that the classification of financial assets be determined both on the basis of the business model used to manage the financial assets and the contractual cash flow characteristics of the financial asset.

Three business models are available under IFRS 9:

- **Intention to hold („hold to collect“)**
  Financial assets held for the purpose of collecting contractual cash flows.
- **Intention to hold and sell („hold to collect and sell“)**
  Financial assets held for the purpose of both receiving contractual cash flows and selling financial assets.
- **Other**
  Financial assets that are held for trading purposes or that do not meet the criteria „hold to collect“ or „hold to collect and sell“

The assessment of the business model requires a review based on facts and circumstances at the time of the assessment. Qualitative factors include the way in which the performance of the business model and the financial assets held in that business model are measured and reported to key management personnel at FinLab (e.g. whether reporting is based on the fair value of assets under management or contractual cash flows received).

If a financial asset is held either in a „hold to collect“ or a „hold to collect and sell“ business model, an assessment as to whether the contractual cash flows consist exclusively of principal and interest payments on the outstanding principal amount is required upon initial recognition to determine classification.

A financial asset is classified as at „amortized cost“ and subsequently measured, if it was not classified under the fair value option, if the financial asset is held in a „hold to collect“ business model, and if the contractual cash flows are exclusively repayments of principal and interest.

Under this valuation category, the financial asset is recognized at fair value less principal repayments, plus or minus the cumulative amortization of any difference between the original amount and the maturity amount. The carrying amounts of these assets and liabilities are measured using the effective interest method and adjusted for any impairment losses.

IFRS 9 stipulates that the expected future credit losses are decisive for the amount of the impairment ("expected loss model"). Further information on any necessary impairments and special features is provided in section 6.1 Further disclosures on financial instruments.

A financial asset is classified and measured at „fair value through other comprehensive income“ („FVOCI“) if it was not classified under the fair value option, if the financial asset is held in a „hold to collect and sell“ business model and the contractual cash flows are exclusively repayments and interest payments.

Classified as FVOCI, a financial asset is measured at fair value, with all changes in fair value being recognized in the income statement. The fair value of these financial instruments can be recognized in other comprehensive income.

It is possible to designate equity instruments for which there is no intention to trade as „fair value with changes in value recognized directly in equity.“ However, FinLab has not yet applied this category.

Any financial asset held for trading purposes or not included in the „hold to collect“ or „hold to collect and sell“ business models is classified as a financial asset at „fair value through profit or loss“ („FVTPL“).

Any financial asset whose contractual cash flows are not exclusively redemption and interest payments must also be measured at fair value with changes in value in the income statement, even if the financial asset is held in a „hold to collect“ or „hold to sell“ business model. Upon initial recognition, FinLab may irrevocably classify a financial asset as measured at fair value with changes in value in the income statement, which would otherwise be measured at amortized cost or at fair value through comprehensive income, if this classification eliminates or significantly reduces accounting mismatches that would otherwise arise from the measurement of assets or liabilities or the recognition of gains or losses on a different basis.

The financial instruments reported under non-current assets (loans, investments and securities allocated to non-current assets) are classified by FinLab as at „fair value through profit or loss” („FVTPL“)“ because the contractual cash flows are not exclusively repayments and interest payments. In determining fair value, FinLab uses observable market data as far as possible. Based on the input factors used in the valuation techniques, the fair values are assigned to different levels in the fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Valuation parameters that are not the quoted prices considered in Level 1 but that can be observed for the asset or liability either directly (i.e. as a price) or indirectly (i.e. as a derivation of prices).

Level 3: Valuation parameters for assets or liabilities that are not based on observable market data.

If the asset is sold or impaired on a sustained basis, the gain or loss on the sale or impairment is included in profit or loss.

Changes in the value of financial assets classified as „financial assets at fair value through profit or loss" are recognised in the income statement under income or expenses from fair value measurement.

An impairment generally leads to a direct reduction in the carrying amount of the financial assets, with the exception of trade receivables, whose carrying amount is reduced by an impairment account.

FinLab only recognizes a financial asset if the contractual rights to the cash flows from the financial asset expire or the financial asset and substantially all the risks and rewards incidental to ownership of the asset are transferred to a third party.

Further information on financial instruments is provided in item 6.1 Further Disclosures on Financial Instruments.

3.6 Deferred taxes

Deferred taxes are accounted for using the balance sheet approach, which accounts for all recognition and measurement differences between the value in the IFRS statement of financial position and the taxable value.

The current tax rates applicable to the period in which the temporary differences are expected to offset each other form the basis for calculating deferred taxes. The calculation was based on a tax rate of 31.9%. In addition to the corporation tax of 15% and the resulting solidarity surcharge of 5.5%, a trade tax rate for Frankfurt am Main of 16.1% was taken into account.

The deferred tax assets were offset against deferred tax liabilities in accordance with the provisions of IAS 12.

Changes to deferred taxes are generally recognized as income or expenses, unless the underlying facts are also recognized as income or expenses and are not offset directly against equity.

Deferred tax assets on tax-deductible temporary differences, unused tax losses, and unused tax credits are only recognized to the extent that it is probable that taxable profits will be generated by the same taxable entity and the same tax authority in the foreseeable future.

3.7 Receivables and other assets

Receivables and other assets are measured at nominal value less any appropriate impairment losses (measurement at amortized cost).

3.8 Liquid funds

Cash and cash equivalents consist of bank balances. They are measured at amortized cost.

3.9 Provisions

Provisions are recognized as liabilities in accordance with IAS 37 if there are any current legal or actual obligations arising from past events which are associated with a probable outflow of resources and whose amount can be reliably estimated.

3.10 Liabilities

Liabilities are measured at amortized cost.

Non-current liabilities are discounted if the interest effect of discounting is material.

As the effect is not material, the determination of a company-specific discounting factor is waived and instead the interest rate of the Bundesbank used for accounting under German commercial law (HGB) is applied.

3.11 Income and expenses

Sales and income are recognized if a contract has become effective, a price has been agreed and can be determined, and its payment can be reasonably assured. Opportunities and risks must be passed to the buyer, and the seller's control must have expired.

Revenue is shown less deductions such as bonuses, discounts and rebates. Income from ongoing services is realized when the service is rendered, while time-dependent remuneration is recognized pro rata temporis.

The purchase of financial assets is generally accounted for on the settlement date.

Income from equity investments includes income from dividend income and income from equity valuation (IAS 28).

Income and expenses from the measurement and sale of financial instruments are shown in the financial result.

The disposal is generally accounted for on the settlement date. The gains from the sale are also recognized on this day. The settlement date is the date on which the contracted services between the buyer and the vendor are exchanged. Divestitures relate to regular share transfers to portfolio companies.

3.12 Taxes

The tax on income includes (if available) current and deferred taxes.

3.13 Currency conversion

The annual financial statements were prepared in Euros. Receivables and liabilities in foreign currencies are translated at the closing prices applicable on the balance sheet date. Income and expenses are translated using average exchange rates. Currency translation differences are recognized in profit or loss. Foreign currency transactions are translated at the exchange rate applicable on the date of the transaction in Euros.

3.14 Lease

FinLab has entered into rental obligations within the usual framework. The liabilities and rights of use under these rental agreements are accounted for in accordance with IFRS 16 "Leases".

Category	Terms of contract
Office space	Up to five years
IT and office equipment	Up to three years
Vehicles	Up to three years

The rights of use are reported under the balance sheet item in which a comparable asset owned by the company is also reported. Liabilities from leasing obligations are reported at present value as "Other liabilities". Lease payments are recognized in the income statement as depreciation of property, plant and equipment and interest expenses as financing expenses.

Unless required, short-term leases and leases based on a low-value asset are not recognized in the balance sheet.

3.15 Contingent liabilities and financial commitments

Contingent liabilities are potential obligations to third parties or existing obligations for which an outflow of resources is not likely or for which the amount cannot be reliably determined. Contingent liabilities are not recognized in the statement of financial position. The contingent liability obligations stated in the notes (if any) correspond to the extent of the liability existing on the balance sheet date and the residual payment obligations for contingent liabilities not yet required for shares in partnerships.

3.16 Significant assumptions and estimates

The annual financial statements contain values which have been determined reliably using estimates and assumptions. The estimates and assumptions used are based on historical experience and other factors such as planning, and expectations and projections of future events that appear probable from the current perspective. 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, liabilities and provisions may be required in the next fiscal year for the following items by performing a re-measurement:

in thousand EUR	12/31/2019	12/31/2018
Financial assets	134,513	91,514
Securities held as current assets in the category	79	62
Other long term liabilities	701	151
Provisions	886	653

4. NOTES TO THE INCOME STATEMENT

4.1 Sales revenues

The reported sales revenues relate 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.

4.2 Income from investments

Income from investments consists of income and expenses from investments, in particular from profit distributions and dividends received.

4.3 Other operating income

Other operating income comprises the reversal of adjustments of €230 thousand, (previous year: €230 thousand), the transfer of expenses of €159 thousand, (previous year: €122 thousand) the reversal of provisions of €87 thousand (previous year: €0 thousand) and other operating income of €23 thousand (previous year: €43 thousand).

As in the previous year, currency translation resulted in only minor income of less than €1 thousand.

4.4 Personnel expenses

Personnel expenses include the remuneration of the directors and the employed staff.

The personnel expenses also include the amounts resulting from the valuation of the share warrants issued to employees and managers. Further information on the stock option program can be found under item 6.11.Stock option program.

Employees of the company are insured under the statutory pension plan, and the current contribution payments are recorded as an expense at the time of payment. There are no further pension commitments.

in thousand EUR	2019	2018
Wages and salaries	-1,115	-1.488
Social security contributions	-152	-114
Other personnel expenses	375	-837
	-892	-2.439

Other personnel expenses mainly include expenses from bonus payments, bonuses and expenses in connection with the valuation of options from the stock option program. Income from the valuation of the stock options is offset against expenses, so that the other personnel expenses of the past fiscal year are positive.

4.5 Non-personnel expenses

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

in thousand EUR	2019	2018
Provisions	-465	-327
Consulting and audit costs	-244	-395
Depreciation of property, plant and equipment and intangible assets	-229	-26
Costs of marketing and financial market information	-132	-138
Banking and insurance fees	-103	-94
Occupancy costs	-94	-317
Costs for communication and IT	-69	-64
Travel and entertainment expenses	-57	-40
Bad debts and amortizations	-37	0
Vehicle costs	-31	-31
Office expenses	-8	-7
Other miscellaneous expenses	-73	-23
	-1.542	-1,462

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

4.6 Financial result

The financial result is made up of:

in thousand EUR	2019	2018
Income from the sale of securities and financial assets	318	10,144
Retirement of securities and financial assets	-149	-6,340
Write-ups and write-downs of securities and financial assets	37,800	12,462
Interest and similar gains	152	35
Interest and similar expenses	-38	-6
	38,082	16,294

Income from the sale of securities and financial assets:

in thousand EUR	2019	2018
Investments in non-current assets in the category „Valued at fair value through profit or loss“	318	10,144
	318	10,144

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

in thousand EUR	2019	2018
Investments in non-current assets in the category „Valued at fair value through profit or loss“	-149	-6,340
	-149	-6,340

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

Changes in the value of financial instruments are described in more detail in section 6.1 Additional information about financial instruments.

4.7 Tax on income

Tax on income and earnings relates to deferred taxes and the creation of provisions for taxes on the income for this financial year.

in thousand EUR	2019	2018
Actual tax expenses for the period	-136	-25
Deferred taxes	-607	-142
Tax on income/ earnings	-744	-167

The theoretical tax rate for corporations consists of corporation tax, the solidarity surcharge and trade tax. With the trade tax factor of 460% used in Frankfurt am Main, this results in a tax burden of 31.93%. The calculation of deferred taxes is based on this percentage.

As in the previous year, taxes on income relating to the individual components of other comprehensive income, including reclassification adjustments, were not recorded.

The distribution of dividends is subject to the German capital gains tax deduction system.

There are no tax losses carryforwards.

The reconciliation of the theoretically expected tax charge for a corporation and the amount actually specified is as follows:

in thousand EUR	2019	2018
Earnings before tax	40.,268	17,083
Tax rate in %	31.9 %	31.9%
Expected tax expenditure	-12,859	-5,455
Actual tax expenditure	-744	-167
Differential amount	-12,115	-5,288
Actual tax rate in %	1.8 %	1.0%
Amount to be reconciled	-12,115	5,288
Tax-exempt assessment and sales results	-12,874	-5,561
Unrecognized deferred taxes on tax loss carry-forwards	0	97
Reversal/formation of deferred tax reserves	607	142
Non-periodical taxes	136	25
Taxes on non-deductible expenses and other tax effects	16	9
	-12,115	-5,288

4.8 Earnings per share

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

in thousand EUR	2019	2018
Net result for the period from continuing business (in thousand EUR)	39,525	16,916
Average number of issued shares (undiluted)	5,244,921	5,142,095
Dilution effect arising from share options	147,625	252,899
Average number of shares issued (diluted)	5,392,546	5,394,994
Undiluted earning per share in EUR	7.54	3.29
Diluted earning per share in EUR	7.33	3.14

The average number of shares in circulation is calculated as follows after pro rata temporis weighting:

in thousand EUR	2019	2018
	5,238,670 * 338/365	4,988,670 * 141/365
Average number of issued shares	5,323,170 * 27/365	5,238,670 * 224/365
	5,244,921	5,142,095

No dividend payments have been planned for the 2019 financial year.

5. NOTES ON THE BALANCE SHEET

5.1 Depreciation of property, plant and equipment and amortization of intangible assets

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.

5.2 Financial assets

Financial assets include the following items:

in thousand EUR	12/31/2019	12/31/2018
Shares in affiliated companies	12,852	14,904
Investments	100,298	52,753
Securities held as current assets in the category	18,667	21,626
Loans	2,696	2,231
	134,513	91,514

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

in thousand EUR	12/31/2019	12/31/2018
Securities classified „valued at fair value through profit or loss“	122	252
Securities classified and measured at „fair value through other comprehensive income“ („FVOCI“)	18,545	21,374
	18,667	21,626

5.3 Deferred tax assets and liabilities

The deferred tax liabilities primarily consist of differences in valuation of financial investments and the discounting of long-term debt. A tax rate of 31.93% was applied..

in thousand EUR	Timing differences		
	12/31/2019	Change	12/31/2018
Non-current liabilities	-584	580	-4
Fixed assets	568	568	0
Financial assets	85,173	35,443	49,730

in thousand EUR	Deferred taxes				resulting in neither profit nor loss		Expenses (+)/ Gains (-)	
	12/31/2019		12/31/2018					
	Assets	Liabilities	Assets	Liabilities	2019	2018	2019	2018
Non-current liabilities	187	0	1	0	0	0	-185	2
Fixed assets	0	-181	0	0	0	0	181	0
Financial assets	0	-1.360	0	-794	-45	-334	611	140

5.4 Securities

The securities held as current assets are allocated to the categories „financial assets at fair value through profits or loss“:

in thousand EUR	12/31/2019	12/31/2018
Securities in the category „financial assets at fair value through profits or loss“	79	62
	79	62

5.5 Receivables and other assets

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

The other assets and receivables relate to the following items:

in thousand EUR	12/31/2019	912/31/2018
Receivables from loans	2,943	2,165
Receivables from income tax	685	934
other	134	118
	3,762	3,217

5.6 Bank balances

The bank balances are fully compliant with the financial resources and mainly consist of current accounts, money market accounts and fixed-term deposits.

5.7 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 December 31, 2019.

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 measurement of the stock options issued to employees and management. Further information on the stock option program can be found under item 6.11.Stock option program.

RETAINED EARNINGS

Retained earnings includes income reinvested from previous years and from the current year. There are no statutory reserves as defined in Section 150 (2) German Stock Corporation Act (AktG) nor other reserves as defined 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 other comprehensive income 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 the following amounts in the equity:

in thousand EUR	12/31/2019	12/31/2018
Measurement and disposals of securities	-2,934	-20,919
Deferred taxes	45	334
	-2,889	-20,585

5.8 Provisions

Non-current provisions of €32 thousand (previous year: €32 thousand) for the archiving of files and of €30 thousand (previous year: €30 thousand) for decommissioning obligations and not discounted due to the minor effect.

Provisions for taxes on income of €87 thousand (previous year: €47 thousand) were formed on the result of the fiscal year.

Other short-term provisions are made up as follows:

in thousand EUR	12/31/2018	Expenditure	Liquidation	Supply	12/31/2019	Likelihood of application
Personnel related provisions	153	-104	-49	205	205	high
Office expenses	123	-	-	11	134	medium
Annual financial statement and audit	104	-48	-2	50	104	high
Supervisory Board related provisions	50	-40	-5	40	45	high
Tax consultancy	14	-14	-	72	72	high
Pending invoices	99	-57	-	87	129	high
	544	-263	-56	465	690	

Personnel provisions relate to provisions for employee bonuses, holiday entitlement, and contributions to the Employer's Liability Insurance Association.

5.9 Liabilities

The shown current liabilities have a term up to one year and were assessed at the nominal value or the amount of expected utilization.

Other liabilities are made up as follows:

in thousand EUR	12/31/2019	12/31/2018
Wage and church tax	29	25
Accounts payable to investments	0	8
Leases	701	0
Other liabilities	0	223
	730	256

6. OTHER INFORMATION

6.1 Additional information about financial instruments

The book values of the financial instruments, divided by category, for the effective dates December 31, 2019 and December 31, 2018 are transferred to the balance sheet in the following table:

December 31, 2019 in thousand EUR	Fair value - hierarchy	Fair value	Balance sheet disclosure
Non-current assets - financial assets			
Fair value of financial assets regularly valued at fair value			
Investments and affiliated companies	Level 3	24,838	24,838
Investments and affiliated companies „fair value through profit and loss“	Level 2	88,312	88,312
Securities „fair value through profit and loss“	Level 1	122	122
Securities classified and measured at „fair value through other comprehensive income“ („FVOCI“)	Level 1	18,545	18,545
Fair value of financial assets not regularly measured at fair value, but for which the fair value is to be indicated			
Loans to companies linked by a participating interest, „fair value through profit and loss“	Level 3	2,696	2,696
Non-current assets - financial assets - total		**134,513**	**134,513**

December 31, 2019 in thousand EUR	Fair value - hierarchy	Fair value	measured at amortized cost	Balance sheet disclosure
Current assets				
Fair value of financial assets not regularly measured at fair value, but for which the fair value is to be indicated				
Securities „fair value through profit and loss“	Level 1	79	79	79
Trade receivables “valued at cost”	Level 2	4	4	4
Receivables from companies in which we participate “valued at cost”	Level 2	103	103	103
Receivables from affiliated companies “valued at cost”	Level 2	2,841	2,841	2,841
Other assets “valued at cost”	Level 2	129	129	129
Cash and cash equivalents “valued at cost”	Level 2	6,753	6,753	6,753
Current assets - total		**9,909**	**9,909**	**9,909**

December 31, 2019 in thousand EUR	Fair value - hierarchy	Fair value	measured at amortized cost	Balance sheet disclosure
Current liabilities				
Other financial liabilities	Level 2	701	701	701
Current liabilities, total		**701**	**701**	**701**
Non-current liabilities				
Trade payables measured at amortized cost	Level 2	43	43	43
Non-current liabilities, total		43	43	43

December 31, 2018 in thousand EUR	Fair value - hierarchy	Fair value	Balance sheet disclosure
Non-current assets - financial assets			
Fair value of financial assets regularly valued at fair value			
Investments and affiliated companies	Level 3	22,710	22,710
Investments and affiliated companies „fair value through profit and loss“	Level 2	44,947	44,947
Securities „fair value through profit and loss“	Level 1	252	252
Securities classified and measured at „fair value through other comprehensive income“ („FVOCI“)	Level 1	21,374	21,374
Fair value of financial assets not regularly measured at fair value, but for which the fair value is to be indicated			
Loans to companies linked by a participating interest, „fair value through profit and loss“	Level 3	2,231	2,231
Non-current assets - financial assets - total		91,514	91,514

December 31, 2018 in thousand EUR	Fair value - hierarchy	Fair value	measured at amortized cost	Balance sheet disclosure
Current assets				
Fair value of financial assets not regularly measured at fair value, but for which the fair value is to be indicated				
Securities „fair value through profit and loss“	Level 1	62	62	62
Trade receivables “valued at cost”	Level 2	4	4	4
Receivables from companies in which we participate “valued at cost”	Level 2	530	530	530
Receivables from affiliated companies “valued at cost”	Level 2	1,636	1,636	1,636
Other assets “valued at cost”	Level 2	113	113	113
Cash and cash equivalents “valued at cost”	Level 2	13,362	13,362	13,362
Current assets - total		15,708	15,708	15,708

December 31, 2018 in thousand EUR	Fair value - hierarchy	Fair value	measured at amortized cost	Balance sheet disclosure
Non-current liabilities				
financial liabilities to banks	Level 2	3	3	3
Other financial liabilities	Level 2	13	13	13
Trade payables measured at amortized cost	Level 2	278	278	278
Current liabilities - total		294	294	294

The amount of securities the current and non-current assets is comprised as follows:

in thousand EUR	12/31/2019	12/31/2018
listed non-fixed-income securities	18,667	21,626
unlisted shares in investment funds	1,381	302
other non-listed financial instruments	124,375	85,294
	144,422	107,222

The financial instruments for which a stock market price was available and which were regularly traded on a stock market on the balance sheet date or had a regular market price during the reporting period were measured at this price on the reporting date.

Measurement through profit or loss of listed financial instruments in the year under review resulted in write-ups of €114 thousand (previous year: €0 thousand) and write-downs of €0 thousand (previous year: €1.037 thousand).

Financial instruments classified as at "fair value through profit and loss" were measured using input data which is not based on observable market data and was carried out using the conventional DCF method based on internally generated budgeted figures. Discounting factors from a risk-free interest rate of 0.2% p.a. and risk premiums of 20%-30% p.a. were used.

No impairments are expected for the current financial instruments in the „measured at cost" category, as all the receivables concerned can be called up and paid in full at any time.

FinLab has formal measurement process as defined in IFRS 13.93 (g). The measurement is performed on an annual basis in close cooperation between the investment managers and the management and reflects current market experiences.

Financial instruments classified as "at fair value through profit or loss" were measured using input data that is not based on observable market data and the calculated value would be reduced by a maximum change of 1,0% if the considered risk premium were changed by 10%. No further significant changes would arise if the measurement had been carried out with plausible alternative assumptions.

The transition from the opening to the closing balance sheet of financial instruments of Level 3 is as follows:

in thousand EUR	1/1/2019	Reclassifi-cations	Purchases	Disposal	Income and losses, recorded in Financial Earnings of Full Income Statement	12/31/2019
Investments in the category „measured at fair value through profits or loss", measured on the basis of input data which is not based on observable market data	24,941	0	3,007	-440	27	27,535

In fiscal year 2019, bad debt losses from operating activities of €37 thousand (previous year: €013 thousand) were recognized under general and administrative expenses.

IFRS 7 requires sensitivity analyses that show the effects of hypothetical changes to market prices on the earnings and equity for the presentation of market risks. Price changes of 10% would result in the following changes in value:

in thousand EUR	12/31/2019	12/31/2018
listed financial instruments	18,667	21,626
of which measured on the consolidated statement of income	122	252
Effect of an exchange rate change of 10%	12	25
of which measured on other comprehensive income	18,545	21,374
Effect of an exchange rate change of 10%	1,855	2,137

The net result from financial instruments in the IAS 39 assessment categories is comprised of the valuation yield and the gains on disposal:

in thousand EUR	2019	2018
Long-term financial assets		
Securities classified and measured at „fair value through other comprehensive income“ („FVOCI“)		
Valuation yield	-2,934	-20,919
Disposal yield	0	0
	-2,934	-20,919
Financial instruments in the category „valued at fair value through profit or loss“		
Valuation yield	37,890	12,462
Disposal yield	169	3,804
Long-term financial assets - total	38,059	16,266

During the reporting year, value adjustments at the following amounts were recognized as profit or loss in the reserve for the revaluation of financial instruments:

in thousand EUR	2019	2018
Impairment of securities held as non-current assets	-2,934	-20,919
Appreciation in value of securities held as non-current assets	0	0
	-2,934	-20,919

As in the previous year, there were no unimpaired, overdue financial assets as at the reporting date. FinLab recognizes an impairment loss if a financial asset appears irrecoverable. This is the case if this financial asset is overdue for more than 180 days and no agreement could be reached on an extension of the payment period, or if there are obvious indications or facts that preclude settlement.

6.2 Notes to the statement of cash flows

Cash flows are recognized in the statement of cash flow pursuant 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 was used.

In the year under review, there were cash inflows from interest income amounting to €1 thousand (previous year: €3 thousand) and cash outflows from interest expenses amounting to €17 thousand (previous year: €1 thousand). Dividends were received of €925 thousand (previous year: €892 thousand).

Iincome taxes paid by FinLab amounting to €22 thousand (previous year: €22 thousand). Cash and cash equivalents consist of bank balances.

6.3 Notes to segment reporting

As the "chief operating decisions maker" as defined by IFRS 8.7, the Executive Board of FinLab AG regularly reviews information about the development of the Company. It also makes its decisions regarding the allocation of resources at this level.

Information relevant 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), as a result of which the financial and other effects of business activities can be identified on the basis of the elements of the financial statements. There is therefore no need for segment reporting.

The company's value is mainly determined on the basis of the market value of the investments as reflected in equity pursuant to IFRS. Equity pursuant to IFRS is a key parameter for managing and controlling the company. Reference is made to chapter 6.8. Capital Management.

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

6.4 Contingent liabilities and other financial obligations

As at the reporting date, there were no contingent liabilities at the Company from the balance sheet or income statement.

The remaining payment obligations for agreed shareholdings not yet called in for shares in FinLab EOS VC Europe I amount to €3,695 thousand (prior year: €4,760 thousand) as at the accounting date.

6.5 Lease

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, €606 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 €16 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 €241 thousand and reduced the leasing liabilities as of 31 December 2019 to €701 thousand.

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

6.6 Associated companies and individuals

As of December 31, 2019, LION CAPITAL AG, Kulmbach, held over 25 % of the company's shares. As of December 31, 2019, LION CAPITAL AG, Kulmbach is classified as an associated company as defined in Section 15 German Stock Corporation Act (AktG) with regard to other companies. The indirect owner as defined by Section 17 (1) German Stock Corporation Act (AktG) is Mr. Bernd Förtsch, Kulmbach.

On the basis of the voting majority presence at the Annual General Meeting on June 25, 2019, Mr. Bernd Förtsch was able to exert virtually a controlling influence over the company. Furthermore, it is expected that there will also be a voting majority presence at future shareholders' meetings. Therefore FinLab was a business controlled by Mr. Bernd Förtsch as defined in Section 17 (1) and (2) German Stock Corporation Act (AktG) as of December 31, 2019.

> FinLab AG, Frankfurt am Main, provides its subsidiaries (VCH Investmentgroup AG, Heliad Management GmbH, Patriarch Multi-Manager GmbH and Heliad Equity Partners GmbH & Co KGaA), which are also affiliated companies of Mr. Bernd Förtsch, with considerable services in the areas of management, accounting, marketing and other management support. In addition, FinLab leases office space to these companies and charges third-party invoices on a pro rata basis. No premiums or discounts are taken into account for subletting or for the passing on of third-party invoices. The services rendered are invoiced on the basis of framework agreements and are subject to the seniority of the employees involved and their dependent hourly rates.

The members of the Company's Board of Management received only short-term remuneration during the current fiscal year. The total amount was €515 thousand (previous year: €1,040 thousand).

Remuneration for the members of the Supervisory Board of €45 thousand (previous year: €45 thousand) was expensed in the reporting year. As in the previous year, costs were reimbursed for a total of less than €1 thousand.

All transactions with related parties were carried out based on the conditions which apply to transactions with third parties.

As of the reporting date, FinLab held a direct or indirect stake in the following companies with 20% or more of the voting rights:

Investment	Headquarters	Amount of holding
Heliad Management GmbH	Frankfurt am Main	100 %
Patriarch MultiManager GmbH	Frankfurt am Main	100 %
FinLab Asset Management GmbH	Frankfurt am Main	100 %
VCH Investment Group AG	Frankfurt am Main	100 %
Heliad Equity Partners GmbH & Co. KGaA	Frankfurt am Main	45,5 %
nextmarkets GmbH	Köln	38,1 %
AUTHADA GmbH	Darmstadt	29,1 %
Vaultoro Limited	London	25,0 %
Iconic Holding GmbH	Frankfurt am Main	22,1 %
FastBill GmbH	Frankfurt am Main	20,9 %
CASHLINK Technologies GmbH	Frankfurt am Main	20,0 %

6.7 Post-balance-sheet events

Due to the COVID-19 pandemic that became apparent in the first quarter of 2020 and its effects on the entire economic and private life, the management has compared the risks evaluated on the balance sheet date with the situation at the time of preparation of the annual financial statements. It is currently difficult to estimate how quickly the pandemic will end, whether the extensive government support promised in principle for affected companies will be sufficient to stabilize the situation, and whether or how quickly the previous business conditions will be restored. For reasons of prudence, the management assumes a higher level of uncertainty overall.

6.8 Notes on capital management

The aim of capital management is the long-term increase of the Company's value by achieving an appropriate return on capital employed. The Company aims to achieve the targeted equity yield rate without any long-term borrowing, where possible.

Equity is the performance indicator for capital management in accordance with IFRS.

Investments are only made if it can be ensured that FinLab is able to meet its payment obligations at all times. For this purpose, the cash and cash equivalents and planned cash inflows and outflows are monitored daily by the Company's management.

As the Company does not make use of any significant debt financing, no further control measures are required with regard to capital management.

6.9 Notes on risk management

FinLab's risk management identifies, analyzes and avoids or limits material risks arising from business operations.

Furthermore, the risk management supports the identification and exploitation of opportunities, thereby also contributing to the further development of the Company and greater business success.

In order to take a systematic approach, three groups of risk areas were identified:

1. Strategic risks

- Development of the capital market environment
- Market environment and positioning of competitors
- Human resources

2. Financial risks

- Price change risks (possible negative performance of Investments and securities in the portfolio)
- Liquidity risk
- Legal risks
- Risks resulting from changes in the tax law

3. Operational risks

- Financial accounting and controlling
- Cash flows
- IT security

Measures within the context of risk management

The business activities of FinLab are focused almost entirely within the euro currency zone. Therefore, currency risk is limited, with a few exceptions.

FinLab also invests in blockchain technology. FinLab does not invest directly in tokens or crypto currencies.

An internal control system (ICS) has been implemented to hedge against operational and legal risks.

Due to the financing structure, the direct risk of interest rate changes is not substantial for FinLab.

The value of financial assets may become slow in the event of the unfavorable business development of the issuer and may fall to zero in extreme cases.

Liquidity planning ensures that financial obligations can be met with sufficient liquidity at all times.

The current liabilities shown have a term of up to one year. As the reported liquid funds are sufficient to cover current liabilities, FinLab is only slightly exposed to immediate liquidity risks.

6.10 Staff

On the annual average, FinLab had 13 employees (prior year: 12).

6.11 Share options program

The Annual General Meeting of FinLab AG on December 10, 2014, resolved that the Board of Management, with the approval of the Supervisory Board, may issue subscription rights on shares of the Company one or more times up to November 30, 2019, as part of a Stock Option Program 2014 for up to 453,867 no-par value registered shares of the Company for a term of up to six years.

The subscription rights on the stock options can be exercised for the first time after the end of the statutory waiting period of four years in accordance with section 193 (2) no. 4 of the German Stock Corporation Act (AktG). It begins at the time at which the respective share option is issued.

In addition to the end of the waiting period, exercising the options is conditional upon the occurrence of the performance target. Each beneficiary may exercise their subscription rights if the stock market price of the Company's stock has risen by at least 100% on any stock exchange trading day within the period from the issue date of the subscription rights to two years after that date.

If the option rights are converted into shares, every share to be acquired must be paid for at the exercise price. The subscription price for one share of the Company equals 100% of the underlying.

The fair value of the stock options was calculated at the date of issue using a "look-barrier" option pricing model. In addition to the criteria set out in the option conditions (e.g. waiting period, performance target), only a cost of carry of 0.1%, the expected volatility of FinLab shares in the form of historical volatility of 45%, and the risk-free interest rates at the measurement dates of 1.00%–1.25% were calculated for the options issued. Dividends and other compensation features were not included.

The following options have been issued:

Issue	Number	Subscription price	Underlying value	Target	Fair value	Value per share option
3/12/2015	115,000	EUR 4.82	EUR 5.95	EUR 11.90	EUR 374,284.45	EUR 3.25
6/29/2015	175,000	EUR 4.82	EUR 6.40	EUR 12.80	EUR 623,827.62	EUR 3.56
1/19/2016	23,000	EUR 4.82	EUR 10.50	EUR 21.00	EUR 190,336.49	EUR 8.28
12/19/2017	100,000	EUR 4.82	EUR 28.29	EUR 56.58	EUR 2,402,639.83	EUR 24.03
Total	413,000					

The expenditure arising from the option valuation is recognized on a monthly basis during the four year waiting period as personnel expenses and accounted for in the capital reserves.

As of the balance sheet date, no options are exercisable, forfeited, or exercised. In fiscal year 2017, as agreed, 25,000 stock options were returned to FinLab AG. In fiscal 2019, 100,000 options expired, 84,500 options were exercised and another 205,500 options are exercisable.

As of the balance sheet date, a total of 228,500 stock options still exist.

6.12 Auditors

During fiscal year 2017, the auditor of the annual financial statements invoiced €48 thousand (previous year: €48 thousand) plus VAT for auditing services.

6.13 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

Stefan Müller

Plenipotentiary of Börsenmedien Börsenmedien Aktiengesellschaft, Küps

Dr. Friedrich Schmitz

Businessman, Munich

6.14 Other Information

The financial statements were prepared by the Company on March 23, 2020.

Fixed Assets Analysis IFRS 2019

Amounts in thousand EUR	Acquisition costs				Allowances					Book values	
	01/01/2019	Inflow of Period	Outflow of Period	12/31/2019	01/01/2019	Outflow of Period	Depreciation the period	Appreciation in value the period	12/31/2019	12/31/2019	12/31/2018
Intangible asset values	141	1	-	142	132	-	-2	-	-134	8	9
Property, plant and equipment	393	808	-2	1,200	301	-	-227	-	-527	672	93
Financial assets	52,200	8,740	-1,203	59,737	39,313	633	-10,672	45,502	74,776	134,513	91,514
Fixed assets total	**52,735**	**9,549**	**-1,205**	**61,079**	**38,880**	**633**	**-10,900**	**45,502**	**74,115**	**135,193**	**91,615**

Fixed Assets Analysis IFRS 2018

Amounts in thousand EUR	Acquisition costs				Allowances					Book values	
	01/01/2018	Inflow of Period	Outflow of Period	12/31/2018	01/01/2018	Outflow of Period	Depreciation the period	Appreciation in value the period	12/31/2018	12/31/2018	12/31/2017
Intangible asset values	135	6	-	141	-131	-	-2	-	132	9	4
Property, plant and equipment	356	28	-	393	-277	-	-24	-	301	93	88
Financial assets	47,004	7,432	-2,236	52,200	51,988	-4,243	-24,405	**15,964**	39,313	91,514	99,002
Fixed assets total	**47,504**	**7,466**	**-2,236**	**52,735**	**51,590**	**-4,243**	**-24,431**	**15,964**	**38,880**	**91,615**	99,094

INDEPENDENT AUDITOR'S REPORT

To the FinLab AG, Frankfurt am Main

Audit Opinion

We have audited the annual financial statements of FinLab AG, Frankfurt am Main, which comprise the balance sheet as at December 31, 2019, and the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year from January 1 to December 31, 2019, and notes to the financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2019, and of its financial performance for the financial year from January 1 to December 31, 2019.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the IFRSs as adopted by the EU, and in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Company. In addition, the executive directors are responsible for such internal control as they, have determined necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with the IFRSs as adopted by the EU.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grünwald, March 30, 2020

ifb Treuhand GmbH

Wirtschaftsprüfungsgesellschaft

Steffen Urban

Wirtschaftsprüfer

[German Public Auditor]

ANNUAL FINANCIAL STATEMENTS (HGB) OF FINLAB AG
AS AT DECEMBER 31, 2019

INCOME STATEMENT FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2019

		in Euro	
		2019	2018
1.	Sales revenues	1,456,111.45	1,956,809.12
2.	Other operating income	697,354.88	9,010,448.35
3.	Cost of materials		
	Cost of purchased services	-381,424.60	-342,923.60
4.	Personnel expenses		
	a) Wages and salaries	-1,274,788.64	-1,494,082.90
	b) Social charges and costs for pension and other benefits	-150,537.62	-110,853.80
	of which for pensions	-19,249.20	-18,837.53
5.	Amortization of intangible assets and depreciation of fixed assets	-26,453.00	-25,748.14
6.	Other operating costs	-1,692,065.78	-1,109,012.52
7.	Income from investments	2,294,285.32	1,616,613.33
	of which from affiliated companies	1,256,960.40	317,894.30
8.	Earnings from other securities and loans of fixed assets	56,172.92	25,922.79
	of which from affiliated companies	0.00	0.00
9.	Other interests and similar earnings	95,459.44	8,987.00
	of which from affiliated companies	0.00	0.00
10.	Amortization of financial assets and securities held as current assets	-2,811,176.21	-1,052,527.00
11.	Interests and similar expenditure	-17,087,00	-1,446.00
	of which to affiliated companies	0.00	0,00
12.	Earnings from profit-and-loss transfer agreement	383,561.70	633,232.36
13.	Taxes on income and profit	-136,490.77	-25,179.40
14.	Result after taxes	-1,507,077.91	9,090,239.59
15.	Other taxes	-824.00	-833.00
16.	Annual surplus	-1,507,901.91	9,089,406.59
17.	Profit/Loss carried forward	5,274,960.84	-3,814,445,75
18.	Balance sheet profit/loss	3,767,058.93	5,274,960,84

BALANCE SHEET AS AT DECEMBER 31, 2019
ASSETS

in Euro

			12/31/2019	12/31/2018
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	7,713.00	8,542.00
	II.	Property, plant and equipment		
		2. Other equipment, furniture, fixtures and fittings	66,347.00	92,538.00
	III.	Financial assets		
		1. Shares in affiliated companies	2,899,221.10	2,899,221.10
		2. Investments	21,709,687.22	17,299,826.04
		3. Loans to companies in which we participate	1,438,844.38	1,615,308.43
		4. Securities held for investment	19,324,013.70	19,349,680.74
			45,371,766.40	41,164,036.31
			45,445,826.40	41,265,116.31
B.	Current assets			
	I.	Trade receivables and other assets		
		1. Trade receivables	3,615.88	4,152.82
		2. Receivables from affiliated companies	2,840,719.46	1,635,769.83
		3. Receivables from companies in which we participate	1,360,229.95	1,145,077.31
		4. Other assets	788,785.16	1,019,949.,02
			4,993,350.45	3,804,948.98
	II.	Securities		
		Other securities	79,303.00	62,106.00
	III.	Cash, Bank balances	6,752,732.82	13,362,196.58
			11,825,386.27	17,229,251.56
C.	Accruals and prepayments		25,683.11	27,677.59
			57,296,895.78	58,522,045.46

BALANCE SHEET AS AT DECEMBER 31, 2019
LIABILITIES

in Euro

			12/31/2019	12/31/2018
A.	Equity			
	I.	Subscribed capital	5,323,170.00	5,238,670.00
	II.	Capital reserve	47,131,010.89	46,808,220.89
	III.	Retained earnings/loss	3,767,058.93	5,274,960.84
			56,221,239.82	57,321,851.73
B.	Provisions			
	1.	Tax provisions	214,400.00	122,900.00
	2.	Other provisions	671,886.00	530,515.97
			886,286.00	653,415.97
C.	Liabilities			
	1.	Amounts owed to banks	0.00	3,458.32
	2.	Trade payables	43,258.18	116,885.95
	3.	Amounts owed to associated companies	0.00	4,381.80
	4.	Amounts owed to associated companies where an ownership structure exists	0.00	8,170.00
	5.	Other liabilities	146,111.78	413,881.69
			189,369.96	546,777.76
			57,296,895.78	58,522,045.46

NOTES TO THE ACCOUNTS FOR FINANCIAL YEAR JANUARY 1 TO DECEMBER 31, 2019

General

The annual financial statements of FinLab AG, Frankfurt am Main, as at December 31, 2019 have been prepared in accordance with Sections 242 et seqq. and Sections 264 et seqq. of the German Commercial Code (HGB) and the relevant provisions of the German Stock Corporation Act (AktG).

FinLab AG is registered in the commercial register of the local court of Frankfurt am Main under number HRB 58865. It is a small stock corporation as defined in Section 267 German Commercial Code (HGB).

The income statement was prepared using the total cost method. The company made use of the simplification rule under Section 286 Para. 4 HGB.

Accounting and valuation principles

The balance sheet has been prepared in accordance with Section 268 (1) of the German Commercial Code (HGB), taking into account the full use of the annual result.

We have measured the assets and liabilities in accordance with the provisions of German commercial law, while observing generally accepted accounting principles.

Assets and liabilities denominated in foreign currencies are translated at the mean spot exchange rate on the balance sheet date in accordance with Section 256a HGB.

Fixed assets

Depreciable fixed assets are recognized at acquisition or production cost less scheduled depreciation. Acquisition costs include ancillary acquisition costs. Scheduled depreciation is based on the normal operational useful life.

Movable items of fixed assets up to a value of €800.00 were fully written off in the year of acquisition. Movable fixed assets which were acquired prior to 2013 and are associated with historical acquisition costs of between €150.00 and €1,000.00, were typically written down over a period of 5 years. Based on current knowledge, there are no objections to the equal treatment of the collective item under commercial and tax law. Financial assets are measured using acquisition costs or the lower fair value.

Current assets

Receivables and other assets, and bank balances are recognized at nominal value. If necessary, individual impairments have been made. Other securities are measured at acquisition cost or the lower fair value.

Provisions

Provisions include all uncertain liabilities. They have been recognized at the settlement amount according to reasonable commercial judgment.

Liabilities

Liabilities are shown at their payment value.

Notes to the balance sheet

Fixed assets

The breakdown and development of the fixed assets shown in the balance sheet are shown in the assets schedule, which is attached as an annex.

Trade receivables and other assets

All trade receivables and other assets have a remaining term of up to one year.

Equity 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.

With regard to the conditional capital increases, the Company has made use of the authorization to issue option and/or convertible bonds, profit participation bonds and/or profit participation rights with option and/or conversion rights or obligations in parts.

Provisions

Other provisions mainly include provisions for bonuses, outstanding invoices, year-end costs and ancillary rental costs.

Liabilities

All liabilities have a remaining term of up to one year.

Other liabilities essentially contain liabilities from office rental of €117 thousand (previous year: €156 thousand) and liabilities from taxes of €29 thousand (previous year: €97 thousand).

Notes to the Income Statement

Other operating income includes, among other things, income from the write-up of a receivable in the amount of €230 thousand, gains from the sale of non-current and current securities in the amount of €169 thousand (previous year: €16 thousand) and write-ups on non-current and current securities in the amount of €36 thousand (previous year: €0 thousand).

Write-downs of financial assets and securities held as current assets exclusively include unscheduled write-downs on securities held as current assets of €2.811 thousand (previous year: €1.037 thousand).

Other information

AVERAGE NUMBER OF EMPLOYEES

During fiscal year 2019, 13 (previous year: 12) employees were employed on average.

CONTINGENT LIABILITIES

At the balance sheet date, no contingent liabilities existed.

OTHER FINANCIAL COMMITMENTS

A rental agreement concluded in April 2017 with a term until December 2022 resulted in rental obligations totaling €1,025 thousand as at the reporting date. A bank guarantee of €56 thousand was provided as security for the lease. In addition, there are other financial obligations of €20 thousand.

The remaining payment obligations for agreed shareholdings not yet called in for shares in FinLab EOS VC Europe I amount to €3.695 thousand (prior year: €4,760 thousand) as at the accounting date.

LIST OF EQUITY HOLDINGS

FinLab AG has made use of the simplification rule of Section 293 (1) of the German Commercial Code (HGB) and waived the preparation of consolidated financial statements.

FinLab AG directly holds a stake of 20% or more, within the meaning of Section 285 No. 11 of the German Commercial Code (HGB), in the following companies:

Investment	Headquarters	Percentage holding	Equity 12/31/2019 (in thousand EUR)	Annual earnings 2019 (in thousand EUR)
Heliad Management GmbH	Frankfurt am Main	100%	602	119
Patriarch MultiManager GmbH [1)]	Frankfurt am Main	100%	367	0
VCH Investment Group AG	Frankfurt am Main	100%	1.133	85
FinLab Asset Management GmbH	Frankfurt am Main	100%	14	-6
Heliad Equity Partners GmbH & Co. KGaA	Frankfurt am Main	45,48%	34.188	-3.928
nextmarkets GmbH [2)]	Köln	38,06%	814	-3.665
AUTHADA GmbH [2)]	Darmstadt	29,08%	-553	-1.865
Vaultoro Limited [2)]	London	24,99%	284	-418
FastBill GmbH [2)]	Frankfurt am Main	20,87%	646	-2.346
Iconic Holding GmbH [2)]	Frankfurt am Main	22,08%	-668	-892
CASHLINK Technologies GmbH [2)]	Frankfurt am Main	20,00%	1.051	-346

1) Since 1/1/2016 profit and loss transfer agreement with FinLab AG, therefore the annual result is €0 thousand.
2) Equity and the year-end result relate to 2018

DISCLOSURES ABOUT THE EXISTENCE OF A PARTICIPATING INTEREST IN THE COMPANY

In accordance with Section 20, Para. 5, of the German Stock Corporation Act [AktG], BF Holding GmbH, Kulmbach, has advised us on July 27, 2015 that it no longer holds a majority stake in our Company. However, BF Holding GmbH continues to hold more than one-quarter of the shares of our Company indirectly (Section 20, Para. 1, AktG) since the Company shares held by BF Holding GmbH's subsidiary LION CAPITAL AG must be ascribed to BF Holding GmbH in accordance with Section 16, Para. 4, AktG.

In accordance with Section 20, para. 5 AktG, Mr. Bernd Förtsch, Kulmbach, has advised us that he no longer holds a majority stake in our Company. However, he still indirectly owns more than one quarter of the shares of our company (Section 20 para. 1 of the German Stock Corporation Act [AktG]), as the shares held by BF Holding GmbH and LION CAPITAL AG in our company should be assigned to him via BF Holding GmbH in accordance with Section 16 para. 4 AktG.

Mr. Christian Angermayer, London, United Kingdom, informed us in accordance with Section 20 (1) AktG that he indirectly owns more than one quarter of the shares in our company, as the shareholding of Apeiron Investment Group Ltd, St. Julians, Malta, in our company should be assigned to him in accordance with Section 16 (4) AktG.

APPLICATION OF PROFITS

The balance sheet loss, amounting of EUR 1,507,901.91 is carried forward to the new accounting year.

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

Stefan Müller, Plenipotentiary of Börsenmedien Börsenmedien Aktiengesellschaft, Küps

Dr. Friedrich Schmitz, Businessman, Munich

Post-balance-sheet events

Due to the COVID-19 pandemic that became apparent in the first quarter of 2020 and its effects on the entire economic and private life, the management has compared the risks evaluated on the balance sheet date with the situation at the time of preparation of the annual financial statements. It is currently difficult to estimate how quickly the pandemic will end, whether the extensive government support promised in principle for affected companies will be sufficient to stabilize the situation, and whether or how quickly the previous business conditions will be restored. For reasons of prudence, the management assumes a higher level of uncertainty overall.

CONCLUSION OF THE DEPENDENCY REPORT

The dependent company report prepared as per sect. 312 of AktG provides information on the relationship with affiliated companies. The closing statement pertaining to the dependent company report is provided below:

> „We declare that the company has received an adequate consideration in every legal transaction listed in the report pertaining to the relationship with affiliated companies, which were realized in the period between January 1 and December 31, 2019, in accordance with the circumstances which were known at the time in which these legal transactions were realized or measures implemented, and therefore, the company has not been affected by the measures being implemented or refrained from."

Frankfurt am Main, on March 23, 2020

The Executive Board

Stefan Schütze Juan Rodriguez

STATEMENT OF CHANGES IN FIXED ASSETS FROM JANUARY 1 TO DECEMBER 31, 2019

in Euro

	Acquisition costs					Accumulated depreciation				Balance value	
	01/01/2019	Acquisitions	Transfer	Disposals	12/31/2019	01/01/2019	Acquisitions	Disposals	12/31/2019	12/31/2019	12/31/2018
Intangible assets	141,025.86	1,001.00	0.00	0.00	142,026.86	132,483.86	1,830.00	0.00	134,313.86	7,713.00	8,542.00
Property, plant and equipment											
1. Installations in rented buildings	45,757.68	0.00	0.00	0.00	45,757.68	31,233.68	3,289,00	0.00	34,522.68	11,235.00	14,524.00
2. Plant and office equipment	347,384.52	0.00	0.00	-1,568.00	345,816.52	269,370.52	21,334,00	0.00	290,704.52	55,112.00	78,014.00
	393,142.20	0.00	0.00	-1,568.00	391,574.20	300,604.20	24,623,00	0.00	325,227.20	66,347.00	92,538.00
Financial assets											
1. Shares in affiliated companies	2,899,221.10	0.00	0.00	0.00	2,899,221.10	0.00	0.00	0.00	0.00	2,899,221.10	2,899,221.10
2. Investments	17,299,826.04	5,886,223.33	1,334,814.06	0.00	24,520,863.43	0.00	2,811,176.21	0.00	2,811,176.21	21,709,687.22	17,299,826.04
3. Loans to companies in which we participate	1,615,308.43	1,158,350.01	-1,334,814.06	0.00	1,438,844.38	0.00	0.00	0.00	0.00	1,438,844.38	1,615,308.43
4. Securities held as investments	23,575,537.00	105,148.96	0.00	-763,290.15	22,917,395.81	4,225,856.26	-18,598.40	613,875.75	3,593,382.11	19,324,013.70	19,349,680.74
	45,389,892.57	7,149,722.30	0.00	-763,290.15	51,776,324.72	4,225,856.26	2,792,577.81	613,875.75	6,404,558.32	45,371,766.40	41,164,036.31
Total Fixed Assets	45,924,060.63	7,150,723.30	0.00	-764,858.15	52,309,925.78	4,658,944.32	2,819,030.81	613,875.75	6,864,099.38	45,445,826.40	41,265,116.31

INDEPENDENT AUDITOR'S REPORT

To the FinLab AG, Frankfurt am Main

Audit Opinion

We have audited the annual financial statements of FinLab AG, Frankfurt am Main, which comprise the balance sheet as at December 31, 2019, and the statement of profit and loss for the financial year from January 1 to December 31, 2019, and notes to the financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2019 and of its financial performance for the financial year from January 1 to December 31, 2019 in compliance with German Legally Required Accounting Principles.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements.

Auditor’s Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor’s report that includes our audit opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grünwald, March 30, 2020

ifb Treuhand GmbH

Wirtschaftsprüfungsgesellschaft

Steffen Urban

Wirtschaftsprüfer

[German Public Auditor]

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