FIN LAB

Annual Financial Report
as at December 31, 2017

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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 2017 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 six ordinary meetings in the 2017 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 APRIL 20, 2017

After Bernd Förtsch had resigned his post on the Supervisory Board and Stefan Müller was properly elected in his place, the Supervisory Board met for the first time with its new constituent members. Mr. Benkner was confirmed as Chairman and Dr. Schmitz was confirmed as deputy Chairman of the Supervisory Board. Mr. Müller is purely a member of the Supervisory Board.

In addition, at the meeting on April 20, 2017, following a thorough review and discussion with the auditor, the reviewed and audited annual financial statements for the 2016 fiscal year and the report of the Supervisory Board to the Annual General Meeting for the 2016 fiscal year were approved.

Resolutions were approved to grant interim financing to the investment Authada GmbH and to conclude a new lease in the Grüneburgweg rental property. In addition, follow-up approval was granted for the investment in Fastbill, for which the Supervisory Board had already given its approval in advance by email.

Current business development was also discussed and a date for the 2017 Annual General Meeting was set.

MEETING OF MAY 23, 2017

At the Supervisory Board meeting of May 23, 2017, the details of the implementation of a capital increase from the existing authorized capital through the issue of 450,000 new shares were approved.

MEETING OF JUNE 23, 2017

This meeting took place following the Annual General Meeting. Mr. Müller was elected as a new member of the Supervisory Board by the Annual General Meeting. In the meeting, this year's Annual General Meeting was reflected on, in particular, and the status quo of the Company and its participations was discussed.

MEETING OF SEPTEMBER 5, 2017

In the meeting of September 5, 2017, the Supervisory Board approved its participation in Vaultoro Ltd.

MEETING OF OCTOBER 18, 2017

At the meeting of October 18, 2017, the Supervisory Board approved the early departure of Board of Management member Kai Panitzki and approved the corresponding termination agreement.

MEETING OF DECEMBER 14, 2017

At the last meeting of the year, it was decided to extend the mandates of the members of the Board of Management, Schütze and Rodriguez, and to conclude new contracts for the members of the Board of Management. Due to new legal regulations, in particular the Market Abuse Regulation, the Rules of Procedure and the schedule of responsibilities were updated and adopted.

In addition, the Supervisory Board approved the issue of further options from the 2015 employee stock ownership program to employees and executives.

AUDIT OF ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements of FinLab AG for the 2017 fiscal year prepared by the Board of Management in February 2018 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 2017, 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 2017 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 lodged 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 2017.“

Within the scope of the usual, 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, while assuring themselves that the group of affiliated companies had been determined with due diligence and that necessary precautions had been taken to record the reportable legal 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 (from April 3, 2017)
- Bernd Förtsch, member of the Supervisory Board (until February 28, 2017)

THANKS

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

In Frankfurt am Main, in April 2018

For the Supervisory Board

Axel Benkner

(Chairman of the Supervisory Board)

ANNUAL FINANCIAL STATEMENTS (IFRS) OF FINLAB AG AS AT DECEMBER 31, 2017

BALANCE SHEET AS AT DECEMBER 31, 2017
ASSETS

in thousand EUR

		Notes	12/31/2017	12/31/2016
A.	Non-current assets			
I.	Intangible assets	5.1	4	6
II.	Property, plant and equipment	5.1	88	64
III.	Financial assets	5.2	99,002	66,602
			99,094	66,673
B.	Current assets			
I.	Securities	5.4	78	430
II.	Trade receivables	5.5	1	0
III.	Receivables from companies with an ownerhip structure	5.5	4	257
IV.	Receivables from affiliated companies	5.5	1,549	1,792
V.	Other assets	5.5	86	108
VI.	Income tax receivables	5.5	1,229	1,149
VII.	Bank balances	5.6	4,112	970
			7,058	4,705
			106,152	71,378

BALANCE SHEET AS AT DECEMBER 31, 2017
LIABILITIES

in thousand EUR

			Notes	12/31/2017	12/31/2016
A.	Equity				
	I.	Subscribed capital	5.7	4,989	4,539
	II.	Capital reserve	5.7	42,511	36,939
	III.	Retained earnings	5.7	24,057	9,843
	IV.	Revaluation reserve	5.7	32,367	15,822
				103,924	67,143
B.	Non-current liabilities				
	I.	Long-term provisions	5.8	62	33
	II.	Other liabilities	5.9	125	0
	III.	Deferred tax liabilities	5.3	984	516
				1,172	549
C.	Current liabilities				
	I.	Tax provisions	5.8	45	425
	II.	Other provisions	5.8	575	548
	III.	Liabilities to affiliated companies	5.9	2	77
	IV.	Trade payables	5.9	71	23
	V.	Other liabilities	5.9	364	2,613
				1,056	3,686
				106,152	71,378

INCOME STATEMENT
JANUARY 1 TO DECEMBER 31, 2017

in thousand EUR

	Notes	2017	2016
Sales revenues	4.1	1,515	1,717
Income from investments	4.2	2,467	2,746
Other operating income	4.3	374	476
Total income		4,357	4,939
Personnel expenses	4.4	-1,760	-1,643
Non-personnel expenses	4.5	-1,140	-1,024
Operating income (EBIT)		1,457	2,272
Financial income	4.6	13,002	11,771
Earnings before taxes (EBT)		14,459	14,044
Taxes on income	4.7	-245	-42
Net result for the period		14,214	14,001

Number of shares issued		4,787,159	4,538,670
Dilution effect arising from share options	6.11	206,626	159,994
Number of shares issued (diluted)		4,993,785	4,698,664
Basic earnings per share in EUR		2.97	3.08
Diluted earnings per share in EUR		2.85	2.98

	Notes	2017	2016
Net result for the period		14,214	14,001
Changes to the revaluation reserve	5.7	16,545	-2,198
Overall result		30,759	11,803

STATEMENT OF CASH FLOWS
JANUARY 1 TO DECEMBER 31, 2017

in thousand EUR

	Notes	2017	2016
Net result for the period		14,214	14,001
Income from the sale of securities and financial assets	4.	-879	-615
Retirement of securities and financial assets	4.	676	650
Write-ups of securities and financial assets	4.	-12,802	-12,433
Write-downs of securities and financial assets	4.	39	720
Change in revaluation reserve due to deferred taxes	5.	0	35
Depreciation of property, plant and equipment and intangible assets	4.	30	63
Gains on disposal of property, plant and equipment and intangible assets	4.	0	0
Other cash income and expenses	4.	883	422
Increase/decrease in provisions	5.	-325	-489
Increase/decrease in receivables and other assets	5.	-154	-1,330
Increase/decrease in payables and other liabilities	5.	146	-134
Cash flow from operating activities		1,827	889
Proceeds from property, plant and equipment and intangible assets		-52	-5
Proceeds from loans of non-current assets		0	1,250
Payments for loans of non-current assets		-750	-750
Payments for investments in financial assets		-4,366	-2,250
Payments for investments in securities held as current assets		-145	0
Proceeds from the sale of securities and financial assets		1,019	543
Cash flow from investing activities	5.	-4,294	-1,212
Cost of the capital increase		-241	0
Payments from capital increases		5,850	0
Cash flow from financing activities	5.	5,609	0
Net change in cash and cash equivalents		3,142	-323
Cash and cash equivalents at beginning of period		970	1,293
Cash and cash equivalents at end of period	5.	4,112	970

STATEMENT OF CHANGES IN EQUITY
JANUARY 1 TO DECEMBER 31, 2017

in thousand EUR	Subscribed capital	Capital reserve	Retained earnings	Revaluation reserve	Total equity
As at 01/01/2017	4,539	36,939	9,843	15,822	67,143
Changes without effect on the P&L from revaluation reserves	-	-	-	16,545	16,545
Net result for the period	-	-	14,214	-	14,214
Overall result	-	-	14,214	16,545	30,759
Capital increase	450	5,159	-	-	5,609
Share option program	-	414	-	-	414
As at 12/31/2017	4,989	42,511	24,057	32,367	103,924
Notes	5.7	5.7	5.7	5.7	5.7

STATEMENT OF CHANGES IN EQUITY
JANUARY 1 TO DECEMBER 31, 2016

in thousand EUR	Subscribed capital	Capital reserve	Retained earnings	Revaluation reserve	Total equity
As at 01/01/2016	4,539	36,630	-4,158	18,020	55,031
Changes without effect on the P&L from revaluation reserves	-	-	-	-2,198	-2,198
Net result for the period	-	-	14,001	-	14,001
Overall result	-	-	14,001	-2,198	11,803
Share option program	-	309	-	-	309
As at 12/31/2016	4,539	36,939	9,843	15,822	67,143
Notes	5.7	5.7	5.7	5.7	5.7

NOTES TO THE ANNUAL FINANCIAL STATEMENT (IFRS) 2016

1. INFORMATION ABOUT THE COMPANY

FinLab AG (hereinafter referred to as “FinLab” or the “Company”) is based in Frankfurt am Main (Germany), Grüneburgweg 18.

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 Entry Standard. With the abolition of the Entry Standard on March 1, 2017, FinLab was included in the newly created “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 2017 fiscal year. The option 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.

The following standards, amendments to standards and interpretations were mandatory on or after January 1, 2017:

Standard	Content and relevance for the statement
Amendment to IAS 7 “Statement of Cash Flows”	Disclosure initiative This does not result in any significant effects.
Amendment to IAS 12 “Income taxes”	Clarification of acceptable depreciation methods This does not result in any significant effects.

The following standards, amendments to standards and interpretations have already been recognized by the EU. Mandatory application is only planned for the future.

Standard	Content and relevance for the statement	Content and relevance for the statement
IFRS 9 “Financial instruments”	Complete replacement of IAS 39. Effects at FinLab were expected for the presentation and information in the appendix but not for the valuation base and subsequent valuation of financial instruments.	January 1, 2018
IFRS 15 “Revenue from contracts with customers”	The regulations on the type, amount, and time of accrual and the insecurity of sales proceeds and the resulting cash flows from agreements with customers. Significant effects do not arise.	January 1, 2018
IFRS 16 “Lease Relationships””	Provision for illustrating each leasing relationship as a financing process in the lessee’s balance sheet. No impacts for FinLab	January 1, 2019
Amendment of IFRS 4	Application of IFRS 9 ‘Finance Instruments’ together with IFRS 4 ‘Insurance Contracts’ No impacts for FinLab	January 1, 2018
Amendment of IFRS 15	Clarification of IFRS 15 No impacts for FinLab	January 1, 2018
Improvements to IFRS 2014-2016	Changes to IFRS 1 and IAS 28 No impacts for FinLab	January 1, 2018

The following standards, amendments to standards, and interpretations were not recognized by the EU when preparing the financial statements. Therefore, application is not permitted and the disclosures on the significance for the financial statements would be misleading.

Standard	Contents
IFRS 17	Insurance Contracts
IFRIC 22	Transactions in foreign currencies and paid in advance Considerations
IFRIC 23	Uncertainty as regards taxes on profits
Amendment of IFRS 2	Classification and assessment of business transactions with share-based compensation.

Amendments to IFRS 9:	Provisions for pre-term payments with negative compensatory payment
Amendments to IAS 28:	Long-term investments in affiliated companies and joint ventures
Annual Improvements to IFRS Standards (2015-2017)	Amendments to IFRS 3, IAS 12 and IAS 23
Amendments to IAS 40	Transfers real property held as financial investments

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 (if any) include securities allocated to non-current assets, shares in associated companies, shares in affiliated companies, investments and long-term loans.

The securities allocated to the investments and non-current assets are listed in the measurement categories "available-for-sale financial assets" and "financial assets at fair value through profits or loss".

Loans for which no fixed maturity has been agreed are accounted for at amortized cost.

The time values underlying the measurement are based on the market prices quoted on the reporting date or transactions completed close to the reporting date. If a fair value cannot be reliably determined for unlisted investments in individual cases, they are otherwise carried at cost unless the lower fair value is applied (IAS 39.46c). Acquisition costs are determined on the basis of the price on the settlement date.

FinLab uses as much observable market data as possible when determining the fair value. Based on the input factors used in the measurement methods, fair values are classified into three different levels of the hierarchy:

- Level 1: Quoted prices (unadjusted) on active markets for identical assets and debts.
- Level 2: An assessment parameter that does not represent the quoted prices contained in Level 1 but can rather be observed for the asset or the debt, be it directly (i.e. as price) or indirectly (i.e. as derived from prices).
- Level 3: Assessment parameter for assets or debts that are not based on observed market data.

In the case of a sale or when determining a lasting impairment, the corresponding gain from the sale or expense from the impairment loss is included in the annual result.

The financial instruments in the measurement category "financial assets at fair value through profit or loss" are managed as part of the investment strategy of the Company on the basis of the fair value development of the individual securities.

Changes in the value of financial assets classified as "financial assets at fair value through profit or loss" are recognized in profit or loss in the financial result.

Changes to the valuation from the measurement of the fair value of financial instruments in the category "available-for-sale financial assets" are recognized in equity in the reserve for the remeasurement of financial instruments. If there is objective evidence of impairment (IAS 39.59), the cumulative loss directly recognized directly in equity is reclassified from equity to the income statement (IAS 39.67).

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 Securities

Securities are allocated to the measurement categories "available-for-sale financial assets" and "financial assets at fair value through profit or loss" in accordance with IAS 39.

Changes in the value of securities classified as "financial assets at fair value through profit or loss" are recognized in profit or loss in the financial result.

Profits and losses on the fair value measurement of available-for-sale securities are recognized directly in equity in the revaluation reserve for financial instruments. If there is objective evidence of impairment (IAS 39.59), the cumulative loss directly recognized in equity is reclassified from equity to the income statement (IAS 39.67).

3.8 Receivables and other assets

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

3.9 Liquid funds

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

3.10 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.

3.11 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.

3.12 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.

Income from equity investments includes current income from dividend income (if any) and income from the measurement of investments in associates under IAS 28 includes income from equity valuation.

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

3.13 Taxes

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

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3.14 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.

3.15 Lease

The determination of whether an agreement contains a lease is based on the substance of the agreement at the time it was concluded and requires an assessment as to whether the performance of the agreement depends on the use of a particular asset or assets and whether the agreement grants a right to use the asset.

In accordance with IAS 17, a lease is classified as an operating lease if it does not transfer substantially all the risks and rewards of ownership to the lessee. In this case, the leased asset is not capitalized.

By contrast, agreements which essentially transfer all risks and rewards to the lessee are considered to be finance leases.

Lease payments for operating leases are recognized as an expense in the income statement on a straight-line basis over the term of the lease.

3.16 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.

3.17 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 and provisions may be required in the next fiscal year for the following items by performing a re-measurement:

in thousand EUR	12/31/2017	12/31/2016
Financial assets	99,002	66,602
Securities held as current assets in the category	78	430
Provisions	682	1,006

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 €245 thousand, (previous year: €250 thousand), the transfer of expenses of €93 thousand, (previous year: €185 thousand) the reversal of provisions of €1 thousand (previous year: €26 thousand) and other operating income of €35 thousand (previous year: €15 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	2017	2016
Wages and salaries	-1,174	-1,407
Social security contributions	-110	-106
Other personnel expenses	-476	-130
	-1,760	-1,643

Other personnel expenses mainly include expenses from bonus payments, bonuses and expenses in connection with the valuation of options from the stock option program.

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	2017	2016
Occupancy costs	-394	-442
Consulting and audit costs	-197	-214
Banking and insurance fees	-89	-65
Costs for communication and IT	-64	-58
Costs of marketing and financial market information	-50	-84
Travel and entertainment expenses	-50	-43
Depreciation of property, plant and equipment and intangible assets	-30	-63
Vehicle costs	-30	-29
Bad debts and amortizations	-13	0
Office expenses	-5	-6
Other miscellaneous expenses	-218	-20
	-1,140	-1,024

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	2017	2016
Income from the sale of securities and financial assets	879	615
Retirement of securities and financial assets	-676	-650
Write-ups and write-downs of securities and financial assets	12,763	11,713
Interest and similar gains	36	96
Interest and similar expenses	0	-3
	13,002	11,771

Income from the sale of securities and financial assets:

in thousand EUR	2017	2016
Investments in non-current assets in the category „Valued at fair value through profit or loss“	0	72
Securities held as non-current assets in the category „valued at fair value through profit or loss“	879	543
	879	615

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

in thousand EUR	2017	2016
Investments in non-current assets in the category „Valued at fair value through profit or loss“	0	-71
Securities held as non-current assets in the category „valued at fair value through profits or loss“	-676	-579
	-676	-650

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	2017	2016
Actual tax expenses for the period Actual tax expense for the period	-45	106
Deferred taxes	-200	-148
Tax on income/ earnings	-245	-42

The reconciliation of the theoretically expected tax charge for a corporation and the amount actually specified

in thousand EUR	2017	2016
Earnings before tax	14,459	14.044
Tax rate in %	31.9%	31,9%
Expected tax expenditure	-4,617	-4.484
Actual tax expenditure	-245	-42
Differential amount	-4,372	-4.442
Actual tax rate in %	1.7%	0,3%
Amount to be reconciled	4,372	4.442
Tax-exempt assessment and sales results	-4,681	-4.364
Unrecognized deferred taxes on tax loss carry-forwards	57	0
Reversal/formation of deferred tax reserves	200	-148
Non-periodical taxes	45	106
Taxes on non-deductible expenses and other tax effects	7	-35
	-4,372	-4.442

The theoretical tax rate for corporations consists of corporation tax, the solidarity surcharge and trade tax. With the trade tax rate 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 loss carry-forwards.

4.8 Earnings per share

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

in T-EUR	2017	2016
Net result for the period from continuing business (in thousand EUR)	14,214	14.001
Average number of issued shares (undiluted)	4,787,159	4.538.670
Dilution effect arising from share options	206,626	159.994
Average number of shares issued (diluted)	4,993,785	4.698.664
Undiluted earning per share in EUR	2.97	3,08
Diluted earning per share in EUR	2.85	2,98

No dividend payments have been planned for the 2017 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	12/31/2017	12/31/2016
Shares in affiliated companies	16,425	16,400
Investments	38,235	23,158
Securities held as current assets in the category	42,420	25,904
Loans	1,921	1,140
	99,002	66,602

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

in thousand EUR	12/31/2017	12/31/2016
Securities in the category „valued at fair value through profit or loss“	128	425
Securities in the category „available-for-sale financial assets“	42,292	25,479
	42,420	25,904

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 12/31/2017	Change	12/31/2016
Non-current liabilities	-9	-9	0
Financial assets	61,850	29,550	32,300

	Deferred taxes				resulting in neither profit nor loss		Expenses (+)/ Gains (-)	
	12/31/2017		12/31/2016					
in thousand EUR	Assets	Liabilities	Assets	Liabilities	2017	2016	2017	2016
Non-current liabilities	3	0	0	0	0	0	-3	-1
Property, plant and equipment	0	0	0	0	0	0	0	-8
Financial assets	0	-987	0	-516	268	-35	203	157

5.4 Securities

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

in thousand EUR	12/31/2017	12/31/2016
Securities in the category „financial assets at fair value through profits or loss“	78	430
	78	430

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	12/31/2017	12/31/2016
Receivables from loans	1,553	2,050
Receivables from sales tax	0	35
Receivables from income tax	1,229	1,149
other	86	72
	2,868	3,306

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

With the approval of the Supervisory Board on May 23, 2017, it was resolved to increase the share capital of the Company by €450,000.00 from €4,538,670.00 to €4,988,670.00 by issuing 450,000 new no-par value registered shares against cash contributions. The subscription price was €13.00 per share. The new shares are entitled to receive dividends from January 1, 2017. The subscribed capital totals €4,988,670.00 and is divided into 4,988,670 no-par value registered shares. The shares are no-par value shares with a nominal value of €1.00 each.

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. The capital increase in 2017 reduced Authorized Capital 2014 by €450,000 from €2,269,335.00 to €1,819,335.00.

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. As a result, a total of 413,000 issued options remain as of December 31, 2017.

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.

Due to the loss carry-forwards in the relevant individual financial statements, pursuant to HGB accounting, the statutory reserve was not formed in accordance with Section 150 German Stock Corporation Act (AktG).

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 „available for sale" 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	2017	2016
Measurement and disposals of securities	16,813	-2,233
Deferred taxes	-268	35
	16,545	-2,198

5.8 Provisions

Non-current provisions of €32 thousand (previous year: €33 thousand) for the archiving of files and of €30 thousand (previous year: €39 thousand) for decommissioning obligations and not discounted due to the minor effect.

Due to the expiry of the rental agreement in the previous year, the provision for the decommissioning obligation as at December 31, 2016 had to be shown under current provisions.

Provisions for taxes on income of €45 thousand were formed on the result of the fiscal year (previous year: €425 thousand).

Other short-term provisions are made up as follows:

in thousand EUR	12/31/2016	Expenditure	Reclassification	Liquidation	Supply	12/31/2017	Likelihood of application
Personnel related provisions	197	-136	-	-1	193	253	high
Office expenses	170	-43	-39	-51	86	123	medium
Annual financial statement and audit	104	-50	-	-	50	104	high
Supervisory Board related provisions	40	-25	-	-5	30	40	high
Tax consultancy	32	-	-	-	8	40	high
Pending invoices	5	-5	-	-	14	14	high
	548	-259	-39	-57	381	575	

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

5.9 Liabilities

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

Other liabilities relate to the following items:

in thousand EUR	12/31/2017	12/31/2016
Wage and church tax	20	29
Liabilities towards participation	294	2,564
Other liabilities	175	20
	489	2,613

The reported liabilities to investments amount to €294 thousand (previous year: €2,553 thousand) from contributions not yet made to the equity of portfolio companies.

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, 2016 and December 31, 2017 are transferred to the balance sheet in the following table:

December 31, 2017 in thousand EUR	Fair value - hierarchy	Fair value	valued at amortized cost	Balance sheet disclosure
Non-current assets - financial assets				
Fair value of financial assets regularly valued at fair value				
Investments and affiliated companies in the category „measured at fair value through profit or loss“	Level 3	14,424		14,424
Investments and affiliated companies in the category „measured at fair value through profit or loss“	Level 2	35,176		35,176
Securities categorized as „measured at fair value through profit and loss“	Level 1	128		128
Securities in the category „available-for-sale financial assets“, measured at prices in active markets	Level 1	42,292		42,292
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, measured at acquisition cost			1,921	1,921
Investments and affiliated companies, valued at acquisition cost in accordance with IAS 39.46 c)		unreliable ascertainable	5,060	5,060
Non-current assets - financial assets - total		92,021	6,981	99,002

December 31, 2017 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 categorized as „measured at fair value through profit and loss“	Level 1	78	78	78
Trade receivables from category „Loans and receivables“	Level 2	1	1	1
Receivables from companies in which we participate from category „Loans and receivables“	Level 2	4	4	4
Receivables from affiliated companies in the category „Loans and receivables“	Level 2	1,549	1,549	1,549
Other assets classified as „Loans and receivables“	Level 2	86	86	86
Cash and cash equivalents in the category „Loans and receivables“	Level 2	4,112	4,112	4,112
Current assets - total		5,829	5,829	5,829

December 31, 2017 in thousand EUR	Fair value - hierarchy	Fair value	measured at amortized cost	Balance sheet disclosure
Non-current liabilities				
Other financial liabilities	Level 2	125	125	125
Non-current liabilities - total		125	125	125
Current liabilities				
Other financial liabilities	Level 2	298	298	298
Trade payables measured at amortized cost	Level 2	71	71	71
Current liabilities - total		369	369	369

December 31, 2016 in thousand EUR	Fair value - hierarchy	Fair value	valued at amortized cost	Balance sheet disclosure
Non-current assets - financial assets				
Fair value of financial assets regularly valued at fair value				
Investments and affiliated companies in the category „measured at fair value through profit or loss“	Level 3	14,424		14,424
Investments and affiliated companies in the category „measured at fair value through profit or loss“	Level 2	20,436		20,436
Securities categorized as „measured at fair value through profit and loss“	Level 1	425		425
Securities in the category „available-for-sale financial assets“, measured at prices in active markets	Level 1	25,479		25,479
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, measured at acquisition cost			1,140	1,140
Investments and affiliated companies, valued at acquisition cost in accordance with IAS 39.46 c)		unreliable ascertainable	4,698	4,698
Non-current assets - financial assets - total		60,764	5,838	66,602

December 31, 2016 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 categorized as „measured at fair value through profit and loss“	Level 1	430	430	430
Receivables from companies in which we participate from category „Loans and receivables“	Level 2	257	257	257
Receivables from affiliated companies in the category „Loans and receivables“	Level 2	1,792	1,792	1,792
Other assets classified as „Loans and receivables“	Level 2	1,257	1,257	1,257
Cash and cash equivalents in the category „Loans and receivables“	Level 2	970	970	970
Current assets - total		4,705	4,705	4,705

December 31, 2016 in thousand EUR	Fair value - hierarchy	Fair value	measured at amortized cost	Balance sheet disclosure
Current liabilities				
Other financial liabilities	Level 2	2,640	2,640	2,640
Trade payables measured at amortized cost	Level 2	73	73	73
Current liabilities - total		2,713	2,713	2,713

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

in thousand EUR	12/31/2017	12/31/2016
listed non-fixed-income securities	42,420	26,255
unlisted shares in investment funds	78	79
other non-listed financial instruments	62,332	44,973
	104,830	71,307

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 €28 thousand (previous year: €0 thousand) and write-downs of €0 thousand (previous year: €700 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 1.25% p.a. and risk premiums of 20% p.a. were used.

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 4.4% 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	1/1/2017	Reclassifications	Purchases	Disposal	Income and losses, recorded in Financial Earnings of Full Income Statement	12/31/2017
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	14,424	0	0	0	0	14,424

Financial instruments measured at amortized cost in accordance with IAS 39.46 (c) because their fair value could not be reliably measured are shares in companies that were not active on the market with their business model at the reporting date. Accordingly, no input data or comparative values were available for determining a fair value.

In fiscal year 2017, bad debt losses from operating activities of €13 thousand (previous year: €0 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	12/31/2017	12/31/2016
listed financial instruments	42,420	26,255
of which measured on the consolidated statement of income	128	776
Effect of an exchange rate change of 10%	13	78
of which measured on other comprehensive income	42,292	25,479
Effect of an exchange rate change of 10%	4,229	2,548

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	2017	2016
Long-term financial assets		
Financial instruments in the category „available-for-sale financial assets“		
Valuation yield	16,813	-2,186
Disposal yield	0	1
	16,813	-2,185
Financial instruments in the category „valued at fair value through profit or loss“		
Valuation yield	12,763	11,759
Disposal yield	203	-36
Long-term financial assets - total	12,966	11,723

in thousand EUR	2017	2016
Current financial assets		
Financial instruments in the category „available-for-sale financial assets“		
Valuation yield	0	0
Disposal yield	0	0
Current financial assets - total	0	0
Securities categorized as „measured at fair value through profit and loss“		
Valuation yield	0	-46
Disposal yield	0	0
	0	-46
Financial assets - total	29,779	9,492

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	2017	2016
Impairment of securities held as non-current assets	0	-2,186
Appreciation in value of securities held as non-current assets	16,813	0
	16,813	-2,186

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 €26 thousand (previous year: €63 thousand) and cash outflows from interest expenses amounting to €0 thousand (previous year: €0 thousand). Dividends were received of €977 thousand (previous year: €1,325 thousand).

As in the previous year, no income taxes were paid by FinLab. 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.

6.5 Lease

FinLab has concluded operating lease agreements for vehicles and technical equipment (movable goods). There is also a lease for office space (real estate).

The concluded rental and leasing agreements should be regarded as operating leases and the leased object is therefore to be attributed to the lessor. Several industry-standard renewal options are available.

Tenancy agreements totaling €1,612 thousand resulted from a rental agreement that was firmly concluded in April 2017 for a period of 5 years and eight months. The lease ends in December 2022. A bank guarantee of €56 thousand was provided as security for the lease.

Payments amounting to €211 thousand were made in the current fiscal year, with an amount of €157 thousand relating to the lease that expired in April 2017.

The other existing lease agreements resulted in further financial obligations of €61 thousand with a term of up to three years. Further information about these agreements are individually and collectively insignificant and are therefore not explained in further detail.

6.6 Associated companies and individuals

As of December 31, 2017, LION CAPITAL AG, Kulmbach, held over 25 % of the company's shares. As of December 31, 2017, 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 23, 2017, 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, 2017.

Stapp AG, Hamburg, received accounting services from FinLab AG, Frankfurt am Main, totaling €28 thousand (previous year: €36 thousand).

The members of the Company's Board of Management received only short-term remuneration during the current fiscal year. The total amount was €678 thousand (previous year: €934 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 Multi-Manager GmbH	Frankfurt am Main	100 %
FinLab Asset Management GmbH	Frankfurt am Main	100 %
VCH Investment Group AG	Frankfurt am Main	100 %
nextmarkets GmbH	Köln	49.9 %
Heliad Equity Partners GmbH & Co. KGaA	Frankfurt am Main	45.2 %
Authada GmbH	Darmstadt	26.6 %
Vaultoro Limited	London/UK	25 %
Iconiq Lab Holding GmbH	Frankfurt am Main	20 %

6.7 Post-balance-sheet events

In February 2018, FinLab AG invested a seven-figure amount in Galaxy Digital Holdings Ltd.

The obligation of €294 thousand existing as at the balance sheet date to be paid into the capital reserve of a new investment in the 2017 fiscal year was fulfilled by the Company in January 2018.

There were no other material events of particular significance after the end of the fiscal year.

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. The currency risk is therefore limited to individual investments. For example, FinLab holds shares in Atlas Mara Co-Nvest Limited. Atlas Mara is traded on the London Stock Exchange in US dollars (USD), invests primarily in financial services and other service companies in Africa, where it works with local currencies and US dollars.

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 12 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.

6.12 Auditors

During fiscal year 2017, the auditor of the annual financial statements invoiced €50 thousand (previous year: €50 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

Kai Panitzki

Member of the Executive Board, Cologne (until October 31, 2017)

SUPERVISORY BOARD:

Axel-Günter Benkner

independent management consultant, Nidderau, Chairman

Bernd Förtsch (until February 28, 2017)

Board of Börsenmedien Aktiengesellschaft, Kulmbach

Stefan Müller

Plenipotentiary of Börsenmedien Aktiengesellschaft, Küps (from April 3, 2017)

Dr. Friedrich Schmitz

Businessman, Munich

6.14 Other Information

The financial statements were prepared by the Company on March 20, 2018.

The Executive Board

Fixed Assets Analysis IFRS 2017

Amounts in thous- and EUR	Acquisition costs				Allowances					Book values	
	01/01/2017	Inflow of Period	Outflow of Period	12/31/2017	01/01/2017	Outflow of Period	Depreciation the period	Appreciation in value the period	12/31/2017	12/31/2017	12/31/2016
Intangible asset values	138	5	-8	135	-132	8	-7	-	-131	4	6
Property, plant and equipment	559	52	-246	356	-495	241	-23	-	-277	88	64
Financial assets	44,182	3,147	-325	47,004	22,420	-	-38	29,616	51,988	99,002	66,602
Fixed assets total	44,879	3,204	-579	47,504	21,794	249	-68	29,616	51,590	99,094	66,673

Fixed Assets Analysis IFRS 2016

Amounts in thousand EUR	Acquisition costs				Allowances					Book values	
	01/01/2016	Inflow of Period	Outflow of Period	12/31/2016	01/01/2016	Outflow of Period	Depreciation the period	Appreciation in value the period	12/31/2016	12/31/2016	12/31/2015
Intangible asset values	241	-	-103	138	-228	102	-6	-	-132	6	13
Property, plant and equipment	562	6	-9	559	-446	9	-57	-	-495	64	115
Financial assets	39.383	9.190	-4.391	44.182	13.014	-166	-2.834	12.407	22.420	66.602	52.397
Fixed assets total	40.185	9.196	-4.503	44.879	12.340	-55	-2.897	12.407	21.794	66.673	52.525

Unqualified Auditor's Report on Audits of Annual Financial Statements

To FinLab AG

We have audited the IFRS-based annual financial statements for FinLab AG, Frankfurt am Main – comprising the Balance Sheet, Comprehensive Income Statement, Equity Change Report, Statement of Cashflow and Notes, and including the bookkeeping – for the financial year from January 1 to December 31, 2017. The bookkeeping and preparation of the annual financial statements according to IFRS, as applied within the EU, are the responsibility of the legal representatives of the company. Our task is to form an opinion on the basis of the audit we perform, of the IFRS annual financial statements, including the bookkeeping.

We carried out our year-end audit of the annual financial statements in accordance with Section 317 German Commercial Code (HGB), and in line with the German principles of correct auditing published by the Institute of Auditors (IDW). These prescribe that the audit shall be planned and executed in such a manner that any errors and infringements that affect the presentation in the annual financial statements of the assets, financial and earnings position, in line with the applicable accounting regulations, will be detected, with adequate certainty. When determining the audit activities, knowledge of the business activity and the economic and legal environment of the company are taken into account, as are expectations of potential errors. As part of the audit, the effectiveness of the internal control systems related to accounting, and the existence of proofs of the information in the bookkeeping and annual financial statements, are checked mainly on the basis of random samples. The audit includes forming an opinion on the accounting principles and material estimates made by the Executive Board, as well as an assessment of the overall presentation of the annual financial statements. We are of the opinion that our audit provided a sufficiently reliable basis for our assessment.

Our audit did not give rise to any objections.

In our opinion, on the basis of the information acquired during the course of the audit, the annual financial statements comply with the IFRS as applied in the EU, and subject to compliance with these provisions, provide a true image of the actual situation relating to the company‘s asset, financial and earnings position.

Grünwald, March 30, 2018

ifb Treuhand GmbH

Wirtschaftsprüfungsgesellschaft

(Steffen Urban)

Financial auditor

ANNUAL FINANCIAL STATEMENTS (HGB) OF FINLAB AG
AS AT DECEMBER 31, 2017

INCOME STATEMENT FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2017

in Euro

		2017	2016
1.	Sales revenues	1,530,186.07	1,832,225.22
2.	Other operating income	658,674.46	481,641.64
3.	Cost of materials	-194,639.60	-217,614.14
4.	Personnel expenses		
	a) Wages and salaries	-1.234,696.85	-1,229,306.07
	b) Social charges and costs for pension and other benefits	-107,700.22	-103,805.90
	of which for pensions	-16,641.97	-16,130.76
5.	Amortization of intangible assets and depreciation of fixed assets	-30,178.30	-50,842.50
6.	Other operating costs	-1,226.651.30	-753,397.19
7.	Income from investments	2,159,620.56	2,492,433.40
	of which from affiliated companies	2,159,620.56	2,492,433.40
8.	Earnings from other securities and loans of fixed assets	25,818,62	63,416.48
	of which from affiliated companies	0.00	58,538,99
9.	Other interests and similar earnings	637.95	32,491.36
	of which from affiliated companies	0.00	3,750.00
10.	Amortization of financial assets and securities held as current assets	-1,540.00	-577,436.96
11.	Interests and similar expenditure	0.00	-1,319.67
	of which to affiliated companies	0.00	0.00
12.	Earnings from profit-and-loss transfer agreement	307,581.83	253,600.20
13.	Taxes on income and profit	-44,762.37	105,968.18
14.	Result after taxes	1,842,350.85	2,328,054.05
15.	Other taxes	-866.00	-860.00
16.	Annual surplus	1,841,484.85	2,327,194.05
17.	Loss carried forward	-5,655,930.60	-7,983,124.65
18.	Balance sheet loss	-3,814,445.75	-5,655,930.60

BALANCE SHEET AS AT DECEMBER 31, 2017
ASSETS

in EUR

			12/31/2017	12/31/2016
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	4,261.00	6,273.00
	II.	Property, plant and equipment		
		1. Land, leasehold rights and buildings including buildings on third-party land	0.00	6,177.00
		2. Other equipment, furniture, fixtures and fittings	88,337.00	57,869.08
			88,337.00	64,046.08
	III.	Financial assets		
		1. Shares in affiliated companies	2,899,221.10	2,874,221.10
		2. Investments	13,101,753.75	10,760,498.48
		3. Loans to companies in which we participate	1,920,888.48	1,140,192.37
		4. Securities held for investment	19,225,267.31	19.522,451.59
			37,147,130.64	34,297,363.54
			37,239,728.64	34,367,682.62
B.	Current assets			
	I.	Trade receivables and other assets		
		1. Trade receivables	671.21	356.00
		2. Receivables from affiliated companies	1,549,035.15	1,792,386.48
		3. Receivables from companies in which we participate	3,570.00	256,912.21
		4. Other assets	1,297,644.98	1,246,748.67
			2,850,921.34	3,296,403.36
	II.	Securities		
		Other securities	77,633.00	429,545.75
	III.	Cash, Bank balances	4,111,946.86	969,963.33
			7,040,501.20	4,695,912.44
C.	Accruals and prepayments		17,986.95	9,399.51
			44,298,216.79	39,072,994.57

BALANCE SHEET AS AT DECEMBER 31, 2017
LIABILITIES

in EUR

			12/31/2017	12/31/2016
A.	Equity			
	I.	Subscribed capital	4,988,670.00	4,538,670.00
	II.	Capital reserve	41,870,720.89	36,470,720.89
	III.	Retained earnings/loss	-3,814,445.75	-5,655,930.60
			43,044,945.14	35,353,460.29
B.	Provisions			
	1.	Tax provisions	44,825.00	425,456.82
	2.	Other provisions	636,779.96	581,533.43
			681,604.96	1,006,990.25
C.	Liabilities			
	1.	Trade payables	70,562.03	22,916.46
	2.	Amounts owed to associated companies	2,158.21	76,766.98
	3.	Amounts owed to associated companies where an ownership structure exists	293,750.00	2,563,694.18
	4.	Other liabilities	205,196.45	49,166.41
			571,666.69	2,712,544.03
			44,298,216.79	39,072,994.57

NOTES TO THE ACCOUNTS FOR FINANCIAL YEAR JANUARY 1 TO DECEMBER 31, 2017

General

The annual financial statements of FinLab AG, Frankfurt am Main, as at December 31, 2017 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 €410.00 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

This balance sheet item is made up as follows:

		in thousand EUR
	12/31/2017	12/31/2016
Receivables from affiliated companies	1,549	1,792
Receivables from companies in which we participate	4	257
Other assets		
Receivables from the tax office	1,229	1,081
Other	69	166
	2,851	3,296

Receivables and other assets are due within one year.

Equity capital

With the approval of the Supervisory Board on May 23, 2017, it was decided to increase the share capital of the Company by €450,000.00 from €4,538,670.00 to €4,988,670.00 by issuing 450,000 new no-par-value registered shares against cash contributions. The subscribed capital amounts to €4,988,670.00 and is fully paid up. It consists of 4,988,670 registered ordinary shares. The shares are no-par value shares with a nominal value of €1.00 each.

The Annual General Meeting on December 10, 2014, resolved with the approval of the Supervisory Board to increase the share capital once or several times by up to €2,269,335.00 by issuing new shares against cash or non-cash contributions until November 30, 2019 (Authorized Capital 2014), whereby the subscription right of the 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. The capital increase in 2017 reduced Authorized Capital 2014 by €450,000 from €2,269,335.00 to €1,819,335.00.

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 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. As a result, a total of 413,000 issued options remain as of December 31, 2017.

Provisions

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

Liabilities

Trade payables, liabilities to participating interest companies and liabilities to affiliated companies have a remaining term of up to one year.

Other liabilities have a remaining term of up to one year and essentially contain liabilities from taxes of €69 thousand (previous year: €29 thousand). Liabilities to undertakings in which there is a participating interest consist exclusively of an obligation on the part of the Company to pay into the capital reserve of an investment acquired in the 2017 fiscal year, which agreed a capital increase of €294 thousand in the 2017 fiscal year. No collateral was granted.

Notes to the Income Statement

Other operating income includes, among other things, gains from the sale of securities held as fixed and current assets amounting to €204 thousand (previous year: €85 thousand) and write-ups on securities held as fixed assets of €28 thousand (previous year: €0).

Write-downs of financial assets and securities held as current assets exclusively include unscheduled write-downs on securities held as current assets of €2 thousand (previous year: €72 thousand). The unscheduled write-downs on financial assets included in the previous year amounted to €505 thousand.

Other information

AVERAGE NUMBER OF EMPLOYEES

During fiscal year 2017, 12 (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 €1,612 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 €61 thousand.

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 12/31/2017 (in thousand EUR)	Annual earnings 2017 (in thousand EUR)
Heliad Management GmbH	Frankfurt am Main	100%	800	318
Patriarch Multi-Manager GmbH [1)]	Frankfurt am Main	100%	367	0
VCH Investment Group AG	Frankfurt am Main	100%	889	88
FinLab Asset Management GmbH	Frankfurt am Main	100%	18	-7
nextmarkets GmbH [2)]	Cologne	49.96%	604	-2,314
Heliad Equity Partners GmbH & Co. KGaA	Frankfurt am Main	45.2%	56,645	3,421
Authada GmbH [2)]	Darmstadt	26.61%	729	-381
Vaultoro Limited	London/UK	24.99%	n/a	n/a
Iconiq Lab Holding GmbH [3)]	Frankfurt am Main	20%	n/a	n/a

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 2016
3) Founded in FY 2017, therefore no information yet available.

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, which contains a net profit of €1,841,484.85, is carried forward to the new accounting year.

EXECUTIVE BOARD MEMBERS

The members of the Executive Board are:

- Mr. Juan Rodriguez, Member of the Executive Board, Bad Vilbel
- Mr. Stefan Schütze, Member of the Executive Board, Frankfurt am Main
- Mr. Kai Panitzki, Member of the Executive Board, Cologne (until October 31, 2017)

SUPERVISORY BOARD MEMBERS

The members of the Supervisory Board are:

- Mr. Axel-Günter Benkner, independent business consultant, Nidderau, Chairman
- Mr. Bernd Förtsch, Member of the Board of Börsenmedien Aktiengesellschaft, Kulmbach (until February 28, 2017)
- Mr. Stefan Müller, Plenipotentiary of Börsenmedien Aktiengesellschaft, Küps (from April 3, 2017)
- Dr. Friedrich Schmitz, Businessman, Munich

POST-BALANCE-SHEET EVENTS

In February 2018, FinLab AG invested a seven-figure amount in Galaxy Digital Holdings Ltd.

The obligation of €294 thousand existing as at the balance sheet date to be paid into the capital reserve of a new investment in the 2017 fiscal year was fulfilled by the company in January 2018.

Otherwise, there have been no material events of special significance since the close of the fiscal year.

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, 2017, 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 20, 2018

The Executive Board

Stefan Schütze Juan Rodriguez

STATEMENT OF CHANGES IN FIXED ASSETS FROM JANUARY 1 TO DECEMBER 31, 2017

in EUR

	Acquisition costs				Accumulated depreciation				Balance value	
	01/01/2017	Acquisitions	Disposals	12/31/2017	01/01/2017	Acquisitions	Disposals	12/31/2017	12/31/2017	12/31/2016
Intangible assets	138,145.99	4,960.00	-8,280.13	134,825.86	131,872.99	6,972.00	-8,280.13	130,564.86	4,261.00	6,273.00
Property, plant and equipment										
1. Installations in rented buildings	148,325.55	0.00	-119,010.29	29,315.26	142,148.55	5,180.40	-118,013.69	29,315.26	0.00	6,177.00
2. Plant and office equipment	350,216.19	52,199.90	-66,619.29	335,796.80	292,347.11	18,025.90	-62,913.21	247,459.80	88,337.00	57,869.08
	498,541.74	52,199.90	-185,629.58	365,112.06	434,495.66	23,206.30	-180,926.90	276,775.06	88,337.00	64,046.08
Financial assets										
1. Shares in affiliated companies	2,874,221.10	25,000.00	0,00	2,899,221.10	0.00	0.00	0.00	0,00	2,899,221.10	2,874,221.10
2. Loans to affiliated companies	0.00	0.00	0.00	0.00	0.00	0,00	0,00	0,00	0.00	0.00
3. Investments	10,760,498.48	2,341,255.27	0.00	13,101,753.75	0.00	0,00	0,00	0,00	13,101,753.75	10,760,498.48
4. Loans to companies in which we participate	1,140,192.37	780,696.11	0,00	1,920,888.48	0.00	0,00	0,00	0,00	1,920,888.48	1,140,192.37
5. Securities held as investments	23,212,139.04	0.00	-325,146.86	22,886,992.18	3,689,687.45	0.00	-27,962.58	3,661,724.87	19,225,267.31	19,522,451.59
	37,987,050.99	3,146,951.38	-325,146.86	40,808,855.51	3,689,687.45	0.00	-27,962.58	3,661,724,87	37,147,130.64	34,297,363.54
Total Fixed Assets	38,623,738.72	3,204,111.28	-519,056.57	41,308,793.43	4,256,056.10	30,178.30	-217,169.61	4,069,064.79	37,239,728.64	34,367,682.62

Unqualified Auditor’s Report on Audits of Annual Financial Statements

To FinLab AG

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the book- keeping system, of the FinLab AG for the business year from January 1 to December 31, 2017. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the Company‘s management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB [„Handelsgesetzbuch“: „German Commercial Code“] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting.

Grünwald, March 30, 2018

ifb Treuhand GmbH

Wirtschaftsprüfungsgesellschaft

(Steffen Urban)

Financial auditor

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