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Interim Financial Report as at
June 30, 2017



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INTERIM FINANCIAL REPORT

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INTERIM FINANCIAL STATEMENT OF FINLAB AG (HGB)
AS AT JUNE 30, 2017



BALANCE SHEET AS AT JUNE 30, 2017 (HGB) ASSETS

	in thousand EUR	
	6/30/2017	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	7.8	6.3
II. Property, plant and equipment		
1. Land, leasehold rights and buildings including buildings on third-party land	2.4	6.2
2. Other equipment, furniture, fixtures and fittings	52.2	57.9
III. Financial assets		
1. Shares in affiliated companies	2,889.9	2,874.2
2. Loans to companies with which a participation relationship exists	250.0	1,140.2
3. Investments	12,301.0	10,760.5
4. Securities held for investment	19,380.8	19,522.5
	34,893.4	34,367.3
B. Current assets		
I. Receivables and other assets		
1. Trade receivables	0.0	0.4
2. Receivables from affiliated companies	877.2	1,792.4
3. Receivables from investments	1,150.8	256.9
4. Other assets	1,199.7	1,246.7
II. Securities	67.4	429.5
III. Cash, bank balances	4,282.7	970.0
	7,577.8	4,695.9
C. Accruals and prepayments	26.5	9.4
	42,497.7	39,073.1



BALANCE SHEET AS AT JUNE 30, 2017 (HGB) LIABILITIES

		in thousand EUR	
		6/30/2017	12/31/2016
A.	Equity		
1.	Subscribed capital	4,988.7	4,538.7
2.	Capital reserve	41,870.7	36,470.7
3.	Retained earnings/loss	-5,211.7	-5,655.9
		<u>41,647.7</u>	<u>35,353.5</u>
B.	Provisions		
1.	Provisions for taxation	0.0	425.5
2.	Other provisions	611.8	581.5
		<u>611.8</u>	<u>1,007.0</u>
C.	Liabilities		
1.	Trade payables	34.4	22.9
2.	Amounts owed to affiliated companies	2.6	76.8
3.	Amounts owed to investments	0.0	2,563.7
4.	Other liabilities	201.2	49.2
		<u>238.2</u>	<u>2,712.6</u>
		<u>42,497.7</u>	<u>39,073.1</u>



INCOME STATEMENT (HGB) JANUARY 1 TO JUNE 30, 2017

	in thousand EUR	
	1st half 2017	1st half 2016
1. Revenue	761.2	1,191.9
2. Other operating income	566.4	43.7
3. Cost of materials	-103.7	-58.7
Personnel expenses		
4. a) Wages and salaries	-642.4	-633.8
b) Social security contributions and expenses for pensions and other benefits	-55.5	-51.6
5. Amortization and depreciation of intangible assets and property, plant and equipment	-15.6	-25.0
6. Other operating expenses	-729.6	-137.3
7. Income from investments	669.3	500.0
8. Income from other securities and loans	5.8	0.0
9. Other interest and similar income	0.5	84.0
10. Write-downs of financial assets and securities classified as current assets	-11.8	-148.8
11. Taxes on income	0.1	-114.4
12. Other taxes	-0.4	-0.4
13. Net result for the period	444.3	649.6



NOTES TO THE FINLAB AG INTERIM FINANCIAL REPORT (HGB) AS AT JUNE 30, 2017

General

The interim financial statements of FinLab AG, Frankfurt am Main, as at June 30, 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). It is a small stock corporation in the meaning of Section 267 German Commercial Code (HGB).

The income statement is prepared using the total cost method. The company made use of the simplification rule under Section 286 Para. 4 of the German Commercial Code (HGB) and did not prepare a management report.

Accounting and valuation principles

When preparing the interim financial statements and calculating the comparative figures for the previous year, the same accounting and valuation methods were in principle applied as in the 2016 annual financial statement. A detailed description of these methods is published in the notes to the annual financial statement in the 2016 annual report.

Notes to the Balance Sheet

The notes to the balance sheet relate to changes as at the reporting date of December 31, 2016.

Receivables and other assets

Other assets are broken down as follows:

	in thousand EUR	
	6/30/2017	12/31/2016
Other assets		
Receivables from the tax office	834	1,149
Other miscellaneous	366	98
	1,200	1,247

The receivables and other assets are due within one year.



Equity

The subscribed capital totals EUR 4,988,670.00 and is divided into 4,988,670 registered ordinary shares. The shares are individual shares with a nominal value of EUR 1.00 each.

The company's share capital was increased by EUR 450,000.00 from EUR 4,538,670.00 to EUR 4,988,670.00 on June 13, 2017 through the issue of 450,000 new registered shares with a pro-rata share of the share capital of EUR 1.00 against cash contributions. The subscription price was EUR 13.00 per share. As of January 1, 2017, the new shares will be entitled to participate in profit.

The Annual Shareholders' Meeting on December 10, 2014 resolved to increase the share capital by November 30, 2019, with the consent of the Supervisory Board, by up to EUR 2,269,335.00 by issuing new shares against cash contributions or contributions in kind on one or more occasions (Authorized Capital 2014/I), whereby the subscription rights of shareholders can be excluded. The corresponding amendment to Section 5 Para. 2 of the Articles of Association was recorded in the Commercial Register on December 30, 2014. The company has not yet exercised the option of using the authorized capital.

The company's share capital was contingently increased by up to EUR 1,815,000.00 by resolution of the Annual Shareholders' Meeting on December 10, 2014 (Contingent Capital 2014/I). The company's share capital was contingently increased by up to EUR 453,867.00 by resolution of the Annual Shareholders' Meeting on 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 financial years 2015 and 2016, FinLab AG granted a total of 338,000 stock options which entitle the holder to subscribe one company share for each stock option at the end of a four-year waiting period.

Provisions

Other provisions mainly consist of provisions for audit fees, bonuses and ancillary rental costs.

Liabilities

Liabilities have a residual maturity of up to one year.

Other liabilities include tax liabilities amounting to EUR 29,000 (12.31.2016: EUR 29,000).



Notes to the Income Statement

Depreciation on financial assets and on securities classified as current assets includes extraordinary depreciation on financial assets of EUR 12,000 (previous year: EUR 149,000).

Other interest and similar income includes interest income of affiliated companies of EUR 0 (previous year: EUR 84,000).

As in the previous year, interest and similar expenses do not include any interest expenses of affiliated companies.

Other Disclosures

Contingent liabilities

As at the balance sheet date, the company had no contingent liabilities.

Other financial commitments

As at the reporting date, a total of EUR 1,145,000 in rental commitments resulted from a rental agreement signed in April 2017 for a fixed term of five years and eight months. The rental agreement ends in December 2022. A bank guarantee of EUR 56,000 was provided as a rent deposit. In the current financial year, payments amounting to EUR 112,000 have been made, of which EUR 98,000 relates to the rental agreement concluded in April 2017.

Further financial obligations of EUR 10,000 result from existing lease agreements.

List of equity holdings

FinLab AG applied the simplification rule under Section 293 Para. 1 of the German Commercial Code (HGB) and has not prepared a consolidated financial statement.

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:



Investments	Headquarters	Percentage holding	in thousand EUR	
			Equity 31.12.2016	Annual profit 2016
Heliad Management GmbH	Frankfurt am Main	100%	1,346	864
Patriarch Multi-Manager GmbH	Frankfurt am Main	100%	367	0
Finlab Asset Management GmbH	Frankfurt am Main	100%	n.a.	n.a.
VCH Investment Group AG	Frankfurt am Main	100%	1,428	199
nextmarkets GmbH	Cologne	49.96%	-2,050	-1,732
Authada GmbH	Darmstadt	26.61%	729	-381
Heliad Equity Partners GmbH & Co. KGaA	Frankfurt am Main	45.20%	52,651	-2,871

Disclosures regarding the existence of an equity 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 that it no longer holds a majority stake in our company. However, BF Holding GmbH continues to hold more than one quarter of our company shares 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 continues to hold more than one quarter of our company shares indirectly (Section 20 Para. 1 AktG) since the company shares held by BF Holding GmbH and Lion Capital AG must be ascribed to him via BF Holding GmbH in accordance with Section 16 Para. 4 AktG.

Mr. Christian Angermayer, London, UK, has notified us pursuant to Section 20 Para. 1 AktG that he indirectly holds more than one quarter of our company shares as the equity interest of Apeiron Investment Group Ltd., St. Julians, Malta, which he controls, in our company must be ascribed to him in accordance with Section 16 Para. 4 AktG.

Executive Board

The members of the Executive Board are:

- 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



Supervisory Board

The following have been appointed as members of the Supervisory Board:

- Axel-Günter Benkner, independent management consultant, Nidderau, Chairman
- Bernd Förtsch (until 28.02.2017), CEO of Börsenmedien Aktiengesellschaft, Kulmbach
- Stefan Müller (from 03.04.2017), fully authorized representative of Börsenmedien Aktiengesellschaft, Kulmbach
- Dr. Friedrich Schmitz, entrepreneur, Munich

Post-Balance Sheet Events

There have been no major events of special significance since the close of the financial year.

Frankfurt am Main, August 2017

The Executive Board





INTERIM FINANCIAL STATEMENT OF FINLAB AG (IFRS)
AS AT JUNE 30, 2017



BALANCE SHEET AS AT JUNE 30, 2017 (IFRS) ASSETS

	in thousand EUR	
	6/30/2017	12/31/2016
A. Non-current assets		
I. Intangible assets	8	6
II. Property, plant and equipment	55	64
III. Financial assets	75,417	66,602
	<u>75,480</u>	<u>66,673</u>
B. Current assets		
I. Securities	67	430
II. Receivables from associated companies	11	257
III. Receivables from affiliated companies	877	1,792
IV. Other assets	381	108
V. Income tax receivables	834	1,149
VI. Cash at banks	4,283	970
	<u>6,454</u>	<u>4,705</u>
	<u>81,934</u>	<u>71,378</u>



BALANCE SHEET AS AT JUNE 30, 2017 (IFRS) LIABILITIES

		in thousand EUR	
		6/30/2017	12/31/2016
A.	Equity		
I.	Subscribed capital	4,989	4,539
II.	Capital reserve	42,252	36,939
III.	Retained earnings	12,837	9,843
III.	Revaluation reserve	20,388	15,822
		80,467	67,143
B.	Non-current liabilities		
I.	Non-current provisions	75	33
II.	Other liabilities	24	0
III.	Deferred tax liabilities	626	516
		725	549
C.	Current liabilities		
I.	Provisions for taxation	0	425
II.	Other provisions	537	548
III.	Liabilities to affiliated companies	3	77
IV.	Trade payables	173	23
VI.	Other liabilities	29	2,613
		742	3,686
		81,934	71,378



INCOME STATEMENT (IFRS) JANUARY 1 TO JUNE 30, 2017

	in thousand EUR	
	1st half 2017	1st half 2016
Revenue	760	990
Income from investments	669	500
Other operating income	326	391
Total income	1,756	1,881
Personnel expenses	-852	-700
Non-personnel expenses	-601	-477
Operating result (EBIT)	303	704
Financial result	2,728	-203
Earnings before taxes (EBT)	3,031	501
Taxes on income	-36	-99
Net result for the period	2,995	403
Average number of shares issued (undiluted)	4,581,170	4,538,670
Dilution effect arising from share options	165,852	9,221
Average number of shares issued (undiluted)	4,747,022	4,547,891
Undiluted earnings per share in EUR	0.65	0.09
Diluted earnings per share in EUR	0.63	0.09
Changes to the revaluation reserve	4,567	173
Overall result	7,561	576



STATEMENT OF CASH FLOWS (IFRS) JANUARY 1 TO JUNE 30, 2017

	in thousand EUR	
	1st half 2017	1st half 2016
Net result for the period	2,985	403
Income from the sale of securities and financial assets	-355	-496
Retirement of securities and financial assets	165	509
Write-ups of securities and financial assets	-2,571	-19
Write-downs of securities and financial assets	50	293
Change in revaluation reserve due to deferred taxes	-74	-3
Amortization and depreciation of property, plant and equipment and intangible assets	16	31
Increase/decrease in provisions	-395	-243
Other non-cash expenses and income	265	-3
Increase/decrease in receivables and other assets	902	-42
Increase/decrease in payables and other liabilities	116	-207
Cash flow from operating activities	1,102	222
Outflow of funds for investments in property, plant and equipment and intangible assets	-8	-3
Proceeds from the repayment of long-term loans	0	850
Payments for long-term loans	-250	-500
Outflow of funds for investments in financial assets	-3,866	-1,500
Proceeds from the sale of securities and financial assets	725	543
Cash flow from investing activities	-3,398	-610
Costs of the capital increase	-241	0
Proceeds from capital increases	5,850	0
Cash flow from financing activities	5,609	0
Net change in cash and cash equivalents	3,313	-388
Cash and cash equivalents at beginning of period	970	1,293
Cash and cash equivalents at end of period	4,283	905



STATEMENT OF CHANGES IN EQUITY (IFRS)
JANUARY 1 TO JUNE 30, 2017

	Subscribed capital	Capital reserve	Retained earnings	Revaluation reserve	Total equity
in thousand EUR					
As at 01/01/2017	4,539	36,939	9,843	67,143	55,031
Changes in the revaluation reserve recognized in equity				4,567	4,567
Net result for the period			2,995		2,995
Overall result			2,995	4,567	7,561
Capital increase	450	5,159			5,609
Share option program			154		154
As at 6/30/2017	4,898	42,252	12,837	20,388	80,468



NOTES TO THE INTERIM FINANCIAL REPORT (IFRS) OF FINLAB AG AS AT JUNE 30, 2017

INFORMATION ABOUT THE COMPANY

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

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

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

BASIC PRINCIPLES

The unaudited, condensed interim financial statements as at June 30, 2017 were prepared in accordance with the International Financial Reporting Standards (IFRS), as applied in the EU, and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). IAS 34 (Interim Financial Reporting) was observed. The option to apply new standards prematurely has not been exercised.

The accounting and valuation methods underlying the 2016 annual financial statement were consistently applied to this interim financial statement.

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

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

	in thousand EUR	
	6/30/2017	12/31/2016
Financial assets	75,417	66,602
Securities held as current assets	67	430
Other provisions	612	1,006



NOTES TO THE INCOME STATEMENT

Revenue

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

Income from investments

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

Other operating income

Other operating income mainly consists of the reversal of impairments amounting to EUR 230,000 (previous year: EUR 250,000) and the charging-on of expenses amounting to EUR 80,000 (previous year: EUR 119,000).

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

Personnel expenses

Personnel expenses include the remuneration for directors and employees.

Personnel expenses also include the amounts resulting from the valuation of the share options issued to employees and directors. More details on the stock option program can be found in the annual financial statement as at 12/31/2016.

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

	in thousand EUR	
	1st half 2017	1st half 2016
Wages and salaries	-647	-626
Social security contributions	-56	-53
Other personnel expenses	-148	-21
	-852	-700



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

Non-personnel expenses

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

	in thousand EUR	
	1st half 2017	1st half 2016
Occupancy costs	-285	-171
Consulting and audit costs	-82	-87
Banking and insurance fees	-45	-35
Costs for communication and IT	-28	-27
Travel and entertainment expenses	-20	-15
Costs of marketing and financial market information	-18	-30
Amortization and depreciation of property, plant and equipment and intangible assets	-16	-31
Vehicle costs	-15	-15
Office expenses	-2	-4
Other miscellaneous expenses	-90	-64
	-601	-477

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



Financial result

The financial result is made up of:

	in thousand EUR	
	1st half 2017	1st half 2016
Income from the sale of securities and financial assets	725	496
Retirement of securities and financial assets	-535	-509
Write-ups and write-downs of securities and financial assets	2,522	-274
Interest and similar income	6	84
	<u>2,718</u>	<u>-203</u>

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

	in thousand EUR	
	1st half 2017	1st half 2016
Non-current securities in the category "valued at fair value through profit or loss"	725	496
	<u>725</u>	<u>496</u>

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

	in thousand EUR	
	1st half 2017	1st half 2016
Non-current securities in the category "valued at fair value through profit or loss"	-535	-509
	<u>-535</u>	<u>-509</u>

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



Tax on income

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

	in thousand EUR	
	1st half 2017	1st half 2016
Actual tax expense for the period	0	-119
Deferred taxes	-36	21
	-36	-99

Earnings per share

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

	in thousand EUR	
	1st half 2017	1st half 2016
Average number of shares issued (undiluted)	4,581,170	4,538,670
Dilution effect arising from share options	165,852	9,221
Average number of shares issued (undiluted)	4,747,022	4,547,891
Undiluted earnings per share in EUR	0.65	0.09
Diluted earnings per share in EUR	0.63	0.09



NOTES TO THE BALANCE SHEET

Intangible assets and property, plant and equipment

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

Intangible assets primarily consist of purchased software licenses.

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

No expenses were incurred for research and development and such expenses were therefore not included in the costs or capitalized.

No internally generated intangible assets were capitalized.

Financial assets

Financial assets include the following items:

	in thousand EUR	
	6/30/2017	12/31/2016
Shares in affiliated companies	16,425	16,400
Investments	27,189	23,158
Non-current securities	30,403	25,904
Loans	1,401	1,140
	<u>75,417</u>	<u>66,602</u>

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

	in thousand EUR	
	6/30/2017	12/31/2016
Non-current securities in the category "valued at fair value through profit or loss"	283	425
Non-current securities in the category "financial assets available for sale"	30,120	25,479
	<u>30,403</u>	<u>25,904</u>



Deferred tax assets and liabilities

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

Securities

The securities held as current assets are allocated to the categories "financial assets valued at fair value through profit or loss" and "financial assets available for sale". As at the reporting date, there are only holdings in the category "financial assets valued at fair value through profit or loss".

Receivables and other assets

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

The other assets and receivables relate to the following items:

	in thousand EUR	
	6/30/2017	12/31/2016
Receivables from loans	888	2,050
Receivables from sales tax	42	35
Receivables from income tax	834	1,149
Other	339	72
	2,103	3,306

Cash at banks

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



Equity

Subscribed capital

The subscribed capital totals EUR 4,988,670.00 and is divided into 4,988,670 registered ordinary shares. The shares are individual shares with a nominal value of EUR 1.00 each.

The company's share capital was increased by EUR 450,000.00 from EUR 4,538,670.00 to EUR 4,988,670.00 on June 13, 2017 through the issue of 450,000 new registered shares with a pro-rata share of the share capital of EUR 1.00 against cash contributions. The subscription price was EUR 13.00 per share. As of January 1, 2017, the new shares will be entitled to participate in profit.

The Annual Shareholders' Meeting on December 10, 2014 resolved to increase the share capital by November 30, 2019, with the consent of the Supervisory Board, by up to EUR 2,269,335.00 by issuing new shares against cash contributions or contributions in kind on one or more occasions (Authorized Capital 2014/I), whereby the subscription rights of shareholders can be excluded. The corresponding amendment to Section 5 Para. 2 of the Articles of Association was recorded in the Commercial Register on December 30, 2014. The company has not yet exercised the option of using the authorized capital.

The company's share capital was contingently increased by up to EUR 1,815,000.00 by resolution of the Annual Shareholders' Meeting on December 10, 2014 (Contingent Capital 2014/I). The company's share capital was contingently increased by up to EUR 453,867.00 by resolution of the Annual Shareholders' Meeting on 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 financial years 2015 and 2016, FinLab AG granted a total of 338,000 stock options which entitle the holder to subscribe one company share for each stock option at the end of a four-year waiting period.

Capital reserve

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

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

Due to the existence of losses carried forward in the relevant individual accounts prepared under German HGB rules, the legal reserve under Section 150 of the German Stock Corporation Act (AktG) was not created.



Retained earnings

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

Reserve for the revaluation of financial instruments

The reserve for the revaluation of financial instruments includes the changes in value of the financial assets recognized in equity in the category "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 equity in the following amounts:

	in thousand EUR	
	6/30/2017	12/31/2016
Valuation and disposals of securities	4,641	176
Deferred taxes	-74	-3
	<u>4,567</u>	<u>173</u>

Provisions

Non-current provisions were created in order to archive files and fulfill the obligation to reverse constructional changes in the rented offices amounting to EUR 75,000 (12/31/2016: EUR 33,000) and were not discounted due to the minor effect.

Provisions for tax on income were made based on earnings for the financial year in the amount of EUR 0 (12/31/2016: EUR 425,000).

Other current provisions are made up as follows:

in thousand EUR	12/31/2016	Use	Reversal	Allocation	6/30/2017	Likelihood of use
Personnel	197	-81		72	189	High
Office expenses	170	-39	-23	86	194	Medium
Audit costs	104	-57		25	72	High
Supervisory Board	40	-25		25	40	High
Tax consultancy	32	-11			22	High
Outstanding invoices	5	-5		21	21	High
	<u>548</u>	<u>-217</u>	<u>-23</u>	<u>229</u>	<u>537</u>	



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

The use of provisions includes a reclassification (EUR 39,000) from the current to the non-current provisions recognized for the obligation to reverse constructional changes.

Liabilities

Other liabilities relate to the following items:

	in thousand EUR	
	6/30/2017	12/31/2016
Wage and church tax	29	29
Sales tax	0	2,564
Other	24	20
	53	2,613

OTHER DISCLOSURES

Notes to the Statement of Cash Flows

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

During the reporting period, there were cash inflows from interest income in the amount of EUR 6,000 (previous year: EUR 27,000) and cash outflows from interest expenses in the amount of EUR 0 (previous year: EUR 0). Dividends of EUR 669,000 were reported (previous year: EUR 500,000).

Income taxes of EUR 425,000 were paid (previous year: EUR 0).

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



Notes to segment reporting

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

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

The company’s value is mainly determined on the basis of the market value of investments as reflected in equity according to IFRS. Equity according to IFRS is a key parameter for managing and monitoring the company. Attention is drawn to section 6.8. Capital management.

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

Contingent liabilities and other financial obligations

As at the balance sheet date, the company had no contingent liabilities resulting from the balance sheet or the income statement.

Leasing

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

The concluded rental and lease agreements are to be regarded as operating lease contracts and the leased object is therefore to be attributed to the lessor. Some industry-standard renewal options are available.

As at the reporting date, a total of EUR 1,145,000 in rental commitments resulted from a rental agreement signed in April 2017 for a fixed term of five years and eight months. The rental agreement ends in December 2022. A bank guarantee of EUR 56,000 was provided as a rent deposit.

In the current financial year, payments amounting to EUR 112,000 have been made, of which EUR 98,000 relates to the rental agreement concluded in April 2017.

Further financial obligations of EUR 10,000 with a term of up to three years result from the other existing lease agreements. Further information about these agreements is individually and collectively insignificant and is therefore not provided.



Related Parties

As at June 30, 2017, LION CAPITAL AG, Kulmbach, held more than 25% of the company's shares. As at June 30, 2017, LION CAPITAL AG, Kulmbach is classified as an affiliated company within the meaning of Section 15 of the German Stock Corporation Act (AktG) with regard to other companies. The indirect owner in the meaning of Section 17 Para. 1 of the German Stock Corporation Act (AktG) is Mr. Bernd Förtsch, Kulmbach.

As he had a voting majority at the Annual Shareholders' Meeting on June 23, 2017, Mr. Bernd Förtsch was able to exert what amounted to a controlling influence over the company. Furthermore, it is expected that such a voting majority will be held at future annual shareholders' meetings, making FinLab a business controlled by Mr. Bernd Förtsch in accordance with Section 17 Para. 1 and 2 of the German Stock Corporation Act (AktG) as at June 30, 2017.

In financial year 2017, there were no corresponding business transactions to report.

The members of the company's Executive Board only received short-term remuneration during this financial year. The total amount was EUR 377,000 (previous year: EUR 597,000).

Supervisory Board remuneration amounting to EUR 25,000 (previous year: EUR 38,000) was to paid members of the Supervisory Board during the reporting year. As in the previous year, costs were reimbursed in the amount of less than EUR 1,000.

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

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

Investments	Headquarters	Percentage holding
Heliad Management GmbH	Frankfurt am Main	100%
Patriarch Multi-Manager GmbH	Frankfurt am Main	100%
FinLab Asset Management GmbH	Frankfurt am Main	100%
VCH Investment Group AG	Frankfurt am Main	100%
nextmarkets GmbH	Cologne	49.96%
Heliad Equity Partners GmbH & Co. KGaA	Frankfurt am Main	45.20%
Authada GmbH	Darmstadt	26.61%



Employees

Over the course of the year, FinLab employed 12 members of staff on average (previous year: 12).

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

Supervisory Board:

- Axel-Günter Benkner, independent management consultant, Nidderau, (Chairman of the Supervisory Board)
- Bernd Förtsch (until 28.02.2017), CEO of Börsenmedien Aktiengesellschaft, Kulmbach (Member of the Supervisory Board)
- Stefan Müller (from 03.04.2017), fully authorized representative of Börsenmedien Aktiengesellschaft, Kulmbach (Member of the Supervisory Board)
- Dr. Friedrich Schmitz, entrepreneur, Munich (Member of the Supervisory Board)

Post-Balance Sheet Events

There have been no major events of special significance since the close of the financial year.

Frankfurt am Main, August 2017

The Executive Board



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