



NEXT GENERATION FINANCE. NOW.

Annual report
as of 31 December 2022



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ANNUAL REPORT

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REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

Below, the Supervisory Board provides information on the performance of its duties and the focal points of its activities in the 2022 financial year.

Cooperation between the Executive Board and the Supervisory Board

In the year under review, the Supervisory Board regularly advised the Executive Board on the management of the company and continuously monitored its conduct of business. To this end, the members of the Supervisory Board maintained continuous contact with the members of the Executive Board, kept themselves informed about the course of business and significant events, and consulted with the members of the Executive Board.

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

The Executive Board regularly informed the Supervisory Board in a timely and comprehensive manner, both in writing and verbally, about all important aspects of corporate planning and strategic and ongoing business development. We always had sufficient opportunity to critically discuss the reports, motions and proposed resolutions of the Executive Board in the plenary session of the Supervisory Board and to make suggestions.

The Executive Board submitted all matters requiring approval to the Supervisory Board for decision in a timely manner. The approvals have been granted after a detailed examination of the documents and, if necessary, supplementary explanations by the Executive Board.

In all cases, the formation of opinions and decision-making by the Executive Board and the Supervisory Board proceeded amicably, swiftly and successfully on the basis of thorough and appropriate information.

Supervisory Board meetings

The Supervisory Board of FinLab AG held six ordinary meetings in the 2022 financial year, which were held as face-to-face meetings and as telephone or video conferences due to the Corona-virus crisis.

In the Supervisory Board meetings, the reports of the Executive Board on the situation of the company, the economic environment, the development of turnover and costs as well as significant business events, transactions and participations were discussed.

Specifically, the Supervisory Board dealt with the following topics:

- Financial planning and discussions on the Company's financing concept, as well as preparation and analysis of agenda items and proposed resolutions for the Annual General Meeting, particularly with regard to the proposed change in the remuneration structure of Heliad Equity Partners GmbH & Co. KGaA



- Approval of the audited and certified annual financial statements for the financial year 2021 as well as the report of the Supervisory Board to the Annual General Meeting for the financial year 2021
- Appointment of Julian Kappus to the Executive Board of the company
- Resolution on the planning for the 2023 financial year
- Preparation of potential transactions in the investment portfolio, in particular sale of investments
- Other topics, in particular on the development of the venture capital market, strategic implications thereof and any planned capital market communication

Annual financial audit

The annual financial statements of FinLab AG for the financial year 2022 prepared by the Executive Board in February 2023 were audited by ifc Treuhand GmbH Wirtschaftsprüfungsgesellschaft, Dreieich (operating as ifb Treuhand GmbH Wirtschaftsprüfungsgesellschaft, Grünwald until 9 January 2023).

The preparation of the consolidated financial statements for FinLab AG was waived in accordance with § 293 (1) of the German Commercial Code (HGB).

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

The financial statement documents and the auditor's report were available to the Supervisory Board. They were examined in detail by the Supervisory Board at the balance sheet meeting and discussed in the presence of the auditor, who reported on the results of his audit. At this meeting, the auditor also reported in detail on the scope, focus and costs of the audit. The Supervisory Board was able to satisfy itself about the correctness of the audit and the audit report.

The Supervisory Board concurred with the auditor's findings and, within the scope of its own audit, which was conducted to the customary extent, determined that there were no objections to be raised. It approved the annual financial statements of FinLab AG for the 2022 financial year prepared by the Executive Board. The annual financial statements of FinLab AG are thus adopted in accordance with § 172 German Stock Corporation Act (AktG).

Audit of the report of the Executive Board on relations with affiliated companies

The report on relations with affiliated companies (dependency report) prepared by the Executive Board in accordance with § 312 of the German Stock Corporation Act (AktG) for the 2022 financial year was submitted to the Supervisory Board together with the auditor's report on this subject.

The auditor has audited the dependency report and issued the following unqualified audit opinion in accordance with § 313 German Stock Corporation Act (AktG):

"According to the final results of our audit, there are no objections within the meaning of § 313 (4) of the German Stock Corporation Act (AktG) to the report of the executive board on relations with affiliated companies. We therefore issue the following unqualified audit opinion on the report of the the 2022 financial year in accordance with § 313 (3) of the German Stock Executive Board on relations with affiliated companies of FinLab AG for Corporation Act (AktG)."



For its part, the Supervisory Board examined the dependence report of the Executive Board and the audit report of the auditor within the usual scope. The Supervisory Board came to the conclusion that the audit report – as well as the audit conducted by the auditor itself – complied with the legal requirements. The Supervisory Board examined the dependency report in particular for completeness and correctness and also satisfied itself that the group of affiliated companies had been determined with due care and that the necessary precautions had been taken to record the legal transactions and measures subject to the reporting requirements. No indications for objections to the dependency report became apparent during this audit. After the final result of its examination, the Supervisory Board raises no objections to the final declaration of the Executive Board and agrees with the result of the audit by the auditor.

Composition of the Supervisory Board

- Stefan Müller, Chairman of the Supervisory Board
- Herbert Seuling, Deputy Chairman of the Supervisory Board
- Volker Rofalski, Member of the Supervisory Board

Thanks

The Supervisory Board would like to express its sincere thanks to all employees of FinLab AG for their commitment and performance in the past financial year.

Frankfurt am Main, April 2023

For the Supervisory Board

Stefan Müller
(Chairman of the Supervisory Board)



FINLAB AG ANNUAL FINANCIAL STATEMENTS (HGB)
AS OF 31 DECEMBER 2022



BALANCE SHEET AS OF 31 DECEMBER 2022

Assets	in EUR	
	31/12/2022	31/12/2021
A. Non-current assets		
I. Intangible assets		
Concessions, industrial property rights acquired for a consideration, and similar rights and values as well as licences to such rights and values	9,126.00	11,132.00
II. Property, plant and equipment		
1. Land, land rights and buildings including buildings on third-party land	38,075.00	4,658.00
2. Other equipment, furniture, fixtures and fittings	192,527.00	47,982.00
	<u>230,602.00</u>	<u>52,640.00</u>
III. Financial assets		
1. Shares in affiliated companies	898,321.10	898,321.10
2. Loans to affiliated companies	6,193,474.04	0.00
3. Investments	24,202,068.92	23,632,565.91
4. Receivables from companies in which a participating interest is held	1,291,375.28	1,462,670.93
5. Securities held for investment	22,968,231.95	22,968,231.95
	<u>55,553,471.29</u>	<u>48,961,789.89</u>
	<u>55,793,199.29</u>	<u>49,025,561.89</u>
B. Current assets		
I. Receivables and other assets		
1. Trade receivables	688.00	5,878.33
2. Receivables from affiliated companies	1,241,684.62	1,541,295.37
3. Receivables from companies in which a participating interest is held	7,783.03	2,524.41
4. Other assets	1,034,820.10	218,178.96
	<u>2,284,975.75</u>	<u>1,767,877.07</u>
II. Securities		
Other securities	68,255.27	166,670.65
III. Cash, bank balances	2,690,859.77	8,298,541.14
	<u>5,044,090.79</u>	<u>10,233,088.86</u>
C. Accruals and prepayments	13,358.66	23,029.44
	<u>60,850,648.74</u>	<u>59,281,680.19</u>



BALANCE SHEET AS OF 31 DECEMBER 2022

Equity and liabilities

	in EUR	
	31/12/2022	31/12/2021
A. Equity		
I. Subscribed capital	5,451,670.00	5,451,670.00
II. Capital reserve	47,621,880.89	47,621,880.89
III. Retained earnings	5,800,238.40	3,761,462.01
	58,873,789.29	56,835,012.90
B. Provisions		
I. Provisions for taxation	504,700.00	402,461.00
II. Other provisions	597,349.80	1,252,411.78
	1,102,049.80	1,654,872.78
C. Liabilities		
I. Trade payables	139,129.91	50,283.18
II. Liabilities to affiliated companies	7,812.24	0.00
III. Other liabilities	727,867.50	741,511.33
	874,809.65	791,794.51
	60,850,648.74	59,281,680.19



INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2022

	in EUR	
	2022	2021
1. Revenue	1,925,420.04	4,865,252.33
2. Other operating income	1,180,674.31	2,396,830.06
3. Cost of materials		
Expenses for services used	-164,031.32	-287,096.29
4. Personnel expenses		
a) Wages and salaries	-1,167,859.62	-3,236,113.81
b) Social security contributions and expenses for pensions and other employee benefits <i>(thereof for pensions EUR 531.27; Previous year: EUR 6,544.40)</i>	-95,927.11	-123,295.99
5. Amortisation and depreciation of intangible assets and property, plant and equipment	-27,928.42	-25,401.43
6. Other operating expenses	1,221,028.39	-1,922,271.64
7. Income from investments <i>(thereof from affiliated companies EUR 3,813,458.75; Previous year: EUR 454,241.78)</i>	3,813,458.75	972,904.28
8. Income from other securities and loans held as financial assets <i>(thereof from affiliated companies EUR 84,151.36; Previous year: EUR 0.00)</i>	98,503.19	34,740.81
9. Other interest and similar income <i>(thereof from affiliated companies EUR 0.00; Previous year: EUR 644.44)</i>	11,238.64	1,940.23
10. Write-downs of financial assets and securities classified as current assets	-2,448,295.81	-3,379,565.30
11. Interest and similar expenses <i>(thereof to affiliated companies EUR 0.00; Previous year: EUR 0.00)</i>	0.00	-21.50
12. Income from profit and loss transfer agreement	471,871.93	874,852.04
	2,376,096.19	172,753.79
13. Taxes on income	-352,345.12	-520,291.28
14. Result after taxes	2,023,751.07	-347,537.49
15. Other taxes	15,025.32	-43.56
16. Period result	2,038,776.39	-347,581.05
17. Profit carried forward	3,761,462.01	4,109,043.06
18. Retained earnings	5,800,238.40	3,761,462.01



NOTE TO FINLAB AG, FRANKFURT AM MAIN FOR THE FINANCIAL YEAR FROM 01/01/2022 TO 31/12/2022

General

The annual financial statements of FinLab AG, Frankfurt am Main, as of 31 December 2022, have been prepared in accordance with § 242 seqq. and § 264 seqq. German Commercial Code (HGB) and in accordance with 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 the number HRB 58865. It is a small corporation within the meaning of § 267 of the German Commercial Code (HGB).

The Income Statement is prepared according to the total cost method. The Company has made use of the simplification provision of § 286 (4) of the German Commercial Code (HGB).

Accounting and valuation principles

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

We have valued the assets and liabilities in accordance with the valuation regulations under commercial law, taking into account the generally accepted accounting principles.

Assets and liabilities denominated in foreign currencies are translated at the average spot exchange rate on the balance sheet date in accordance with § 256a German Commercial Code (HGB).

Non-current assets

Depreciable fixed assets are stated at acquisition or production cost less scheduled depreciation. The acquisition costs include incidental acquisition costs. Scheduled depreciation was based on the normal useful lives of the assets.

Movable fixed assets up to a value of EUR 800.00 were fully depreciated in the year of acquisition.

Financial assets are valued at the lower of the acquisition cost or fair value.

Current assets

Receivables and other assets, as well as bank balances, are stated at their nominal value. Individual value adjustments were made where necessary. Other securities were recognised at the lower of the acquisition cost or fair value.

Provisions

The provisions take into account all uncertain liabilities. They were recognised at the settlement amount required according to reasonable commercial judgement.

Liabilities

Liabilities are recognised at the settlement amounts.



Explanations to the balance sheet

Non-current assets

The breakdown and development of the fixed assets shown in the balance sheet is presented in the statement of changes in fixed assets attached as an annex. Reversals of impairment losses are presented in the development of fixed assets as negative additions to depreciation and amortisation.

Receivables and other assets

Receivables and other assets are due within one year.

Equity

The company's subscribed capital amounts to EUR 5,451,670.00 and is fully paid up. It is divided into 5,451,670 registered ordinary shares. The shares are no-par value shares with a notional value of EUR 1.00 each.

The Annual General Meeting on 22 June 2022 resolved to increase the subscribed capital by 21 June 2027, 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 EUR 2,725,835.00 (Authorised Capital 2022), whereby the subscription rights of shareholders can be excluded. The corresponding amendment to § 5 (2) of the Articles of Association was recorded in the Commercial Register on 24 July 2022.

Provisions

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

Liabilities

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

Other liabilities mainly include liabilities from the sub-participation of IBB Capital GmbH, Berlin, in Invesdor INV AG (previous Kapilendo AG) amounting to TEUR 640 (previous year: TEUR 640). In addition, the item includes liabilities from an office rental agreement in the amount of TEUR 46 (previous year: TEUR 39) and liabilities from taxes in the amount of TEUR 32 (previous year: TEUR 62).

Explanations to the income statement

The revenues generated are mainly attributable to allocations for personnel and other services for investments and companies of the FinLab Group in the amount of TEUR 1,742 (previous year: TEUR 1,494) as well as income from subleases in the amount of TEUR 92 (previous year: TEUR 64). The performance fees were not received (previous year: TEUR 3,162).

Other operating income mainly includes income from the reversal of accruals in the amount of TEUR 850.

In the previous year, gains on the disposal of investments and non-current securities in the amount of TEUR 2,123 were generated.



Personnel expenses include the remuneration of the members of the Executive Board and the employees.

Write-downs on financial assets and securities held as current assets amount to TEUR 2,448 in the financial year 2022 (previous year: TEUR 3,380).

Other disclosures

Number of employees on average

During the financial year 2022, the average number of employees was 6 (previous year: 8).

Contingent liabilities

There were no contingent liabilities as of the reporting date.

Other financial liabilities

The rental agreement concluded in April 2017 had a term until December 2022. There is currently a bank guarantee of TEUR 56 from this rental agreement, which will be cancelled after the rental agreement has been fully reversed.

In the financial year 2022, a new rental agreement was concluded with a term until August 2029. The resulting rental obligations amount to TEUR 1,361 as of the reporting date. A bank guarantee of TEUR 50 was provided as security for rent.

In addition, there are other financial liabilities in the amount of TEUR 19.

The remaining payment obligations for uncalled capital calls of the C3 Tech VC I GmbH & Co. KG (previous EOS VC I GmbH & Co. KG) amount to TEUR 1,216 as of the balance sheet date (previous year: TEUR 2,042).

Investments list

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

FinLab AG holds a direct interest of 20% or more in the following companies within the meaning of § 285 No. 11 of the German Commercial Code (HGB):

Investments	Headquarters	Percentage holding	Equity 31/12/2022 in TEUR	Annual result 2022 in TEUR
Heliad Management GmbH	Frankfurt am Main	100 %	943	472
Patriarch MultiManager GmbH ¹⁾	Frankfurt am Main	100 %	367	0
Heliad Equity Partners GmbH & Co. KGaA	Frankfurt am Main	43.50 %	49,111	-2,674
Nextmarkets AG ²⁾	Köln	34.36 %	9,526	-7,444
AUTHADA GmbH ²⁾	Darmstadt	25.62 %	487	-2,044
Vaultoro Limited ³⁾	London	23.25 %	658	-62
Iconic Holding GmbH ³⁾	Frankfurt am Main	22.35 %	2,355	-518

1) Since 01/01/2016 profit and loss transfer agreement with FinLab AG, therefore net result amounts to TEUR 0.

2) Shareholders' equity and the annual result refer to 2021.

3) Shareholders' equity and the annual result refer to 2020.



Information on the existence of a shareholding in the company

GfBk Gesellschaft für Börsenkommunikation mbH, Kulmbach, notified us in accordance with § 20 (1), (3) of the German Stock Corporation Act (AktG) that it directly holds more than one fourth of the shares in FinLab AG.

Furthermore, GfBk Gesellschaft für Börsenkommunikation mbH, Kulmbach, notified us in accordance with § 20 (4) of the German Stock Corporation Act (AktG) that it directly holds a majority stake in FinLab AG.

BFF Holding GmbH, Kulmbach, notified us in accordance with § 20 (1), (3) of the German Stock Corporation Act (AktG) that it indirectly holds more than one fourth of the shares in FinLab AG, as the shares held by GfBk Gesellschaft für Börsenkommunikation mbH, Kulmbach, in our company are attributable to it as sole shareholder in accordance with § 16 (4) of the German Stock Corporation Act (AktG).

Furthermore, BFF Holding GmbH, Kulmbach, notified us in accordance with § 20 (4) of the German Stock Corporation Act (AktG) that it indirectly holds a majority stake in FinLab AG, as the shares held by GfBk Gesellschaft für Börsenkommunikation mbH, Kulmbach, in our company are attributable to it as sole shareholder in accordance with § 16 (4) of the German Stock Corporation Act (AktG).

Mr Bernd Förtsch, Kulmbach, notified us in accordance with § 20 (1), (3) of the German Stock Corporation Act (AktG) that he indirectly holds more than one fourth of the shares in FinLab AG, as the shareholdings held by BFF Holding GmbH, Kulmbach, and the shareholdings held by GfBk Gesellschaft für Börsenkommunikation mbH, Kulmbach, are attributable to him as sole shareholder in accordance with § 16 (4) of the German Stock Corporation Act (AktG).

Mr Bernd Förtsch, Kulmbach, also notified us in accordance with § 20 (4) of the German Stock Corporation Act (AktG) that he indirectly holds a majority stake in FinLab AG, as the shareholdings held by BFF Holding GmbH, Kulmbach, and by GfBk Gesellschaft für Börsenkommunikation GmbH, Kulmbach, are attributable to him as sole shareholder in accordance with § 16 (4) of the German Stock Corporation Act (AktG).

The above notifications were published in the Bundesanzeiger (German Federal Gazette) on 8 February 2021.

Application of profits

The net income for the year of EUR 2,038,776.39 will be carried forward.

Executive Board

The following are appointed as members of the Executive Board:

- **Falk Schäfers, Frankfurt am Main**
Member of the Executive Board of FinLab AG
- **Julian Kappus, Frankfurt am Main**
Member of the Executive Board of FinLab AG (since 01/06/2022)



Supervisory Board

The following were or are appointed as members of the Supervisory Board:

- **Stefan Müller, Küps**
Chairman of the Supervisory Board
General Representative of Börsenmedien Aktiengesellschaft, Kulmbach
- **Herbert Seuling, Kulmbach**
Member of the Supervisory Board
Managing Director of M & S Monitoring GmbH, Kulmbach
- **Volker Rofalski, Munich**
Member of the Supervisory Board
Managing Director of only natural munich GmbH, Munich

Events after the balance sheet date

There were no significant events after the balance sheet date.

Conclusion of the dependency report

The dependency report prepared in accordance with § 312 of the German Stock Corporation Act (AktG) provides information on relationships with affiliated companies. The closing statement of the dependency report is provided below:

“We declare that, in the legal transactions listed in the report involving relations with affiliated companies from 1 January to 31 December 2022, the Company received appropriate consideration for each legal transaction according to the circumstances known at the time when the legal transactions were carried out or measures were taken, and that the Company was not disadvantaged by the fact that measures were taken or omitted.”

Frankfurt am Main, on 28 February 2023

The Board of Management

Falk Schäfers

Julian Kappus



DEVELOPMENT OF FIXED ASSETS FROM 1 JANUARY TO 31 DECEMBER 2022

in EUR

	Acquisition costs					Accumulated depreciation				Book value	
	01/01/2022	Additions	Rebooking	Disposals	31/12/2022	01/01/2022	Additions	Disposals	31/12/2022	31/12/2021	31/12/2022
Intangible assets	164,644.13	1,966.31	0.00	-123,107.63	43,502.81	153,512.13	3,972.31	-123,107.63	34,376.81	11,132.00	9,126.00
Property, plant and equipment											
1. Installations in rented buildings	45,757.68	38,755.91	0.00	-45,757.68	38,755.91	41,099.68	3,146.91	-43,565.68	680.91	4,658.00	38,075.00
2. Plant and office equipment	360,746.12	188,489.20	0.00	-324,407.27	224,828.05	312,764.12	20,809.20	-301,272.27	32,301.05	47,982.00	192,527.00
	406,503.80	227,245.11	0.00	-370,164.95	263,583.96	353,863.80	23,956.11	-344,837.95	32,981.96	52,640.00	230,602.00
Financial assets											
1. Shares in affiliated companies	898,321.10	0.00	0.00	0.00	898,321.10	0.00	0.00	0.00	0.00	898,321.10	898,321.10
2. Loans to affiliated companies	0.00	0.00	6,193,474.04	0.00	6,193,474.04	0.00	0.00	0.00	0.00	0.00	6,193,474.04
3. Investments	26,929,428.96	2,844,675.77	154,366.67	0.00	29,928,471.40	3,296,863.05	2,429,539.43	0.00	5,726,402.48	23,632,565.91	24,202,068.92
4. Loans to companies in which a participating is held	1,509,002.18	6,284,694.86	-6,347,840.71	-108,149.80	1,337,706.53	46,331.25	0.00	0.00	46,331.25	1,462,670.93	1,291,375.28
5. Securities held for investment	25,379,693.92	0.00	0.00	0.00	25,379,693.92	2,411,461.97	0.00	0.00	2,411,461.97	22,968,231.95	22,968,231.95
	54,716,446.16	9,129,370.63	0.00	-108,149.80	63,737,666.99	5,754,656.27	2,429,539.43	0.00	8,184,195.70	48,961,789.89	55,553,471.29
Total fixed assets	55,287,594.09	9,358,582.05	0.00	-601,422.38	64,044,753.76	6,262,032.20	2,457,467.85	-467,945.58	8,251,554.47	49,025,561.89	55,793,199.29



INDEPENDENT AUDITOR'S REPORT TO FINLAB AG, FRANKFURT AM MAIN

Audit opinion

We have audited the annual financial statements of FinLab AG, Frankfurt am Main, which comprise the balance sheet as at 31 December, 2022, and the statement of profit and loss for the financial year from 1 January to 31 December, 2022, and notes to the financial statements, including the presentation of the recognition and measurement policies. In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2022 and of its financial performance for the financial year from 1 January to 31 December, 2022 in compliance with German Legally Required Accounting Principles. Pursuant to § 322 (3) Cl. 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

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

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

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

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

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



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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the annual financial statements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 German Commercial Code (HGB) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.



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

Dreieich, 15 March 2023

ifc Treuhand GmbH
Wirtschaftsprüfungsgesellschaft

Steffen Urban
Wirtschaftsprüfer
German Public Auditor

