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Annual Financial Report
as at December 31, 2016



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REPORT FROM THE SUPERVISORY BOARD

Dear Shareholders,

This is a report of the Supervisory Board pertaining to their exercise of their tasks and the focuses of their activity in fiscal year 2016.

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 maintained constant contact with the members of the Board of Management, informed them about the course of business and important transactions and consulted with the members of the Board of Management.

The chairman of the Supervisory Board discussed significant issues with the other members of the Board, and they were constantly involved in the 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 carefully analyze the reports, requests and resolution drafts of the Board of Management during the meetings of the Supervisory Board and to make suggestions.

The Board of Management presented all issues to the Supervisory Board that required our consent. The approvals were granted after carrying out a thorough inspection of the documents and, if applicable, adding notes by the Board of Management.

The opinions and decision-making process of the Board of Management and Supervisory Board were in all cases based on proper information, promptly and successfully and unanimously.

SUPERVISORY BOARD MEETINGS

The Supervisory Board of FinLab AG held four regular meetings in fiscal year 2016.

The reports of the Board of Management regarding the status of the company, the economic environment, sales performance and cost development as well as most important business deals, transactions and investments were discussed at the Supervisory Board meetings.

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



MEETING OF APRIL 19, 2016

The annual financial statement for fiscal year 2015, after review and testing by the auditor, was endorsed at the meeting convened to review the accounts, which was held on April 19, 2016, along with the report of the Supervisory Board intended for the Annual Shareholders' Meeting for fiscal year 2015. The approval pertaining to the purchase of shares of Authada GmbH was confirmed in accordance with already passed circular resolution. Furthermore, the plan for fiscal year 2016 presented by the Board of Management was finally approved. A date for the regular Annual Shareholders' Meeting was determined as well.

MEETING OF JULY 12, 2016

The Board of Management has expressly informed the Supervisory Board at the meeting held on July 12, 2016 about the planned follow-up financing (Series A Financing Round) of the participation in Nextmarkets GmbH. The Supervisory Board granted their consent with respect to this follow-up financing of the participation in Nextmarkets GmbH unanimously and with no abstentions. Meeting of September 4, 2015.

MEETING OF SEPTEMBER 26, 2016

At the meeting held on September 26, 2016, the Board of Management submitted a report regarding the mid-year financial statement, the current and financial position of the company and the development of portfolio transactions, in particular in respect to the participation in Kapilendo AG, as follow-up financing was planned here.

MEETING OF DECEMBER 12, 2016

At the last meeting, the Board of Management reported about the developments of key investments and the financial and sales situation of the company. Resolutions have not been passed.

RESOLUTIONS PASSED OUTSIDE THE MEETING

In addition to the resolutions passed at ordinary meetings, the Supervisory Board granted their consent within the framework with respect to a written circular procedure of Series B Financing solutions with Deposit Solutions.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENT

The annual financial statement of FinLab AG for fiscal year 2016 prepared by the Board of Management in March 2017 was audited by auditing company ifb Treuhand GmbH.

Preparation of a consolidated annual financial report of FinLab was waived in accordance with sect. 293 Para. 1 German Commercial Code (HGB). The auditor provided an unqualified opinion for the annual financial report of FinLab AG.

The financial statement documents and the audit report of the auditor were presented to the Supervisory Board. They were thoroughly inspected by the Supervisory Board at the meeting convened to review the



accounts and discussed in the presence of the auditor, who submitted a report regarding the results of his audit. At this meeting, detailed reports were submitted by the auditor on the scope, focus and costs of the audit as well. The Supervisory Board was convinced of the correctness of the audit and the audit report.

The Supervisory Board discussed the results of the audit provided by the auditor and established through their own audit that there are no grounds for any objections. They approved the annual financial statement of FinLab AG for fiscal year 2016, which was prepared by the Board of Management. Hence, the annual financial statement of FinLab AG was established in accordance with sect. 172 of German Stock Companies Act (AktG).

AUDIT OF THE BOARD OF MANAGEMENT'S REPORT REGARDING RELATIONSHIPS WITH AFFILIATED COMPANIES

The report on relationships with affiliated companies (dependent company report) as per sect. 312 of AktG for fiscal year 2016 was submitted to the Supervisory Board along with the audit report prepared by the auditor in this respect.

The auditor has audited the dependent company report and rendered the following unqualified opinion as per sect. 313 of 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 2016.“

The Supervisory Board has reviewed the dependent company report of the Board of Management and the audit report of the auditor. The Supervisory Board reached the conviction that the audit report - as well as the audit carried out by the auditor - fulfills all statutory requirements. The Supervisory Board has audited the dependent company report in particular with respect to completeness and correctness and ascertained that the group of affiliated companies has been established with due diligence and that the necessary precautions and measures for recording the transactions which had to be reported were adequately implemented. No reasons for objections against the dependent company report have arisen during this audit. After having inspected the results of their audit, the Supervisory Board has raised no objections against the final conclusion of the Board of Management and approved the results of the audit carried out 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
- Bernd Förtsch, member of the Supervisory Board



THANKS

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

In Frankfurt am Main, in March 2007

For the Supervisory Board

Axel Benkner

(Chairman of the Supervisory Board)



ANNUAL FINANCIAL STATEMENTS (IFRS) OF FINLAB AG
AS AT DECEMBER 31, 2016



BALANCE SHEET AS AT DECEMBER 31, 2016

ASSETS

	Notes	in thousand EUR	
		12/31/2016	12/31/2015
A. Non-current assets			
I. Intangible assets	5.1	6	13
II. Property, plant and equipment	5.1	64	115
III. Financial assets	5.2	66,602	52,397
		66,673	52,525
B. Current assets			
I. Securities	5.4	430	475
II. Receivables from companies with an ownership structure	5.5	257	1
III. Receivables from affiliated companies	5.5	1,792	1,110
IV. Other assets	5.5	108	1,346
V. Income tax receivables	5.5	1,149	517
VI. Bank balances	5.6	970	1,293
		4,705	4,743
		71,378	57,268



BALANCE SHEET AS AT DECEMBER 31, 2016 LIABILITIES

		in thousand EUR		
		Notes	12/31/2016	12/31/2015
A.	Equity			
I.	Subscribed capital	5.7	4,539	4,539
II.	Capital reserve	5.7	36,939	36,630
III.	Retained earnings	5.7	9,843	-4,158
IV.	Revaluation reserve	5.7	15,822	18,020
			67,143	55,031
B.	Non-current liabilities			
I.	Long-term provisions	5.8	33	63
II.	Other liabilities	5.9	0	77
III.	Deferred tax liabilities	5.3	516	403
			549	543
C.	Current liabilities			
I.	Tax provisions	5.8	425	531
II.	Other provisions	5.8	548	901
III.	Liabilities to affiliated companies	5.9	77	14
IV.	Trade payables	5.9	23	55
V.	Other liabilities	5.9	2,613	193
			3,686	1,694
			71,378	57,268



INCOME STATEMENT JANUARY 1 TO DECEMBER 31, 2016

		in thousand EUR	
	Notes	2016	2015
Sales revenues	4.1	1,717	4,173
Income from investments	4.2	2,746	1,607
Other operating income	4.3	476	680
Total income		4,939	6,460
Personnel expenses	4.4	-1,643	-1,556
Non-personnel expenses	4.5	-1,024	-880
Operating income (EBIT)		2,272	4,024
Financial income	4.6	11,771	3,113
Earnings before taxes (EBT)		14,044	7,137
Taxes on income	4.7	-42	-595
Net result for the period		14,001	6,542
Number of shares issued		4,538,670	4,538,670
Dilution effect arising from share options	6.11	159,994	9,221
Number of shares issued (diluted)		4,698,664	4,547,891
Basic earnings per share in EUR		3.08	1.44
Diluted earnings per share in EUR		2.98	1.44
	Notes	2016	2015
Net result for the period		14,001	6,542
Changes to the revaluation reserve	5.7	2,198	8,841
Overall result		11,803	15,383



STATEMENT OF CASH FLOWS JANUARY 1 TO DECEMBER 31, 2016

	Notes	in thousand EUR	
		2016	2015
Net result for the period		14,001	6,542
Income from the sale of securities and financial assets	4.	-615	-3,261
Retirement of securities and financial assets	4.	650	3,224
Write-ups of securities and financial assets	4.	-12,433	-3,784
Write-downs of securities and financial assets	4.	720	805
Change in revaluation reserve due to deferred taxes	5.	35	-132
Depreciation of property, plant and equipment and intangible assets	4.	63	69
Gains on disposal of property, plant and equipment and intangible assets	4.	0	-5
Other cash income and expenses	4.	422	355
Increase/decrease in provisions	5.	-489	86
Increase/decrease in receivables and other assets	5.	-1,330	-827
Increase/decrease in payables and other liabilities	5.	-134	-451
Cash flow from operating activities		889	2,621
Proceeds from property, plant and equipment and intangible assets		-5	19
Proceeds from loans of non-current assets		1,250	0
Payments for loans of non-current assets		-750	-3,248
Payments for investments in financial assets		-2,250	-3,187
Payments for investments in securities held as current assets		0	-464
Proceeds from the sale of securities and financial assets		543	3,261
Cash flow from investing activities	5.	-1,212	-3,619
Payments for borrowings		0	-1,000
Cash flow from financing activities	5.	0	-1,000
Net change in cash and cash equivalents		-323	-1,998
Cash and cash equivalents at beginning of period		1,293	3,291
Cash and cash equivalents at end of period	5.	970	1,293



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



STATEMENT OF CHANGES IN EQUITY JANUARY 1 TO DECEMBER 31, 2015

in thousand EUR	Subscribed capital	Capital reserve	Retained earnings	Revaluation reserve	Total equity
As at 01/01/2015	4,539	36,471	-10,700	9,178	39,488
Changes without effect on the P&L from revaluation reserves	-	-	-	8,841	8,841
Net result for the period	-	-	6,542	-	6,542
Overall result	-	-	6,542	8,841	15,383
Share option program	-	159	-	-	159
As at 12/31/2015	4,539	36,630	-4,158	18,020	55,031
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.

The FinLab is registered in the commercial register of the Local Court of Frankfurt am Main under HRB 58865.

The purpose of company FinLab as per the articles of association is the purchase, long-term holding and promotion of majority shareholdings in companies as well as the purchase, holding, managing and promotion of minority shareholdings, in particular in German and foreign companies in the financial services and media sectors, as well as provision of managerial and consultancy services, in particular for the holdings already entered into, unless special statutory permissions are required for this.

FinLab is listed on the open market of the Frankfurt Stock Exchange with inclusion in the Entry Standard. FinLab was included in the new business segment „Scale“ as soon as the Entry Standard was repealed on March 1, 2017.

2. BASIC PRINCIPLES

The annual financial statement is a separate financial statement in accordance with IAS 27 and has been prepared taking into consideration all standards and interpretations published and adopted within the framework of the EU endorsement process that are applicable as mandatory to fiscal year 2016. The option of the early application 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 statement should give the addressees the opportunity to better assess the value of the company.

The annual financial statement is based on the principle of going concern.

The annual financial statement is presented in Euros (EUR), the functional currency of the Company. Unless indicated otherwise, all amounts are rounded to thousands of Euros (T-EUR). Rounding differences may result from this representation.

The Company's fiscal year is the calendar year.

The annual financial statement consists of the balance sheet, the income statement (consisting of the profit and loss statement and other results), the statement of changes in equity, the statement of cash flows and the Notes. The income statement is prepared using the total cost method.



The following standards, amendments to standards and interpretations were mandatory on or after Friday, January 01, 2016:

Standard	Content and relevance for the statement
Amendment to IFRS 10, 12, IAS 28	Investment companies: Application of the consolidation exception This does not result in any significant effects.
Amendment to IAS 16 and 38	Clarification of acceptable depreciation methods This does not result in any significant effects.
Amendment to IFRS 11	Accounting of the purchase of participation in jointly controlled activities Clarification of permissible depreciation methods. This does not result in any significant effects.
Amendment to IAS 1	Information initiative The amendments only have a small influence on the presentation of the statement and the scope of the annex.
Amendment to IAS 16 and 41	Agriculture: Fruit-bearing plants Application of the consolidation exception This does not result in any significant effects.
Amendment to IAS 19	Performance-oriented plans: Contributions of employees This does not result in any significant effects.
Amendment to IAS 27	Equity method in single-entity financial reports This does not result in any significant effects.
Improvements to IFRS 2012–2014	Amendments to IFRS 5, IFRS 7, IAS 19, IAS 34 This does not result in any significant effects.

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

Standard	Content and relevance for the statement	Date of first-time mandatory application
IFRS 9 „Financial instruments“	Full substitute for IAS 39 Effects with FinLab are only expected for the presentation and information provided in the notes but not for the valuation and follow-up assessment of financial instruments.	January 1, 2018
IFRS 15 „Proceeds from contracts concluded with customers“	Regulation with respect to the type, amount, as well as to the uncertainty of sales proceeds and realized payment flows arising from contracts concluded with customers. This does not result in any significant effects.	On January 01, 2018



The following standards, updates to standards and interpretations had not been recognized by the EU at the time of preparing the annual accounts. Therefore, their application is not permitted, and any statement concerning their impact on the accounts would be misleading.

Standard	Content
IFRS 14 „Regulatory deferrals and accruals“	Rules pertaining to preparation of annual financial reports for „regulatory deferrals and accruals“, if a company delivers goods or provides services against payment which is subject to price regulation
IFRS 16 „Leasing“	IFRS 16 regulates the application, assessment, statement as well as obligations to provide information regarding the leasing transactions in the financial statement of companies which carry out their accounting following IFRS principles
Amendment to IFRS 2	Classification and valuation of business transactions with share-based compensation
Amendment to IFRS 4	Application of IFRS 9 „Financial instruments“ along with IFRS 4 „Insurance contracts“
Clarification of IFRS 15	Clarification of topics „Identification of payment obligations“, „Principal / agent considerations“ and „Licenses“
Amendment to IAS 7	Information initiative
Amendment to IAS 12	Application of deferred tax claims for non-realized losses
IFRIC 22	Transactions in foreign currencies and considerations paid in advance
Improvements to IFRS 2014-2016	Amendments to IFRS 12, IFRS 1 and IAS 28
Amendments to IAS 40	Transfer of real properties held as financial instruments



3. ACCOUNTING AND VALUATION PRINCIPLES

The material accounting and valuation methods used in the preparation of the present annual accounts are presented below. Unless specified otherwise, the methods described were applied consistently to the represented reporting periods.

3.1 Mergers and goodwill

Mergers are entered in the balance sheet 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 based on the respective share of the identifiable net assets of the acquired enterprise. Any transaction costs are shown as expenses.

In the case of successive mergers, equity in the enterprise previously held by the acquirer is recalculated at the fair value at the time of acquisition and the resulting income or expense is recorded in the income statement.

Should a surplus result in the course of the assessment (i.e. the acquisition costs of the investment of the parent company are higher than proportional, reassessed equity capital of the subsidiaries), this surplus shall be considered as goodwill in accordance with IFRS 3.41. According to IFRS 3.55, this goodwill may not be depreciated as per the plan, but rather an impairment test must be carried out once a year in accordance with IAS 36 for the purpose of determining the impairment requirement. The impairment is determined by calculating the amount of recoverable goodwill allocated to the cash-generating unit. If the recoverable amount of the cash-generating unit is less than the book value of this unit, an impairing 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 valued at cost and amortized linearly over their respective estimated useful lives. Any impairments which occur are recorded. In the income statement, they are listed under the depreciation of intangible assets and tangible assets.

In the case of mergers, the 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 impair-



ment of goodwill must be tested at least once a year at the level of the units which generate cash and, in case of existing depreciation, written down as unplanned to the recoverable amount.

3.3 Property, plant and equipment

Asset values in tangible assets are recorded at acquisition or production costs minus the accumulated amortization. Gains or losses from the disposal of assets are included the other operating income or non-personnel expenses.

Straight-line depreciation is based on the normal operational useful life.

3.4 Impairment of non-financial assets

Assets that have an indefinite useful life are not amortized. They are tested annually for impairment and also when there are indications of impairment. Assets subject to amortization are reviewed for impairment when corresponding events or changes to circumstances indicate that their book value may no longer be recoverable. An impairment loss is recognized at the book value which exceeds the recoverable amount. The recoverable amount is the higher amount out of the fair value of the asset value less sale costs and the use value.

In the event of any subsequent reversal of an impairment, the book value of the asset is increased to the newly estimated recoverable amount. The increase in the book value 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 as a profit or loss. A reversal of the impairing loss is not performed for recognized goodwill.

3.5 Financial assets

Financial assets (if present) include the securities allocated to non-current assets, investments in associates, investments in affiliated enterprises, investments and loans in the non-current assets.

The securities allocated to the investments and non-current assets are listed in the valuation 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 them are based on the market prices quoted on the effective date or transactions completed in a timely manner on the effective date. If a fair value cannot be reliably determined in individual cases for unlisted investments, these can be alternatively entered in the balance sheet at acquisition cost unless the lower fair value approach comes into play (IAS 39.46c). The acquisition costs are determined on the basis of the price on the settlement date.

FinLab uses as much observable data on the market as possible when determining the fair value. Based on the input factors used in assessment methods, the fair values are classified into three different levels of the Fair Value 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 event of a sale or if a sustainable impairment is established, the corresponding profit from the sale or expenses from the accumulated depreciation is included in the annual profit.

Shares belonging to holdings in the assessment category „financial assets at fair value through profits or loss“ are controlled within the scope of the investment strategy of the company on the basis of the fair value development of the individual securities.

Changes to the value of the financial assets classified as „financial assets at fair value through profits or loss“ are recognized as income or expenses in the profit and loss account in the financial result.

Changes to the valuation from the assessment at the time value of financial instruments in the category „available-for-sale financial assets“ are recognized as resulting in neither profit nor loss in the reserve for the revaluation of financial instruments. If there is objective evidence of impairment (IAS 39.59), the cumulative loss directly allocated to the equity is reclassified from equity into the income statement (IAS 39.67).

Further information about financial instruments is provided in Point 6.1, Further Information about Financial Instruments.

3.6 Deferred taxes

Deferred taxes are accounted for using the balance sheet-oriented concept, according to which they are recognized for all approach and valuation differences between the value in the IFRS balance sheet and their tax value.

The current tax rates applicable to the period in which the temporary differences are expected to offset each other form the basis for the calculation of deferred taxes. The calculation was based on a tax rate of 31.9%. In addition to the corporate income tax of 15% and the applicable 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 against the equity resulting in neither profit nor loss.

Deferred tax assets on tax-reducing temporary differences, unused tax losses and unused tax credits are only recognized to the extent to which it is probable that tax results of the same taxable entity and in relation to the same tax authorities will apply in the foreseeable future.

3.7 Securities

The securities are allocated to the valuation categories „available-for-sale financial assets“ and „financial assets at fair value through profits or loss“ in accordance with IAS 39.

Changes to the value of the securities categorized in „financial assets at fair value through profits or loss“ are recognized as income or expenses in the income statement in consolidated statement of income in the financial income.

Capital gains yield and losses from the valuation of securities classified as „available-for-sale financial assets“ at fair value are recognized as profit or loss in the reserve for the revaluation of financial instruments. If there is objective evidence of impairment (IAS 39.59), the cumulative loss directly allocated to the equity



is reclassified from equity into the income statement (IAS 39.67).

3.8 Receivables and other assets

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

3.9 Liquid funds

The cash and cash equivalents consist of credits with credit institutions. They are measured at amortized cost.

3.10 Provisions

Provisions are entered as liabilities in accordance with IAS 37 if there are any current legal or constructive 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 valued at amortized cost.

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

As the effect is to be regarded as insignificant, no company-specific discount rate was calculated, and the Bundesbank interest rate to be used for accounting under German commercial law (HGB) was used in its place.

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 over to the buyer and the seller's control must have expired.

Income is shown net of deductions such as premiums, prompt-payment and other discounts. Income from continuous services is shown only for those services already delivered, time-based fees for a period are recognized proportionately.

Income from equity holdings includes (where these exist) current income from receipt of dividends, and income from equity valuations includes the result of the valuation of equity held in associated companies under IAS 28.

The expenses and gains from the measurement and sale of financial instruments are shown under the financial income.

3.13 Taxes

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



3.14 Currency conversion

The annual financial statements are presented in euro. Receivables and liabilities in foreign currencies are valued at the closing prices applicable balance sheet date. Expenses and gains are calculated using average rates. Exchange differences resulting from the conversion are recognized as income or expenses. Foreign currency transactions are converted at the exchange rate applicable on the date of the transaction in euro.

3.15 Leasing

The determination of whether an agreement contains a lease is made on the basis of the economic content of the agreement at the time at which the agreement was made and requires an assessment as to whether the fulfillment of the contractual agreement is dependent on the use of a specific asset or specific assets and whether the agreement conveys a right to use the asset.

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

By contrast, agreements which generally 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 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 value cannot be reliably determined. Contingent liabilities are not recognized in the balance sheet. The volume of contingent liability obligations specified in the Notes (if any exist) corresponds to the scope of liability existing on the balance sheet date and the residual payment obligations for agreed contributions for shares in partnerships not yet collected.

3.17 Significant assumptions and estimates

The annual financial statements include values that are allowed to be derived from estimates and assumptions. The estimates and assumptions used are based on historical experience and other factors such as planning and – based on current judgment – the expectations and forecasts of the probable outcomes of future events. The considered assumptions and estimates primarily relate to the determination of the recoverable amount within the framework of impairment tests as well as 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 by performing a re-evaluation:



in thousand EUR	12/31/2016	12/31/2015
Financial assets	66,602	52,397
Securities held as current assets in the category	430	475
Provisions	1,006	1,495

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 further significant important categories of sales revenue are not available.

4.2 Income from investments

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

4.3 Other operating income

Other operating income mainly consists of the liquidation of amortizations amounting to EUR 250,000 (previous year: EUR 15,000), the cost transfer of expenses amounting to EUR 185,000 (previous year: EUR 259,000), the reversal of provisions amounting to EUR 26,000 (previous year: EUR 129,000) and other operating income of EUR 15,000 (previous year: EUR 39,000).

Currency conversion yielded gains of EUR 0 (prior year: EUR 238,000).

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 directors. Further information about the share warrant program can be found under item 6.11. Share warrant program.

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



in thousand EUR	2016	2015
Wages and salaries	-1,407	-956
Social security contributions	-106	-100
Other personnel expenses	-130	-501
	-1,643	-1,556

The other personnel expenses are mainly made up of bonus payments, commissions and costs related to the valuation of the options issued under the stock option program.

4.5 Non-personnel expenses

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

in thousand EUR	2016	2015
Occupancy costs	-442	-362
Consulting and audit costs	-214	-99
Costs of marketing and financial market information	-84	-75
Banking and insurance fees	-65	-51
Depreciation of property, plant and equipment and intangible assets	-63	-69
Costs for communication and IT	-58	-62
Travel and entertainment expenses	-43	-49
Vehicle costs	-29	-35
Office expenses	-6	-6
Bad debts and amortizations	0	-26
Other miscellaneous expenses	-20	-46
	-1,024	-880

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



4.6 Financial income

The financial income is made up of:

in thousand EUR	2016	2015
Income from the sale of securities and financial assets	615	3,261
Retirement of securities and financial assets	-650	-3,224
Write-ups and write-downs of securities and financial assets	11,713	-2,979
Interest and similar gains	96	141
Interest and similar expenses	-3	-44
	11,771	3,113

Income from the sale of securities and financial assets:

in thousand EUR	2016	2015
Investments in non-current assets in the category „Valued at fair value through profit or loss“	72	0
Securities held as non-current assets in the category „valued at fair value through profit or loss“	543	341
securities held as current assets in the category „Valued at fair value through profit or loss“	0	2,451
Investments in current assets in the category „Available-for-sale financial assets“	0	469
	615	3,261

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

in thousand EUR	2016	2015
Investments in non-current assets in the category „Valued at fair value through profit or loss“	-71	0
Securities held as non-current assets in the category „valued at fair value through profits or loss“	-579	-502
securities held as current assets in the category „Valued at fair value through profit or loss“	0	-2,293
securities held as current assets in the category „Available-for-sale financial assets“	0	-428
	-650	-3,224

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	2016	2015
Actual tax expense for the period	106	-531
Deferred taxes	-148	-64
Tax on income/ earnings	-42	-595

The reconciliation of the theoretically expected tax charge for a corporation and the amount actually specified in the annual financial statements are shown as follows:

in thousand EUR	2016	2015
Earnings before tax	14.044	7.137
Tax rate in %	31,9%	31,9%
Expected tax expenditure	-4.484	-2.279
Actual tax expenditure	-42	-595
Differential amount	-4.442	-1.684
Actual tax rate in %	0,3%	8,3%
Amount to be reconciled	4.442	1.684
Tax-exempt assessment and sales results	-4.364	-1.389
Reversal/formation of deferred tax reserves	-148	-68
Non-periodical taxes	106	0
Taxes on non-deductible expenses and other tax effects	-35	-231
	-4.442	-1.684

The theoretical tax rate for equity companies is made up of the combination of corporation tax, the solidarity levy and local business tax. With the assessment rate of 460% used in Frankfurt am Main, this results in a tax burden of 31.93%. This percentage is based on the calculation of deferred taxes.

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

The payment of dividends is subject to the relevant investment income tax deduction system in Germany.

No tax losses are carried forward.



4.8 Earnings per share

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

in T-EUR	2016	2015
Net result for the period from continuing business (in thousand EUR)	14.001	6.542
Average number of issued shares (undiluted)	4.538.670	4.538.670
Dilution effect arising from share options	159.670	9.221
Average number of shares issued (diluted)	4.698.664	4.547.891
Undiluted earning per share in EUR	3,08	1,44
Diluted earning per share in EUR	2,98	1,44

No dividend payments have been planned for the 2016 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 changes to intangible assets and property, plant and equipment is shown in the assets, which is an appendix to the Notes.

Intangible assets primarily consist of purchased software licenses.

The useful life of intangible assets and fixed assets ranges from 3 to 20 years. No groups have been created due to their subordinate importance.

There were no incurred expenses for research and development and these were therefore not included in the costs or capitalized.

No internally generated intangible assets were capitalized.



5.2 Financial assets

Financial assets include the following items:

in thousand EUR	12/31/2016	12/31/2015
Shares in affiliated companies	16,400	16,630
Investments	23,158	2,996
Securities held as current assets in the category	25,904	29,418
Loans	1,140	3,352
	66,602	52,397

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

in thousand EUR	12/31/2016	12/31/2015
Securities in the category „valued at fair value through profit or loss“	425	1,681
Securities in the category „available-for-sale financial assets“	25,479	27,737
	25,904	29,418

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		
	12/31/2016	Change	12/31/2015
Non-current liabilities	0	2	-2
Property, plant and equipment	0	-12	12
Financial assets	32,300	7,594	24,706

in thousand EUR	Deferred taxes				resulting in neither profit nor loss		Expenses (+)/ Gains (-)	
	12/31/2016		12/31/2015		2016	2015	2016	2015
	Assets	Liabilities	Assets	Liabilities				
Non-current liabilities	0	0	0	-1	0	0	-1	-1
Property, plant and equipment	0	0	0	-8	0	0	-8	-4
Financial assets	0	-516	0	-394	-35	132	157	67



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	12/31/2016	12/31/2015
Securities in the category „financial assets at fair value through profits or loss“	430	475
	430	475

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	12/31/2016	12/31/2015
Receivables from loans	2,050	2,361
Receivables from sales tax	35	0
Receivables from income tax	1,149	517
other	72	95
	3,306	2,973

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

The subscribed capital totals EUR 4,538,670.00 and is divided into 4,538,670 registered ordinary shares. The shares are individual shares with a nominal value of EUR 1.00 each.

The Annual Shareholders' Meeting held on December 10, 2014 resolved to increase the subscribed 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 or tangible assets on one or more occasions (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 Company has not yet exercised the option of using the authorized capital.

The subscribed capital of the Company was contingently increased by EUR 1,815,000.00 by the Annual shareholders' meeting of December 10, 2014 (Contingent Capital 2014/I). The subscribed capital of the Company was contingently increased by EUR 453,867.00 by the Annual shareholders' meeting of December 10, 2014 (Contingent Capital 2014/II). Based on the conditional capital increases, the Company has made partial use of the authorization to issue bonds with warrant 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 managers.



In fiscal year 2016, the employees of FinLab AG were granted 15,000 stock option rights and the employees and managers of a subsidiary were granted 8,000 stock option rights, which authorize each option right holder to purchase one company share as soon as a four-year qualifying period expires.

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 holds the amounts resulting from the valuation of the share options issued to employees and managers. Further information about the stock option program can be found under item 6.11. Stock Option Program.

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

RETAINED EARNINGS

The income reinvested in previous years and reserved from the current year's earnings. There are no legal reserves as defined in Section 150 (2) German Stock Companies Act (AktG) nor 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 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	2016	2015
Measurement and disposals of securities	-2,233	8,973
Deferred taxes	35	-132
	-2,198	8,841

5.8 Provisions

The long-term provisions of EUR 33,000 were created for the archiving of documents and were not discounted due to the minor effect. The prior year amount of EUR 63,000 contained provisions for the archiving of documents EUR 30,000 and provisions for reconstruction obligations at the end of the lease of the offices (EUR 33,000). Provisions for reconstruction obligations at the end of the lease of the offices amounts as at the balance sheet date to EUR 39,000 and is contained in the current reserves and accounted for as inflow in the subsequent statement of provisions.

Provisions were made against the earnings for the fiscal year for tax on income and earnings for a total of EUR 425,000 (previous year: EUR 531,000).



Other provisions are made up as follows:

in thousand EUR	12/31/2015	Expenditure	Liquidation	Supply	12/31/2016	Likelihood of application
Personnel related provisions	384	-344	-40	197	197	high
Office expenses	278	-129	-19	39	170	medium
Annual financial statement and audit	152	-105	0	57	104	high
Supervisory Board related provisions	60	-45	-5	30	40	high
Tax consultancy	27	-10	-7	22	32	high
Pending invoices	0	0	0	5	5	high
	901	-633	-70	350	548	

The personnel provisions relate to provisions for employee bonuses, holiday entitlement, 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	12/31/2016	12/31/2015
Unpaid VAT	0	22
Wage and church tax	29	29
Liabilities towards participation	2,564	0
Other liabilities	20	219
	2,613	270

The recognized liabilities against investments result in the amount of EUR 2,553,000 from still unpaid deposits into the equity capital of a portfolio company.



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, 2015 are transferred to the balance sheet in the following table:

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	475
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



December 31, 2015 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	14,435		14,435
Securities categorized as „measured at fair value through profit and loss“	Level 1	1,681		1,681
Securities in the category „available-for-sale financial assets“, measured at prices in active markets	Level 1	27,737		27,737
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			3,352	3,352
Investments and affiliated companies, valued at acquisition cost in accordance with IAS 39.46 c)		unreliable ascertainable	5,192	5,192
Non-current assets - financial assets - total		43,853	8,544	52,397



December 31, 2015 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	475		475
Receivables from affiliated companies in the category „Loans and receivables“	Level 2	1,111	1,111	1,111
Other assets classified as „Loans and receivables“	Level 2	1,863	1,863	1,863
Cash and cash equivalents in the category „Loans and receivables“	Level 2	1,293	1,293	1,293
Current assets - total		4,742	4,267	4,743



December 31, 2015 in thousand EUR	Fair value - hierarchy	Fair value	measured at amortized cost	Balance sheet disclosure
Non-current liabilities				
Other non-current liabilities	Level 2	77	77	77
Non-current liabilities - total		77	77	77
Current liabilities				
Other financial liabilities	Level 2	25	25	25
Trade payables measured at amortized cost	Level 2	44	44	44
Current liabilities - total		69	69	69



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

in thousand EUR	12/31/2016	12/31/2015
listed non-fixed-income securities	26,255	29,841
unlisted shares in investment funds	79	53
other non-listed financial instruments	44,973	27,247
	71,307	57,141

The financial instruments for which a stock market price and regular trading on a stock market or a regular market quotation during the reporting period was available on the balance sheet date were valued at this price on the effective date.

Write-ups in the amount of EUR 0.00 (previous year: EUR 0.00) and write-downs in the amount of EUR 700,000 (previous year: EUR 741,000) result in the year under report from assessment of the quoted financial instruments through profits or loss.

The valuation of financial instruments classified as „measured at fair value through profit and loss measured using input data that is not based on observed market data“ was carried out using a conventional DCF method based on internally generated budgeted figures. Discount factors with a risk-free rate of 1.0% p.a. and risk premiums of 14%-15% p.a. were taken into account.

FinLab has formal evaluation 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 the current market experiences.

During the valuation of financial instruments classified as „measured at fair value through profit and loss measured using input data which is not based on observed market data“, the calculated value would change by approximately 3% if the considered risk premium 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	1/1/2016	Reclassifications	Purchases	Disposal	Income and losses, recorded in Financial Earnings of Full Income Statement	12/31/2016
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	14,435	0	0	0	-11	14,424

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

The financial instruments measured at amortized cost in accordance with IAS 39.46 (c) because a fair value could not be reliably determined involves stakes in companies with no business model that were active on the market on the effective date. Accordingly, there were no input data or reference values in order to



determine the fair value.

No bad debts have been recognized from business operations in fiscal year 2016 (previous year: EUR 26,000) under 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. The following changes to figures have resulted from the foreign exchange rate adjustment in the amount of 10 %:

in thousand EUR	12/31/2016	12/31/2015
listed financial instruments	26,255	29,841
of which measured on the consolidated statement of income	776	2,104
Effect of an exchange rate change of 10%	78	210
of which measured on other comprehensive income	25,479	27,737
Effect of an exchange rate change of 10%	2,548	2,774

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	2016	2015
Long-term financial assets		
Financial instruments in the category „available-for-sale financial assets“		
Valuation yield	-2,186	8,944
Disposal yield	1	0
	-2,185	8,944
Financial instruments in the category „valued at fair value through profit or loss“		
Valuation yield	11,759	2,529
Disposal yield	-36	-161
Long-term financial assets - total	11,723	2,368



in thousand EUR	2016	2015
Current financial assets		
Financial instruments in the category „available-for-sale financial assets“		
Valuation yield	0	-11
Disposal yield	0	158
Current financial assets - total	0	147
Securities categorized as „measured at fair value through profit and loss“		
Valuation yield	-46	429
Disposal yield	0	40
	-46	469
Financial assets - total	9,492	11,928

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	2016	2015
Impairment of securities held as non-current assets	-2,186	0
Appreciation in value of securities held as non-current assets	0	8,944
Impairment of securities held as current assets	0	30
	-2,186	8,973

As of the reporting date, there were no non-impaired, overdue financial asset values. FinLab performs an impairment if a financial asset appears to be irrecoverable. This is the case if this financial asset is overdue for more than 180 days and it has not been possible to come to an agreement regarding an extension of the payment period or if there are obvious indications or facts which rule out compensation.

6.2 Notes to the statement of cash flows

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

During the reporting period, cash inflows from interest income were recorded at EUR 27,000 (previous



year: EUR 56,000) and cash outflows from interest expense at EUR 0 (previous year: EUR 70,000). Dividends in the amount of EUR 1,325,000 were collected (previous year: EUR 1,289,000).

Due to the loss of control of subsidiaries, as in the prior year no liquid funds were received.

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

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

6.3 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. 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 these elements at hand. The disclosure of operating segments is therefore unnecessary for these reasons.

The company value is mainly determined on the basis of the market value of investments as reflected in the equity according to IFRS. The equity according to IFRS is a key parameter for controlling and monitoring the company. Attention is drawn to the chapter: 6.8 Capital Management.

FinLab operates in German-speaking countries and the 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 Leasing

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

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

Obligations to pay a rental fee amounting to a total of EUR 119,000 have resulted as at the report date from a rental contract concluded in 2011, which has a term until April 2017. A bank guarantee of EUR 111,000 has been arranged as a rent deposit. Payments amounting to EUR 299,000 have been made over the course of this fiscal year.

Further financial obligations of EUR 43,000 with a term of up to three years result from the other existing lease agreements. 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 Saturday, December 31, 2016, LION CAPITAL AG, Kulmbach, held over 25 % of the company's shares. As of December 31, 2016, Lion Capital AG, Kulmbach is classified as an associated company within the meaning of Section 15 German Stock Companies Act (AktG) with regard to other companies. The indirect owner in the meaning of Section 17 (1) German Stock Companies Act (AktG) is Mr. Bernd Förtsch, Kulmbach.

On the basis of holding the voting majority at the shareholders' meeting of July 14, 2016, Mr. Bernd Förtsch was able to exert what amounted to controlling influence over the Company. Furthermore, it is expected that the voting majority presence will also occur at future shareholders' meetings, so FinLab was a business controlled by Mr. Bernd Förtsch within the meaning of Section 17 (1) and (2) German Stock Companies Act (AktG) as of Saturday, December 31, 2016.

FinLab has granted BF Holding GmbH, Kulmbach a loan totaling EUR 1.25 million. The loan was fully repaid during fiscal year 2016. The loan bears interest at 6% p.a. Interest income amounting to EUR 27,000 was received by FinLab AG from this loan in fiscal year 2016 until the loan was fully repaid.

Stapp AG, Hamburg, purchased accounting services from FinLab AG, Frankfurt am Main, in the amount of EUR 36,000 in total (previous year: EUR 0).

AnlageCheck.com GmbH, Kulmbach, rented premises for a total of EUR 10,000 (previous year: EUR 2,000) from FinLab AG, Frankfurt am Main.

Designhouse GmbH, Kulmbach, received a total amount of EUR 1,000 (previous year: EUR 23.00) from FinLab AG, Frankfurt am Main, for marketing services rendered.

Börsenmedien AG, Kulmbach purchased investment management services from FinLab AG, Frankfurt am Main, in the amount of EUR 60,000 in total (previous year: EUR 60,000).

The members of the company's boards of management received only short-term remuneration during this fiscal year. The total amount was EUR 934,000 (previous year: EUR 738,000).

Supervisory Board remuneration amounting to EUR 45,000 (previous year: EUR 75,000) was to paid members of the Supervisory Board during the reporting year. Costs, as the previous year, were reimbursed for a total of less than EUR 1,000.

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

As of the effective date, FinLab held a direct or indirect stake in the following companies with 20 percent 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%
VCH Investment Group AG	Frankfurt am Main	100%
nextmarkets GmbH	Köln	49,9%
Heliad Equity Partners GmbH & Co. KGaA	Frankfurt am Main	46,9%
Kapilendo AG	Berlin	28,3%
Authada GmbH	Darmstadt	20%
Seyes GmbH*	Bayreuth	20%

* Investment of VCH Investment Group AG

6.7 Post-balance-sheet events

Kapilendo AG initiated an investment round in December 2016. By signing this contract, FinLab AG is obligated to convert the loan receivables in the amount of EUR 253,000 into company shares under suspensive condition of entering the capital increase into the commercial register. The respective entry and the conversion of the loan took place in January 2017.

Mr. Bernd Förtsch resigned as a member of the Supervisory Board of FinLab AG on February 28, 2017. Otherwise, there have been no other major events of special significance since the close 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 targeted equity yield rate should be achieved without any long-term borrowing when possible.

The 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: 10).



6.11 Share options program

The Annual Shareholders' Meeting of FinLab AG decided on December 10, 2014 that the Board of Management may issue subscription rights with regard to the company shares, be it once or repeatedly, by November 30, 2019, provided that they have been granted a consent of the Supervisory Board; under the 2014 stock option program, this subscription right authorizes the purchase of up to 453,867 registered no-par-value shares of the company with a 6-year term.

The subscription rights arising from stock options may only be exercised after the statutory four-year qualifying period has expired, as per sect. 193 Para. 2 No. 4 of AktG. It begins at the time at which the respective share option is issued.

The condition for exercising the option is achieving the performance target in addition to expiry of the qualification period. Every entitled party may exercise his/her subscription right if the stock exchange price of the company share has increased by at least 100% on any trading day within the period of the issue date until the period of two years following this day expires.

In case when the option rights are converted into shares, every share to be acquired must be paid at the exercise price. The exercise price for a company share corresponds to 100% of the base value.

The fair value of the stock option was calculated as at the respective issue date with the aid of a

„Look barrier“ option assessment model. Only costs of carry in the amount of 0.1%, the expected volatility of FinLab shares in the form of historical volatility in the amount of 45% and the risk-free interest rate in the amount of 1.00 to 1.25% as at the assessment date were taken into consideration in this process for the issued options in addition to the criteria defined in the option condition (e.g. qualification period, performance target). Dividends and other compensation features were not to be taken into consideration.

The following options have been issued up to now:

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	200,000	EUR 4.82	EUR 6.40	EUR 12.80	EUR 712,945.85	EUR 3.56
1/19/2016	23,000	EUR 4.82	EUR 10.50	EUR 21.00	EUR 147,037.64	EUR 6.39
Total	338,000					

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

No option can be exercised or forfeited on the closing date.



6.12 Auditors

During fiscal year 2016, the auditor of the annual accounts invoiced EUR 50,000 plus VAT (previous year: EUR 25,000) 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

SUPERVISORY BOARD:

Axel-Günter Benkner

independent management consultant, Nidderau, Chairman

Bernd Förtsch (until February 28, 2017)

Board of Börsenmedien Aktiengesellschaft, Kulmbach

Dr. Friedrich Schmitz

Businessman, Munich

6.14 Other Information

The annual financial statements were prepared by the Company on March 14, 2017 and authorized for release.

Frankfurt am Main

The Executive Board



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



Fixed Assets Analysis IFRS 2015

Amounts in thousand EUR	Acquisition costs				Allowances					Book values	
	01/01/2015	Inflow of Period	Outflow of Period	12/31/2015	01/01/2015	Outflow of Period	Depreciation the period	Appreciation in value the period	12/31/2015	12/31/2015	12/31/2014
Intangible asset values	230	17	-6	241	-224	4	-8	-	-228	13	6
Property, plant and equipment	627	3	-68	562	-421	35	-60	-	-446	115	206
Financial assets	34,318	6,606	-291	39,383	1,700	-158	-738	12,210	13,014	52,397	36,018
Fixed assets total	35,175	6,625	-365	40,185	1,055	-119	-806	12,210	12,340	25,525	36,230



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, 2016. 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, 2017

ifb Treuhand GmbH

Wirtschaftsprüfungsgesellschaft

(Steffen Urban)

Financial auditor



ANNUAL FINANCIAL STATEMENTS (HGB) OF FINLAB AG
AS AT DECEMBER 31, 2016



INCOME STATEMENT FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2016

	in Euro	
	2016	2015
1. Sales revenues	1,832,225.22	4.068.030,29
2. Other operating income	481,641.64	2.500.395,54
3. Cost of materials	-217,614.14	0,00
Personnel expenses		
4. a) Wages and salaries	-1,229,306.07	-1.278.217,48
b) Social charges and costs for pension and other benefits	-103,805.90	-100.855,09
of which for pensions	-16,130.76	-15.600,96
5. Amortization of intangible assets and depreciation of fixed assets	-50,842.50	-56.856,04
6. Other operating costs	-753,397.19	-1.033.862,37
7. Income from investments	2,492,433.40	1.606.685,54
of which from affiliated companies	2,492,433.40	1.606.685,54
8. Earnings from other securities and loans of fixed assets	63,416.48	0,00
of which from affiliated companies	58,538.99	0,00
9. Other interests and similar earnings	32,491.36	141.356,92
of which from affiliated companies	3,750.00	66.058,92
10. Amortization of financial assets and securities held as current assets	-577,436.96	-67.563,57
11. Interests and similar expenditure	-1,319.67	-41.794,27
of which to affiliated companies	0.00	0,00
12. Earnings from profit-and-loss transfer agreement	253,600.20	0,00
13. Taxes on income and profit	105,968.18	-531.425,00
14. Result after taxes	2,328,054.05	5.205.864,47
15. Other taxes	-860.00	-524,00
16. Annual surplus	2,327,194.05	5.205.340,47
17. Loss carried forward	-7,983,124.65	-13.188.465,12
18. Balance sheet loss	-5,655,930.60	-7.983.124,65



BALANCE SHEET AS AT DECEMBER 31, 2016 ASSETS

	in EUR	
	12/31/2016	12/31/2015
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	6,273.00	13,154.00
II. Property, plant and equipment		
1. Land, leasehold rights and buildings including buildings on third-party land	6,177.00	14,249.00
2. Other equipment, furniture, fixtures and fittings	57,869.08	88,896.08
	64,046.08	103,145.08
III. Financial assets		
1. Shares in affiliated companies	2,874,221.10	3,093,835.20
2. Lending to associated companies	0.00	3,314,507.86
3. Investments	10,760,498.48	2,996,384.14
4. Loans to companies in which we participate	1,140,192.37	0,00
5. Securities held for investment	19,522,451.59	20,561,052.14
	34,297,363.54	29,965,779.34
	34,367,682.62	30,082,078.42
B. Current assets		
I. Trade receivables and other assets		
1. Trade receivables	356.00	0.00
2. Receivables from affiliated companies	1,792,386.48	1,109,891.64
3. Receivables from companies in which we participate	256,912.21	0,00
4. Other assets	1,246,748.67	1,902,650.03
	3,296,403.36	3,012,541.67
II. Securities		
Other securities	429,545.75	475,234.25
III. Cash, Bank balances	969,963.33	1,292,642.19
	4,695,912.44	4,780,418.11
C. Accruals and prepayments	9,399.51	0.00
	39,072,994.57	34,862,496.53



BALANCE SHEET AS AT DECEMBER 31, 2016

LIABILITIES

		in EUR	
		12/31/2016	12/31/2015
A.	Equity		
I.	Subscribed capital	4,538,670.00	4,538,670.00
II.	Capital reserve	36,470,720.89	36,470,720.89
III.	Retained earnings/loss	-5,655,930.60	-7,983,124.65
		35,353,460.29	33,026,266.24
B.	Provisions		
1.	Tax provisions	425,456.82	531,425.00
2.	Other provisions	581,533.43	964,241.64
		1,006,990.25	1,495,666.64
C.	Liabilities		
1.	Trade payables	22,916.46	43,497.90
2.	Amounts owed to associated companies	76,766.98	14,076.20
3.	Amounts owed to associated companies where an ownership structure exists	2,563,694.18	11,023.07
4.	Other liabilities	49,166.41	271,966.48
		2,712,544.03	340,563.65
		39,072,994.57	34,862,496.53



NOTES TO THE ACCOUNTS FOR FINANCIAL YEAR JANUARY 1 TO DECEMBER 31, 2016

General

The annual financial statements of FinLab AG, Frankfurt am Main, December 31, 2016 have been prepared in accordance with Sections 242 et seq. and Sections 264 et seq. of the German Commercial Code (HGB) and the relevant provisions of the German Stock Companies Act (AktG).

FinLab AG is registered in the commercial register of the Local Court of Frankfurt am Main under HRB 58865. 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).

Accounting and valuation principles

The balance sheet has been prepared in accordance with sect. 268 Para. 1 of HGB taking into consideration the overall utilization of the year-end result.

The assessment of the assets and liabilities was carried out by us in accordance with the rules of commercial assessment taking into consideration the principles of proper bookkeeping and accounting.

Assets and liabilities denominated in foreign currencies are converted on the closing date as per sect. 256a of HGB at the mean spot exchange rate.

Fixed assets

The depreciable fixed assets are stated at acquisition or production cost less depreciation. The acquisition costs contain ancillary acquisition costs. The planned depreciation was based on the normal operational useful life.

Movable tangible assets with a value up to EUR 410.00 were written down in full in the year of acquisition. Movable tangible assets which were acquired prior to year 2013, which are associated with historical acquisition costs which range between EUR 150.00 and EUR 1,000.00, were written down over a period of 5 years. According to the current state of knowledge, equal treatment according to the commercial law and equal tax treatment of the compound items cannot be challenged.

The financial situation is assessed with the aid of acquisition costs or the lower fair value.



Current assets

Receivables and other assets and balances at credit institutions are shown at nominal value. Where necessary, individual impairments are applied. Other securities are shown at acquisition cost or the lower cost to be assigned to them.

Provisions

The provisions cover all uncertain liabilities. They were created by applying a prudent business approach to determining their value.

Liabilities

Liabilities are shown at their payment value.

Notes to the balance sheet

Fixed assets

The breakdown and changes of the fixed assets shown in the balance sheet can be found in the Asset Report attached as an Annex.

Trade receivables and other assets

This balance sheet item is made up as follows:

	in thousand EUR	
	12/31/2016	12/31/2015
Receivables from affiliated companies	1,792	1,110
Receivables from companies in which we participate	257	0
Other assets		
Receivables from the tax office	1,081	517
Other	166	1,386
	3,296	3,013

Receivables and other assets are due within one year.



Equity capital

The subscribed capital totals EUR 4,538,670.00 and is divided into 4,538,670 registered ordinary shares. The shares are individual shares with a nominal value of EUR 1.00 each.

The Annual Shareholders' Meeting held on December 10, 2014 resolved to increase the subscribed 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 or tangible assets on one or more occasions (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 Company has not yet exercised the option of using the authorized capital.

The subscribed capital of the Company was contingently increased by EUR 1,815,000.00 by the Annual shareholders' meeting of December 10, 2014 (Contingent Capital 2014/I). The subscribed capital of the Company was contingently increased by EUR 453,867.00 by the Annual shareholders' 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 warrant 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 managers. In fiscal year 2016, the employees of FinLab AG granted 15,000 stock option rights and the employees and managers of a subsidiary granted 8,000 stock option rights which authorizes each option right holder to purchase one company share as soon as a four-year qualifying period expires.

Provisions

Other provisions contain mostly the provisions for management bonuses, outstanding invoices, unused holidays as well as ancillary costs of rental.

Liabilities

The trade payables, the liabilities towards affiliated companies as well as liabilities towards companies in which we participate have a remaining term of up to one year.

Other liabilities have a remaining term of up to one year and contain mostly tax liabilities amounting to EUR 29,000 (previous year: EUR 193,000). No collateral was granted.



Notes to the Income Statement

Due to the fact that the definition of sales proceeds laid out in sect. 277 Para. 1 of HGB in the version of the German Accounting Directive Implementation Act has been changed, proceeds arising from subletting contracts concluded in the last fiscal year have been recognized in deviation from the previous year in sales proceeds (previous year: Other operational income). The rental expenditure associated therewith has been recognized in the last fiscal year in deviation from the previous year in the costs of materials (previous year: other operational expenses). The previous year's figures are in this respect not comparable with this year's figures. Based on the aforementioned new regulation, the sales proceeds would amount to EUR 4,320,000 in the previous year. The respective operational expenses in the previous year would amount to EUR 249,000.

Extraordinary depreciation contained in the depreciation on financial assets and on securities of liquid assets amount to EUR 577,000 (previous year: EUR 68,000) thereof on financial assets EUR 505,000 and on securities of liquid assets EUR 72,000.

Other information

AVERAGE NUMBER OF EMPLOYEES

During fiscal year 2016, 12 (previous year: 10) employees were employed on average.

CONTINGENT LIABILITIES

At the balance sheet date, no contingent liabilities existed.

OTHER FINANCIAL COMMITMENTS

Obligations to pay a rental fee amounting to a total of EUR 119,000 have resulted as at the report date from a rental contract concluded in 2011, which has a term until April 2017. A bank guarantee of EUR 111,000 has been arranged as a rent deposit. Furthermore, there are other financial obligations in the amount of EUR 43,000.

LIST OF EQUITY HOLDINGS

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

FinLab AG holds directly 20% or more of the following companies as defined in Section 285 No. 11 of the German Commercial Code (HGB):



Investment	Headquarters	Percentage holding	in thousand	in thousand
			EUR	EUR
			Equity 12/31/2016	Annual earnings 2016
Heliad Management GmbH	Frankfurt am Main	100 %	1,346	864
Patriarch Multi-Manager GmbH ¹⁾	Frankfurt am Main	100 %	367	0
VCH Investment Group AG	Frankfurt am Main	100 %	1,428	199
Kapilendo AG ²⁾	Berlin	28,27 %	19	-336
nextmarkets GmbH ²⁾	Cologne	49,96 %	-2,050	-1,732
Heliad Equity Partners GmbH & Co. KGaA	Frankfurt am Main	46,92 %	52,651	-2,871
Authada GmbH ²⁾	Darmstadt	20 %	21	-4

FinLab AG holds indirectly 20% or more of the following companies as defined in Section 285 item 11 of the German Commercial Code (HGB):

Investment	Headquarters	Percentage holding	in thousand	in thousand
			EUR	EUR
			Equity 12/31/2015	Annual earnings 2015
Seyes GmbH ¹⁾	Bayreuth	20 %	-4	-90

¹⁾ Profit-and-loss transfer agreement has been concluded with FinLab AG since 01/01/2016, therefore, the year-end result amounts to EUR 0.00.

²⁾ Figures relate to 2015

³⁾ Equity interest of VCH Investment Group AG



INFORMATION ABOUT THE EXISTENCE OF EQUITY INTEREST IN THE COMPANY

In accordance with sect. 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 (sect. 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 sect. 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 the shares of our Company indirectly (sect. 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 sect.16, Para. 4, AktG.

Mr Christian Angermayer, London, United Kingdom, has notified us pursuant to sect. 20, Para. 1 AktG that he holds directly more than one quarter of the shares in our company, as the equity interest of Apeiron Investment Group Ltd., St. Julians, Malta, which he controls, is attributable to our company in accordance with sect. 16, Para. 4 AktG.

APPLICATION OF PROFITS

The loss brought forward, that includes earnings of EUR 2,327,194.05, will be carried forward.

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

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)
- Dr. Friedrich Schmitz, Businessman, Munich



POST-BALANCE-SHEET EVENTS

Kapilendo AG initiated an investment round in December 2016., By signing this contract, FinLab AG is obligated to convert the loan receivables in the amount of 253,000 into company shares under suspensive condition of entering the capital increase into the commercial register. The respective entry and the conversion of the loan took place in January 2017.

Mr. Bernd Förtsch resigned as a member of the Supervisory Board of FinLab AG on February 28, 2017. Otherwise, there have been no major 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, 2016, 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 14, 2017

The Executive Board

Stefan Schütze

Juan Rodriguez

Kai Panitzki



STATEMENT OF CHANGES IN FIXED ASSETS FROM JANUARY 1 TO DECEMBER 31, 2016

	in EUR										
	Acquisition costs					Accumulated depreciation				Balance value	
	01/01/2016	Acquisitions	Transfers	Disposals	12/31/2016	01/01/2016	Acquisitions	Disposals	12/31/2016	01/01/2016	12/31/2016
Intangible assets	146,774.63	0.00	0.00	-8,628.64	138,145.99	133,620.63	6,101.50	-7,849.14	131,872.99	13,154.00	6,273.00
Property, plant and equip- ment											
1, Installations in rented buildings	148,325.55	0.00	0.00	0.00	148,325.55	134,076.55	8,072.00	0.00	142,148.55	14,249.00	6,177.00
2, Plant and office equipment	353,207.64	5,642.00	0.00	-8,633.45	350,216.19	264,311.56	36,669.00	-8,633.45	292,347.11	88,896.08	57,869.08
	501,533.19	5,642.00	0.00	-8,633.45	498,541.74	398,388.11	44,741.00	-8,633.45	434,495.66	103,145.08	64,046.08
Financial assets											
1, Shares in affiliated companies	3,093,835.20	1,003,101.33	-1,222,715.43	0.00	2,874,221.10	0.00	0.00	0.00	0.00	3,093,835.20	2,874,221.10
2, Loans to affiliated companies	3,314,507.86	562,153.30	-1,140,192.37	-2,736,715.43	0.00	0.00	0.00	0.00	0.00	3,314,507.86	0.00
3, Investments	2,996,384.14	6,541,398.91	1,222,715.43	0.00	10,760,498.48	0.00	0.00	0.00	0.00	2,996,384.14	10,760,498.48
4, Loans to companies in which we participate	0.00	0.00	1,140,192.37	0.00	1,140,192.37	0.00	0.00	0.00	0.00	0.00	1,140,192.37
5, Securities held as investments	23,745,379.13	0.00	0.00	-533,240.09	23,212,139.04	3,184,326.99	3,184,326.46	505,360.46	3,689,687.45	20,561,052.14	19,522,451.59
	33,150,106.33	8,106,662.54	0.00	-3,269,717.88	37,987,050.99	3,184,326.99	3,184,326.46	505,360.46	3,689,687.45	29,965,779.34	34,297,363.54
Total Fixed Assets	33,798,414.15	8,112,304.54	0.00	-3,286,979.97	38,623,738.72	3,716,335.73	3,716,335.73	556,202.96	4,256,056.10	30,082,078.42	34,367,682.62



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